

AN INNOVATIVE INFORMATION AND RELATIONSHIP BETWEEN SERVICE QUALITY, CUSTOMER VALUE, CUSTOMER SATISFACTION, AND PURCHASE INTENTION

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ABSTRACT. *In response to extreme competition, traditional drugstores are being converted into a new kind of chain store, providing variety and convenience, offering multiple service, designed to maintain and nurture customer relationships. This means that such stores have had no choice but to change their business structure to deal with new challenges. The chain drugstore business has become popular in recent years since the founding of Watsons Taiwan, a pioneer and leader in the market, was founded in 1987. The purpose of the study is to explore the relationship between service quality, customer value, customer satisfaction and purchase intention in relation to chain drugstores. A survey of chain drugstores' customers in Taiwan was carried out and a total of 400 valid questionnaires were received. The results reveal a significant relationship between service quality, customer value, customer satisfaction and behavior intention, but an insignificant relationship between service quality and behavior intention. Meanwhile, overall service quality is not correlated with behavior intention, although reliability and personal interaction are significantly related to behavior intention. Hence, service quality can be said to influence behavior intention through the mediating variables of customer value and customer satisfaction.*

Keywords: Service quality, Customer value, Customer satisfaction, Purchase intention

1. Introduction. Consumer self-determination has been greatly enhanced due to increased income, higher education and abundant information. Customers have more options than before and the drugstores' market is the buyer's market. A. S. Watsons Group opened its first Watsons store in Taiwan in 1987. Since then, a succession of chain stores of many different types have been founded where the role is no longer limited to the function of traditional drugstores, selling medicines. Meanwhile, a succession of "chain stores", which focus on professionalism and convenience, have opened to replace traditional drugstores as 7-Eleven has replaced traditional mom and pop grocery stores [1]. Facing various challenges, domestic pharmacies have no choice but to adopt foreign technology and know-how to domestic businesses (e.g., Medicine Shoppe and Mannings). According to the statistics announced by the Bureau of Pharmaceutical Affairs, the number of pharmaceutical firms in 2009 (including those owned and operated by pharmacists, or owned and operated by assistant pharmacists and western medicine pharmaceutical firms) is about 7,200 for 23 million people in Taiwan. Nowadays, chain drugstores are facing a variety of changes in their operations and the competition within the industry is becoming increasingly fierce.

Drugstores involve the retail functions of both selling products and providing services. Firm pricing appeals to customer satisfaction. As drugstores become customer-orientated