Customer Perceived Value in Ethnic Japanese Restaurants: Which Factors are Considered?

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Abstract

Ethnic restaurants are currently a fascinating topic, as they promote specific ethnic cultures and allow customers to try something new and different. Ethnic restaurants often offer flavors that are truly representative of a specific culture. This research investigates the factors influencing customer perceived value in Japanese ethnic restaurants. Data were collected through an online survey completed by customers who had visited a Japanese ethnic restaurant in Indonesia. The Structural Equation Model (SEM) was applied to test the hypotheses. The findings of this study demonstrate that food quality, employee service quality, and price fairness positively affect customers' perceived value. In contrast, the dining atmospheric quality and restaurant authenticity do not affect customers' perceived value. Studies on customer perceived value in ethnic Japanese restaurants are still scarce in the literature., especially in Indonesia and Malaysia. Thus, this study aims to fill that gap, providing valuable insights for future research and restaurant management.

Keywords:

customer perceived value; ethnic restaurant; food quality; service quality; restaurant authenticity

INTRODUCTION

The increasingly competitive restaurant industry challenges players to meet consumer needs, wants, and demands (Souki et al., 2020). This condition is attributed to consumers being more knowledgeable, aware, demanding, and sophisticated while looking for restaurants that offer wholesome, natural, and fresh food (Tariq et al., 2019). Additionally, consumers seek a simple, cozy, fun, and safe food purchasing and consumption experience (Wang & Alexander, 2018). As a result, individuals visit restaurants for various reasons beyond mere sustenance, including seeking entertainment, alleviating boredom, exploring new experiences, finding comfort and convenience, saving time, connecting with others, or being in the company of family and friends (Avcikurt et al., 2016).

The overseas market presents a unique challenge due to cultural differences. Consumers from any local market greatly appreciate foreign corporations creating products that bridge cultures. Cross-cultural products can yield favorable outcomes for a company's success in foreign markets (Ariyanthi, 2022). In Indonesia and Malaysia, the restaurant industry demonstrates promising prospects. Most restaurant businesses' primary activities involve selling food and beverages. Companies must focus on customer expectations to ensure satisfaction to compete effectively, potentially incorporating services that define the restaurant experience (Severt et al., 2022). Entrepreneurs in the region offer various types of cuisine, including Japanese, which possess their characteristics or values to fulfill customer desires.

According to data from the Indonesian Statistics Centre (BPS), the percentage of Japanese cuisine restaurants has decreased yearly. In 2013, it reached 7.14%; the following year, it fell to 6.78%; in 2015 it was only 5.64%. Meanwhile, for other dishes (Thai, Middle East, and others), in 2013, the percentage was 5.77%. In 2014, it decreased to 5.06% and slightly increased to 5.34% the following year. This condition indicates that Japanese ethnic cuisine is reasonably popular and familiar among Indonesian people. Seeking authentic cultural experiences is one of the primary motivations for customers visiting ethnic restaurants (Liu & Mattila, 2015). A study explains that Japanese cuisine has become integral to Asian and global food (Jin et al., 2023). Japanese food has become one of the public's outdoor culinary destinations in Indonesia. Although the BPS data shows a declining trend in the percentage of Japanese restaurants in Indonesia, it remains relatively high compared to other cuisines (Thai, Middle East, and others).

The decline in the percentage of Japanese ethnic restaurants in Indonesia and Malaysia is most likely due to challenges competing within a highly competitive market. In recent decades, companies have been operating in a new and complex competitive environment where customers increasingly demand value creation (Sánchez-Fernández et al., 2009). This condition has led to a growing interest in creating and delivering customer value, with businesses focusing on customer-perceived value rather than solely generating profits (Liu et al., 2018). Therefore, it is pivotal for companies to compete by providing value to customers (Thielemann et al., 2018). In addressing these issues, this study proposes a model to ascertain significant factors influencing customer perceived value.

As customers have different preferences, various consumer segments value the same services differently. Therefore, the main objective of the present study is to investigate and re-examine the factors that influence customer perceived value, especially in Japanese ethnic restaurants. In this study, we have identified several variables, including food quality, employee service quality, dining atmospheric quality, price fairness, and restaurant authenticity, which are known to significantly impact customer perceived value based on previous journal reviews. By examining these factors and researching their connections in the suggested model, we aim to enhance the understanding of the Indonesian food service. Therefore, this study bridges the gap regarding the factors considered in customers' perceived value, especially in Japanese ethnic restaurants.

While studies of customer perceived value have been rapidly developing, limited attention has been given to the perspective of Japanese ethnic restaurant consumers on perceived value. Therefore, this present study will contribute to a better understanding the literature on customer perceived value in Japanese ethnic restaurants, providing valuable insights for future research. Furthermore, the findings of this study will offer the restaurant industry, especially Japanese ethnic restaurants, a deeper understanding of the factors influencing customer perceived value. This knowledge will assist the industry in taking targeted actions to leverage the growing market and compete effectively.

Slack et al (2021) conducted a similar study with the independent variables of food quality, physical environment quality, and employee service quality, also known as fast-food restaurant service quality, influencing customer-perceived value. Konuk (2019) demonstrates that price fairness also predicts customer-perceived value. This study develops a new model with modifications from previous research, proposing five independent variables: food quality, employee service quality, dining ambiance quality, price fairness, and restaurant authenticity as factors evaluated in customers' perceived value. The methodology structures the presentation of this paper, and the data used in this study will be discussed in Section 2. The results and discussion of this research will be published in Section 3, and finally, Section 4 provides closing remarks.

METHODS

This study employed a quantitative approach, utilizing primary data through a survey distributed online questionnaires. A seven-point Likert-type scale was used to evaluate each construct in this study. Non-probability sampling, specifically purposive sampling, was utilized for sample selection. 17 Japanese restaurants have been certified as halal (chanelmuslim.com). However, only 7 Japanese restaurants have valid certification, including Marugame Udon. The participants in this study were individuals who had made at least one physical purchase. They participated in this study by filling out online questionnaires through Google Forms. The questionnaires were distributed via social media platforms such as WhatsApp and Instagram's story and direct message features during October 2022. A total of 519 samples were collected, whereby surveys with incorrect or partial responses were excluded from the analysis. Therefore, after the screening and

trimming process, the remaining data used in this study consisted of 400 samples, which satisfied the guidelines for determining sample sizes of more than 30 and less than 500 are appropriate for most studies (Sekaran & Bougie, 2016).

The Structural Equation Model (SEM) was employed to test the hypotheses through the AMOS 26 application program. Figure 1 shows the framework of this research. The convergent validity test was carried out using Confirmatory Factor Analysis (CFA), and the Reliability test employed the value of Construct Reliability (CR). All constructs used in this research were adjusted to meet the research environment and drawn from the most pertinent literature. The explanation of the variables from this research can be seen at Table 1.

Table 1. Constructs and item description

Variable/Source	Indicators	Operational Description
Customer perceived value (Liu et al., 2018)	- The service is good and according to my expectations (CPV1) - The food at delicious and meets my expectations (CPV2) - Overall, the dining experience was good according to my expectations (CPV3) - The restaurant offers good value according to my expectations (CPV4)	a consumer's overall evaluation of a product's usefulness based on their evaluations of what is given and received.
Food quality (Slack et al., 2021)	- The food taste is delicious (FQ1) - The food is hygienic (FQ2) - The food is fresh (FQ3) - The food is visually attractive (FQ4) - The food smell enticing (FQ5)	a mixture of factors that are used by customers to assess food quality
Employee service quality (Chen & Hu, 2010; Slack et al., 2021)	- Friendly employee - hospitality (ESQ1) - Speed of service (ESQ2) - Accuracy in fulfilling orders (ESQ3) - Employees willing to help (ESQ4)	the level to which restaurant employees show interpersonal courtesy to customers
Dining atmospheric quality (Slack et al., 2021)	- Have attractive interior design and décor - the ambiance (DAQ1) - Furnishing/facility in the restaurant is appropriate (DAQ2) - The restaurant has comfortable seating space (DAQ3) - The dining areas are thoroughly clean (DAQ4)	a space designed to create certain specific emotional effects in the minds of customers to increase their purchase probability
Price fairness (Konuk, 2019; Severt et al., 2022)	- The food is reasonably priced (PF1) - The price is acceptable (PF2) - The price seemed appropriate for what I received (PF3)	consumers' subjective feelings about prices as being right, fair, or legitimate versus wrong, unfair, or illegitimate
Restaurant authenticity (Liu et al., 2018)	- The taste of the food is authentically Japanese (RA1) - Name of the dishes as authentically Japanese (RA2) - The ambiance of the restaurant is authentically Japanese (RA3) - The appearance of the employees as authentically Japanese (RA4)	the quality of being genuine, real, or true, and reflecting the culture of the ethnicity it refers to

Figure 1. Research Framework
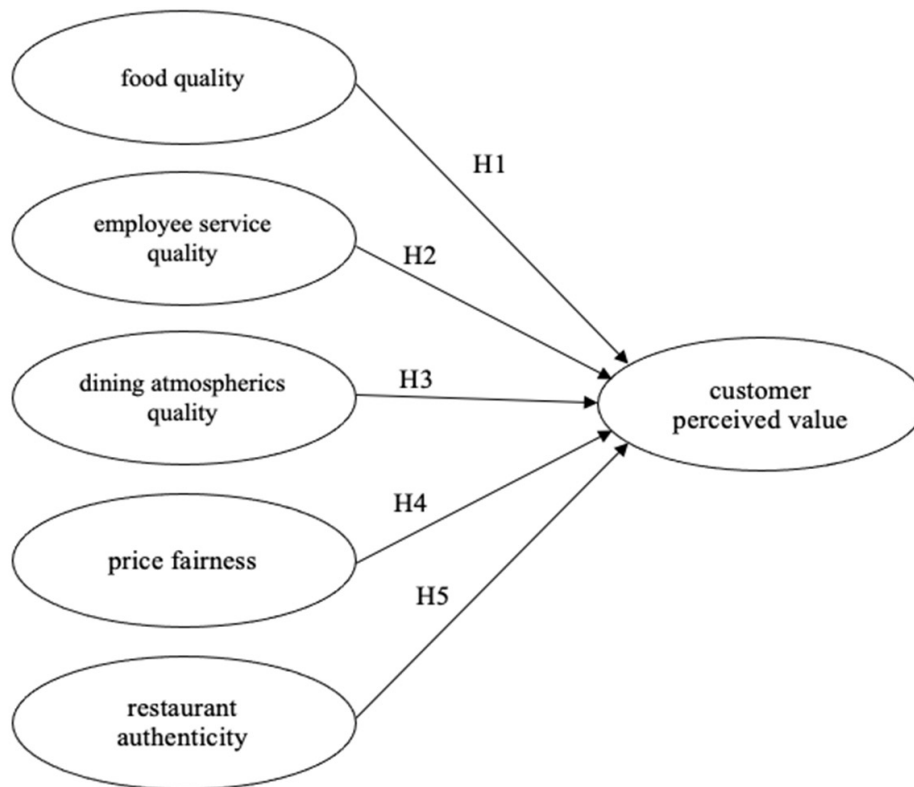
RESULT AND DISCUSSION

The descriptive data in Table 2 reveals that 77 male respondents (19.25%) and 323 female respondents (80.75%) participated in the study. Most respondents fell into the 20-24 age group, with 191 respondents (47.75%). In terms of educational background, a total of 223 respondents (55.75%) had a bachelor's degree. Most respondents identified as college students, with 206 respondents (51.5%). As for the monthly expenditure, most respondents spent ≤ Rp2.500.000, amounting to 256 respondents (64%). Regarding purchase frequency, most respondents made purchases 1 – 3 times, with 244 respondents (61%). Lastly, the majority of respondents frequently visited branches in West Java, with 94 respondents (23.5%).

The convergent validity test was carried out using Confirmatory Factor Analysis (CFA) with AMOS 26 and would be declared valid if the test results showed a significant ≥ 0.5 (Sekaran & Bougie, 2016). The results of the validity test are presented in Table 3. It could be observed that all statement items exhibit a factor loading value of more than 0.5, indicating that all indicators are valid.

Table 2. Profile of Respondents

	Category	Frequency	Percentage (%)
Gender	Male	77	19.25%
	Female	323	80.75%
Age	15 – 19	126	31.5%
	20 – 24	191	47.75%
	25 – 29	54	13.5%
	30 – 34	18	4.5%
	≥ 35	11	2.75%
Education	Elementary & Junior high school	6	1.5%
	High school/equivalent	119	29.75%
	D3/D4	45	11.25%
	Bachelor	223	55.75%
	Master/Magister	6	1.5%
	Doctor	1	0.25%
Occupation	Students	51	12.75%
	College Student	206	51.5%
	Teacher/Lecturer	7	1.75%
	Employee	76	19%
	Entrepreneur	25	6.25%
	Others	35	8.75%
Monthly Expenditure	≤ Rp2.500.000	256	64%
	> Rp2.500.000 – Rp5.000.000	102	25.5%
	> Rp5.000.000 – Rp7.500.000	26	6.5%
	> Rp7.500.000 – Rp10.000.000	7	1.75%
	> Rp10.000.000	9	2.25%
Purchase Frequency	1 – 3 times	244	61%
	4 – 6 times	64	16%
	> 6 times	92	23%
Frequently Visited Branches	Jakarta	69	17.25%
	West Java	94	23.5%
	East Java	36	9%
	Central Java	12	3%
	Banten	21	5.25%
	Yogyakarta	32	8%
	North Sumatra	39	9.75%
	Riau	31	7.75%
	South Sulawesi	25	6.25%
	Others	41	10.25%

The reliability test was conducted using the Construct Reliability value. According to Hair et al. (2011), if the Construction Reliability coefficient is more than > 0.70, then the result is considered reliable. This study tested the suitability of the structural equation model with three groups of fit measures, namely Absolut Fit Measures, Incremental Fit Measures, and Parsimonial Fit Measures. The absolute suitability criteria tested included

Chi-Square, Normed Chi-Square (CMIN/DF), Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), Root Mean Square Error of Approximation (RMSEA). Meanwhile, the incremental fit criteria tested in this study include the Tucker-Lewis Index (TLI) and the Comparative Fit Index (CFI). In contrast, the parsimony criterion tested in this research is Parsimonious Goodness of Fit (PGFI). Table 5 presents the results of testing the structural equation model, which shows the RMSEA 0.072, TLI 0.902, and CFI 0.916 meet the required cut-off value, as did the PGFI results. The AGFI value is 0.828, and the GFI is 0.864, which is included in the marginal fit category. Because there are three good criteria, this research has good results. Furthermore, the model modification was not carried out and continued with further analysis.

The research hypotheses were tested using the Structural Equation Model (SEM). The output of a regression weight test could be used to determine the results of hypothesis testing (Table 6). Regression weight is a test to determine the link between exogenous and endogenous variables. If the probability (p) value was less than 0.05 and the C.R. value was more significant than 2.000, the hypothesis in this study was accepted (Ghozali, 2017).

Table 3. The Result of the Validity Test

Variables	Indicators	Factor Loading	Model
Customer perceived value	CPV1	0,732	Valid
	CPV2	0,686	Valid
	CPV3	0,816	Valid
	CPV4	0,848	Valid
Food quality	FQ1	0,592	Valid
	FQ2	0,775	Valid
	FQ3	0,816	Valid
	FQ4	0,587	Valid
	FQ5	0,552	Valid
Employee service quality	ESQ1	0,784	Valid
	ESQ2	0,675	Valid
	ESQ3	0,726	Valid
	ESQ4	0,766	Valid
Dining atmospheric quality	DAQ1	0,777	Valid
	DAQ2	0,821	Valid
	DAQ3	0,738	Valid
	DAQ4	0,719	Valid
Price fairness	PF1	0,860	Valid
	PF2	0,935	Valid
	PF3	0,777	Valid
Restaurant authenticity	RA1	0,828	Valid
	RA2	0,859	Valid
	RA2	0,760	Valid
	RA3	0,718	Valid

The three hypotheses are statistically shown to be considerably affirmative, as indicated in Table 6. It can be observed that customer-perceived value is positively impacted by food quality, employee service quality, and price fairness. These findings support H1, H2, and H4. Meanwhile, the results for H3 and H5, which refer to restaurant authenticity and dining atmosphere quality, are insignificant. This result means that the quality of the restaurant's atmosphere and authenticity do not affect the customer's perceived value. In other words, the findings of this study show that H3 and H5 do not support the hypotheses.

Table 4. The Result of the Reliability Test

Variables	CR	Model
Food Quality	0,984816	Reliable
Employee Service Quality	0,933532	Reliable
Dining Atmospheric Quality	0,959975	Reliable
Price Fairness	0,87765	Reliable
Restaurant Authenticity	0,902072	Reliable
Customer Perceived Value	0,939812	Reliable

We can explain the empirical findings on the relationship between variables based on the results. Firstly, food quality has a positive effect on customers' perceived value. Food quality encompasses a mixture of factors (such as physical aspects, microbial composition and characteristics, nutritional value, processing and storage, and safety) that customers use to evaluate food quality, differentiate food products, and determine the level of acceptance. Besides, food quality only needs to be changed slightly to increase or decrease customer perceived value (Ryu et al., 2008). The quality of food provided by a restaurant is paramount in a customer's decision to choose one restaurant over another (Astuti & Hartono, 2023; Serhan & Serhan, 2019).

Table 5. Model Goodness-of-Fit

Criteria	Cutoff Value	Result	Evaluation
X^2Chi-Square	Expected to be small	724,706	Not Fit
Probability	≥ 0,05	0,000	Not Fit
RMSEA	≤ 0,08	0,072	Fit
AGFI	≥ 0,90	0,828	Marginal Fit
GFI	≥ 0,90	0,864	Marginal Fit
CMIN/DF	≤ 2,00	3,058	Not Fit
TLI	≥ 0,90	0,902	Fit
CFI	≥ 0,90	0,916	Fit
PGFI	> 0,5	0,683	Fit

This result suggests that customers prioritize the flavor of the food and are attentive to its preparation and ingredient awareness, particularly in Japanese restaurants. Besides, restaurants that exhibit good food quality, characterized by delicious taste, cleanliness, hygiene,

freshness, visually appealing presentation, and enticing aroma, significantly enhance customers' perceived value. The findings of this study align with those of Slack et al. (2021), which found that food quality is a strong predictor of consumer perceived value and significantly influences that value in a favorable way. This research is also consistent with the studies of Ryu et al. (2008) and Truong et al. (2017), which highlight the importance of food quality in shaping customer's perception of value, as well as Shah et al. (2021) which emphasize that better food quality plays a significant role in increasing customers' perceived value. These findings provide valuable insights for restaurant managers, enabling them to comprehend how perceptions of food quality contribute to customer-perceived value.

Secondly, employee service quality is found to have a positive effect on customers' perceived value. The findings of this study are relevant to previous research from Slack et al. (2021) and Truong et al. (2017), who state that employee service quality is a major determinant of customer perceived value, and it has a significant positive impact on that value. Service quality is the comparison of customers' expectations of the service offered and their perception of the service received (Yarimoglu, 2014). Employee service quality (in the restaurant industry) is defined as the level of interpersonal service restaurant employees provide when interacting with customers (Ha & Jang, 2010). Customers assess the interpersonal service interaction with restaurant employees and form their perceptions of a restaurant's employee service quality. Restaurants with good employee service quality, as indicated by friendly employees (hospitality), speed of service, accuracy in fulfilling orders, and employees willing to help will significantly increase customers' perceived value. This result means that customers are concerned about employee service quality as they visit a restaurant to enjoy the food with pleasant company while experiencing excellent service (Slack et al., 2021). As customers in Japanese restaurants tend to notice employee behavior and are sensitive about how well the employee treats them, service quality provided by restaurant employees is considered essential to increasing customer perceived value.

Table 6. The result of the Regression Weight Test

	Relationship			Estimate	S.E.	C.R.	P	Description
H1	Customer perceived value	←	Food quality	0,563	0,153	3,677	***	Significant
H2	Customer perceived value	←	Employee service quality	0,545	0,115	4,761	***	Significant
H3	Customer perceived value	←	Dining atmospheric quality	-0,105	0,098	-1,066	0,286	Not Significant
H4	Customer perceived value	←	Price fairness	0,075	0,032	2,348	0,019	Significant
H5	Customer perceived value	←	Restaurant authenticity	-0,098	0,076	-1,285	0,199	Not Significant

Moreover, managers should consider strengthening both their employees' technical and social skills, given that they contribute considerably to the value of the firms (Truong et al., 2017). Social skills are the ability of an employee to interact with consumers in a good, friendly, and respectful way. On the other hand, technical skills refer to an employee's capacity to provide clients with rapid, responsive, and dynamic service that fulfilled their service order accurately and as they had expected. Controlling and enhancing this component of employee quality should concern restaurant management. Therefore, businesses must invest in employee training and development to ensure their employees provide high-quality service. Doing so can enhance the customer's perception of the value received from the business.

Thirdly, dining atmospheric quality did not have a positive significant influence on customer's perceived value. Elmashhara and Soares (2020) emphasize in particular that the atmosphere of the place is, in some cases, more influential than the product itself. By establishing a customer dining experience in a pleasant and comfortable atmosphere, customer-perceived value and competitive advantage can be developed. A previous study by Jalilvand et al. (2017) found that the dining atmospheric quality is also a significant predictor of and positively influences customer perceived value. However, in this study, the result of the analysis showed that dining atmospheric quality did not have a significant influence on customers' perceived value. This result means that customers are not concerned about the dining atmosphere quality in Japanese restaurants. This condition indicates that customers in Japanese restaurants might be concerned about another aspect of the restaurant rather than the dining atmosphere quality itself because many customers can be drawn to Japanese restaurants more for their excellent taste food and affordability than for the ambiance. Japanese restaurants with good dining atmospheric quality, characterized by attractive interior design and décor (the ambiance), furnishing/facilities in the restaurant are appropriate, the restaurant has comfortable seating space, and the thoroughly clean dining areas will not necessarily increase their customer-perceived value. The findings of this study are supported by the study from Ryu et al. (2012), which stated that an aesthetically pleasing environment was not shown to be a significant factor of consumer perceived value. These results are at odds with the majority of earlier studies, including Jalilvand et al. (2017), Liu and Tse (2018), Slack et al. (2021), and Weinstein (2020), who state that dining atmospheric quality has a positive significant influence on customer perceived value.

Fourthly, price fairness has a positive effect on customers' perceived value. Price fairness is conceptualized as the consumer's judgment and emotion regarding whether the difference (or lack thereof) between the seller's price and the other party's comparative price is reasonable, acceptable, or justified. Consumers generally compare a product's utility and price to infer a perceived value. From the same perspective, Itani, Kassar, and Loureiro (2019) argue that when a product's price is not acceptable, this results in lower consumers' perceived value. In contrast, customers' reasonable, acceptable, and fair menu price perceptions may enhance their value perceptions (Konuk, 2019). Relevant to the results of the present study, past empirical research

findings also imply that price fairness affects customer perceived value (Ferreira et al., 2010). This result means customers are most concerned about price fairness in Japanese restaurants**.** This condition demonstrates that customers tend to notice what they paid for and are concerned about whether the price is appropriate for what they receive. Restaurants with good price fairness are characterized by reasonably priced food price, which is acceptable, and the price appropriate for what the customer receives will increase their perceived value.

Furthermore, the findings of this study also support research by Konuk (2019), who claims that price fairness significantly influences customer perceptions of value. This result implies that customers perceive value as higher when they believe the price is reasonable, fair, and acceptable. The significance of price fairness in raising customer perceived value suggests that business profit projections should not merely decide pricing levels. Setting menu prices should also consider how customers perceive the price of the dish. The prices on the food menus should be compared to those offered by other restaurants to determine the menu pricing in this situation. As a result, similar pricing levels may improve consumer price fairness perceptions of the price menus at the restaurant, and then the customer perceived value of the Japanese ethnic restaurant will ultimately increase.

Fifthly, restaurant authenticity is found not to have a positive significant influence on customers' perceived value. Authenticity is often seen as a restaurant offering to gain more excellent value (Kovács et al., 2014). One of the main reasons people eat at ethnic restaurants is to seek out unusual and authentic cultural experiences (Liu & Mattila, 2015). According to Wang and Mattila (2015), a restaurant is considered authentic if the food and the eating experience represent the ethnicity. Something recognized as authentic tends to be more valuable than something categorized as not authentic. In addition, previous empirical studies have supported a positive relationship between the authenticity of ethnic restaurants and customers' perceived value (Jang et al., 2012). As a result, restaurants often use the concept of authenticity as a unique selling point (Lu et al., 2015), and whether the food and dining environment reflect the culture of ethnic origin has become an essential attribute for evaluating ethnic restaurants (Liu & Jang, 2009).

However, in this study, restaurant authenticity does not significantly impact customer perceived value. This result means that customers are not concerned about the authenticity of Japanese restaurants. Customers might be concerned about another aspect of the restaurant rather than the authenticity aspect. Many customers might need to be more familiar with Japanese restaurants' original/authentic aspects so they cannot judge authenticity aspects. Individuals' cultural knowledge, social context, experience, and other's opinions may all influence authenticity judgments, and thus, authenticity perceptions of the same restaurant may differ among customers (Liu & Mattila, 2015; Youn & Kim, 2017).

Moreover, restaurants with good authenticity aspects, which are marked by the taste of the food as authentically Japanese, the name of the dishes as authentically Japanese,

the ambiance of the restaurant as authentically Japanese, and the appearances of the employees as authentically Japanese, will not necessarily have significant roles in increasing customers' perceived value. The findings of this study do not support the research of Jang et al. (2012) and Liu et al. (2018), who revealed a positive connection between the authenticity of ethnic restaurants and the perceived value of customers. However, Wang and Mattila (2015) hypothesized that for customers outside of the ethnic group, authenticity will only be valued when people are generally familiar with ethnic eating or are willing to engage with a foreign culture.

Some people are unconcerned about ethnic restaurant authenticity because they are unfamiliar with ethnicity and cultural differences, regardless of whether they eat the food regularly, or because they have no interest in exploring ethnicity and cultural differences and only see ethnic restaurants as another dining option (Liu et al., 2018). As a result, ethnic restaurant managers and owners should more effectively structure their businesses and attempt to segment their target customers according to cultural motivation and familiarity. Restaurants may emphasize authenticity for consumers with high levels of cultural attraction and familiarity through theming, atmospherics, and storytelling employing ethnic culture and restaurant history. Restaurants should focus on utilitarian characteristics such as food quality, employee service quality, price fairness, and location convenience for clients with limited cultural interest and lack of cultural familiarity. It will help a Japanese ethnic restaurant attract both types of customers if they implement both of those.

CONCLUSION

This study aims to identify the factors most influential in driving customer perceived value. In the restaurant industry, owners or managers must consider many factors to enhance customer perceived value, which can significantly benefit their business. This study, hence, contributes to understanding the factors that influence customer perceived value, particularly in ethnic Japanese restaurants. One significant finding is that the food quality of a restaurant has a positive effect on customer perceived value. This research proves that perceived food quality is essential in shaping customer perceived value. In other words, customers place great importance on food quality when choosing an ethnic restaurant. The results also show that employee service quality positively affects customer perceived value. The findings of this study also indicate that employee service quality positively influences customer perceived value. Hence, this study highlights the importance of restaurant businesses prioritizing employee training and development to ensure high-quality service. In addition, this study also discovered that price fairness can positively influence customers' perceived value. Therefore, in setting the price of the menu served at an ethnic restaurant, it is essential to consider how the customers perceive the pricing. Comparing prices with those offered by other restaurants can contribute to customers perceiving the prices as fair. Subsequently, it will enhance the perceived value of an ethnic Japanese restaurant.

In contrast to previous studies, this study discovers that the quality of the dining atmosphere and the restaurant's authenticity do not significantly affect the customer's perceived value. In other words, these findings suggest that the two variables are not considered critical factors in customer perceived value. Therefore, the ethnic restaurant industry should pay more attention to the aspects of food quality, employee service quality, and price fairness to significantly increase the perceived value of their customers and compete in the competitive restaurant industry market. Theoretical and practical implications suggest that, when considering customer perceived value, attention should be given to food quality, employee service quality, and price fairness. Thus, future studies may explore other factors, such as restaurant service characteristics, extended service times, and special pricing for specific periods/seasons in customer perceived value. As value is pivotal for a product, it would be beneficial to test the model offered in this study on other ethnic restaurants so that the results can be further generalized.

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