

SERVICES CAPE ELEMENTS IN LEISURE SERVICE SETTINGS: A STUDY OF MOVIE THEATRES AND RESTAURANTS

Ashwini K. Awasthi*, Anshita Shrivastava**

Abstract *At the level of service providers, the quality of service delivered depends upon their front line employees, and the physical surroundings of their service factories. Customers spend more time in physical in services capes in leisure service settings. Services capes in these contexts not only facilitate service delivery, but they are an important element of the value proposition, and give cues to the service quality. All leisure services are similar in terms of people spending their leisure time there. However there are differences in the core services, and therefore it becomes important to see how different elements of services capes effect different types of leisure services. This paper investigates the relative importance of different attributes of four dimensions of services capes in two leisure service settings - full service restaurants, and movie theatres. Restaurants provide the core service of food and lounging, while movie theatres provide core service of entertainment. The four dimensions studied are ambience, layout, signage, and employees. Their effect on customer satisfaction is measured in the paper, and the effect of customer on repeat patronage is then looked at.*

Keywords: *Services Capes, Leisure Service Settings, Customer Satisfaction, Customer Repeat Patronage*

INTRODUCTION

Service delivery depends on service providers, customers, and physical delivery settings. Service encounter settings have been expressed in different ways in the marketing literature. Some terms that have often been used are atmospherics, physical environment, service environment, interactive theatre, and services cape (Kotler 1973, Baker 1987, Bitner 1992, Mathwick et al. 2001, Brady and Cronin 2001).

Bitner (1992) coined the term services cape as “the design of the physical environment and service staff qualities that characterise the context which houses the service encounter, which elicits internal reactions from customers leading to the display of approach or avoidance behaviours”. She identified three primary dimensions of services cape that influence customers’ quality perceptions, satisfaction, and their approach or avoidance behaviour to it. The three dimensions are ambient conditions, spatial layout, and signs, symbols and artefacts.

Ambience is a major element of services cape that affects customer behaviour, and ambient conditions are capable of affecting customers’ five senses. Music and lighting level have been reported to effect consumer behaviour in restaurant and retail stores (Milliman 1982, O’Neill 1992). Music can also be used as an effective tool to minimize the negative consequences of waiting in service operations (Hui1997).

Light helps in forming consumer perceptions of form, colour, and texture that influence emotions of comfort and arousal. The lighting at a facility helps in forming physical and emotional states of customers(Lin 2004).The smell plays an important role in alleviating a mood in any setting (Anna,2001).

The layout of machinery and equipment in the physical setting is another dimension of the services cape. This spatial layout creates personal space for customers and determines their comfort zone. A spacious and accessible service setting will make the customers spend more time in enjoying the core offering .On the other hand a crowded environment can

* Professor, Institute of Management, Nirma University, Ahmedabad, Gujarat, India. Email: awasthi.ashwini@gmail.com

** Associate Consultant, Infosys Pvt. Ltd. Email: shrivastava.a6@gmail.com

create stress and discomfort for customers, and hence it can lower their satisfaction levels.

If we want to direct the customers to any specific area, or highlight a physical feature we use signs, symbols, and artefacts in the services cape. They help in understanding and providing guidance. The clarity and number of such signs, symbols, and artifacts facilitates browsing, ease of entering and exiting, once customers are inside the service factory. Feeling of “lostness” can be minimized by the use of signage and symbols (Sommer and Aitkens).

Signs are used as means of communication in the interior and exterior of any facility. They play the role of “labels for directional purpose” and also dictate the “rules of behavior”. Signs, symbols, and artefacts help in interpretation of a services cape, and create a positive image in the minds of customers. This favourable impression about the atmosphere at the leisure service setting can lead to increased spending.

Another important aspect of the services cape framework is staff behavior and staff image at the service setting. A customer centric organization needs strong internal coordination at the back end to support the front end staff with information. This helps in “customer familiarity” so that the employee’s behavior is directed to satisfy customer needs during the service encounter.

The length of time a customer spends inside the service setting is affected by the perceived quality and customer satisfaction, and physical environment (Baker 1987). Services cape plays an important role for the service providers to attract the customers and satisfy them during the service encounter. Customers decide to either continue with the same service provider or switch to another service provider based on their perception of quality, which is also shaped by services cape. Services cape acts as a cue for the ability of service provider to deliver service quality (Foxall and Greenley 1999). The amount of time customers stay in the services cape has a great impact on their spending habits as they engage more with the setting and the offerings available (O’Neill, 1992). The desired outcome of a services cape is customer satisfaction and re-patronage of the service (Reichheld 2000).

Restaurants, casinos, sports stadium, movie theatres, coffee houses etc. are the leisure settings where customers spend their extra income and hours. In these settings, customers pay more attention to the physical environment. They evaluate the appeal of a leisure service when they pass by it and when they experience it.

This study tries to understand the influence of services capes in determination of customers’ satisfaction and patronage in leisure settings. The leisure sector is considered particularly appropriate for a variety of reasons such as extended contact with the services cape, close customer-staff contact, and role

of services cape in shaping quality perceptions.

Two leisure industries that were studied were full service restaurants, and movie theatres. Restaurants have been studied earlier, but to the best of the knowledge of authors, studies on movie theatres, with respect to servicescape, have not been done. These two services also have good growth potential in India (McKinsey & Company 2008, McKinsey Global Institute 2012). Despite both services being of similar nature (leisure settings), there are differences in the two services. One is concerned with consuming a physical product (food) and lounging, while the other is concerned with consuming intangible form of entertainment (watching movie).

Physical environments are important for both types of settings, because customers spend a good amount of time in the service factory in both cases. However, it is expected that different elements of services cape would have different level of importance in these services, since the nature of core services is different. This leads to the formulation of following four hypotheses.

- H1= Ambient conditions affect customer satisfaction differently for restaurants and movie theatres.
- H2= Layout affects customer satisfaction differently for restaurants and movie theatres
- H3= Signage, signs and artefacts affect customer satisfaction differently for restaurants and movie theaters
- H4= Employee behaviour and image affects customer satisfaction differently for restaurants and movie theaters

Irrespective of the relative importance of different elements of each services cape dimension, it is expected that in both service settings the fundamental relationship between customer satisfaction and customers’ repeat patronage of the service would remain same. Hence

- H5= Customer satisfaction leads to repeat patronage for restaurants and movie theatres.

The Study

For investigating the research hypotheses, a survey was conducted with a questionnaire that was adapted from the works of Wakefield and Blodgett 1994, 1996; Debra Gracea, Aron O’Cass, 2005; Ingrid Y. Lin and Anna S. Mattila 2010; and Chan Ka Yan Michaelia 2008. Close ended questions on ambient conditions, layout, signage, front line employees, customer satisfaction, and repeat patronage were asked. All statements were measured on a 5-point Likert-type scale, anchored at 1 (strongly disagree) and 5 (strongly agree).

The survey was limited to dining occasions in full service restaurants, which involves service by frontline staff. The

movie theatres include single screen and multiplexes where movies are showcased. The online responses were collected from student mailing list of an Indian university, and by posting questionnaire on social media. The offline responses were collected from visitors to university. Students, working individuals, housewives were the sampled units. The sample consisted of 128 respondents, out of which 44 % were females and 56% were males. All respondents were graduates or post graduates in terms of education, and they were in the age group of 21-29 years.

Data was checked for outliers, and normality at the level of each individual variable. Multiple regression analysis was run separately for elements of each services cape dimension, with customer satisfaction as the dependent variable. Table 1 gives results of regression analysis of customer satisfaction regressed separately against attributes of ambience, layout, signage and artefacts, and employees. It also reports the results of customer satisfaction on repeat patronage.

Table 1. Relative Importance of Services Cape Attributes in Customer Satisfaction; and Role of Customer Satisfaction in Repeat Patronage.

Ambience Attributes regressed against customer satisfaction	Restaurant β	Movie Theatre β
The temperature inside is comfortable	0.13	0.04
The music and background score is appropriate	0.06	0.25*
The lighting is easy on the eye and adequate.	0.20*	-0.03
The smell inside the facility is pleasant.	0.28	0.14
The interior wall colour is attractive.	0.34*	0.36
Adjusted r^2	0.28*	0.24*
Layout Attributes regressed against customer satisfaction		
The restaurant/movie theatre maintains clean walkways and exits	0.16	-0.13
The seats are comfortable.	0.11	0.32*
The restaurant/movie theatre maintains clean restrooms	0.11	0.32*
There is plenty of knee room and elbow room in the seats.	0.18*	0.19*
Adjusted r^2	0.15*	0.42*
Signage and Artefacts regressed against customer satisfaction		
The interior wall and furniture matches with overall theme of the restaurant/movie theatre.	0.28*	0.20*
The signage is large enough to be seen.	0.13	0.26*

The artifacts and decoration is appropriate.	-0.01	-0.06
The signage in this restaurant/movie theatre is easily understood.	0.44*	0.24
Ajusted r^2	0.29*	0.25*
Employee Attributes regressed against customer satisfaction		
The employee was polite and had a polite smile.	0.28*	-0.03
The front line employee was smartly dressed.	0.11	0.45*
The front line employee at the facility paid me special attention.	0.01	0.10*
The quality of interaction with the employee was high.	0.41*	0.13
Adjusted r^2	0.44*	0.28*
Customer Satisfaction regressed against Patronage		
I am happy with the experiences at the facility.	0.70*	0.62*
Adjusted r^2	0.57*	0.38*

β = standardised regression coefficient

* $p < 0.05$

It can be seen that lighting is important for restaurants, while music and background score is important for movie theatres. Colour is important for both service settings (however the result is not significant for movie theatres). About layout elements, seats, and restrooms are found to be more important for movie theatres, while knee room and elbow room is important for movie theatres as well as restaurants. Layout explains much more variance in customer satisfaction for movie theatres than restaurants.

Regarding the role of signage and artefacts, large signage is more important for movie theatres, while overall layout theme is more important for restaurants. Easily understood signage is important for restaurants. In employee attributes, interaction of employees, and employees being polite are important for restaurants, while smartly dressed employees are more important for theatres. As expected, customer satisfaction is important for both the service settings, however it explains more variance for restaurants

Discussion

Services cape is important for customer satisfaction, and more so for leisure services where customers spend more time in service factory. They observe and evaluate the services cape before deciding to avail a service, and later on they do so while experiencing the service. The services cape facilitates the delivery of service, and helps in enhancing the value proposition.

However all leisure services are not similar, and therefore different elements of services cape would have different levels of effect on customer satisfaction. This study has tried to investigate this difference across two leisure services, one is full service restaurants and the other is movie theatres. The services were chosen because of substantial differences in the core offerings, despite both being dubbed as leisure services. One offers a physical product for consumption along with services cape for relaxing, while the other offers an intangible form of entertainment. However customers spend considerable time in the service settings in both the cases. Moreover while restaurants have been studied often in the literature, movie theatres have not been studied so far in terms of their services capes.

In ambient conditions, lighting is found to be more important in case of restaurants. Lighting defines the value proposition of a restaurant. An upscale fine dining restaurant may like to keep cool or dim lights. A restaurant that would like to give an impression of privacy may like to keep dim lights. On the other extreme, a fixed menu restaurant that would like quick movement of clientele may like to keep bright lights. Appropriate light would also assist the customers in their conversations, and consumption of the food.

On the other hand, lighting would not play a role, once the screening of the movie has started in a movie theatre. In fact it would be absence of lighting that would be important. The limited role that it would play would be during the break times, when patrons visit refreshment counters and washrooms. Therefore it seems logical that lighting has emerged out to be important for restaurants and not for movie theatres. Music and background score are found to be important for movie theatres. It appears that customers relate these to the screening of a movie itself, where sound is a crucial element.

Colour has come out to be important for both service settings (however the result is not significant for theatres). Irrespective of the type of a service, colour is part of the services cape that is seen first by customers as they enter a service factory. Colours have their distinct meanings, which need to be aligned with a firm's market positioning strategy. Therefore it would remain important element of the value that a service firm wishes to propose to its prospects.

About layout elements, seats, and restrooms are found to be more important for movie theatres, while knee room and elbow room is important for movie theatres as well as restaurants. Since people spend long time in both kinds of services, it seems logical that they would give importance to knee room and elbow room. Compared to restaurants, people spend more time in movie theatres than restaurant in India (movies in India are generally of about three hour duration), and therefore it again looks appropriate that they would give comparatively more importance to seat comfort

and restroom quality in movie theatres. For the same reasons layout explains much more variance in customer satisfaction for movie theatres than restaurants

Regarding the role of signage and artefacts, large signage is important for movie theatres, while overall layout theme is important for restaurants. Since movie theatres, especially multiplexes can be a bit complicated service capes, where it is possible to get lost or misled, therefore importance of large signage is understandable there.

Overall layout theme defines the value proposition of a restaurant, and gives it a distinct identity (which is one of the reasons that may drive people to a specific restaurant), hence it assumes more importance for restaurants. Easily understood signage surprisingly is important for restaurant. It seems that respondents have referred to the menu items of the restaurant.

In employee attributes, interaction of employees, and employees being polite are important attributes for restaurants. Not only there is more interaction, but there is also repeated interaction with service employees in restaurants than in movie theatres, hence interaction and polite interaction assumes importance there. On the other hand, smartly dressed employees are important for movie theatres. There isn't much interaction with employees in theatres, but smartly dressed employees can be a cue for the overall quality of the theatre, and they can reassure the patrons.

As expected, customer satisfaction is important for both the service settings, however it explains more variance in case of restaurants. This is understandable because for movie theatres, substantial variance of customer satisfaction would be derived from the movie itself. So while procuring good movies to satisfy customers becomes important for movie theatres, whereas for restaurants, customer satisfaction would be derived from elements that are integral to the restaurant itself.

This study has highlighted that although we club different services under one umbrella term of leisure services, there are differences in terms of customer perceptions. Even though customer satisfaction is important in restaurants and movie theatres, the drivers of this satisfaction, in terms of services cape elements are different.

The study has important implications for practitioners. Not all services cape elements are equally important in all kind of leisure services. It is prudent for the practitioner to explore relative importance of each element for the particular kind of service. Regarding the two service settings investigated in our work, practitioners should give importance to lighting, wall colours, knee room and elbow room, overall theme of layout, easily understood signage, employee interaction, and polite employee interactions in case of restaurants.

For movie theatres, they should take care of music and background score, colours, elbow room and knee room in seats, quality of seats, restrooms, large signage, and smartly dressed employees. Layout in general is more important for movie theatres as it explains larger variance there. Customer satisfaction is important for both services to drive repeat patronage, but movie theatres cannot undermine the role of quality of movies.

This study has limitation of small sample size, and lack of a diversified sample. There is a scope of further refinement of this work by increasing the sample size, and keeping enough quotas for various demographic variables, to see the variability across these demographic variables. We had taken only two types of leisure services, however other services where distinct differences can be expected are worth studying and contrasting.

REFERENCES

- Mattila, A. S., & Wirtz, J. (2001). Congruency of scent and music as a driver of in-store evaluations and behaviour. *Journal of Retailing*, 77(2), 273-289.
- Baker, J. (1987). The role of the environment in marketing services: the consumer perspective", in Czepiel, J., Congram, C.A., Shanahan, J. (Eds), *The services challenge: Integrating for competitive advantage* (pp.79-84). American Marketing Association, Chicago, IL,
- Bitner, M. J. (1992). Services capes: The impact of physical surroundings on customers and employees. *Journal of marketing*, 56(2), 56(2),57-71
- Brady, M. K., & Cronin Jr, J. J. (2001). Some new thoughts on conceptualizing perceived service quality: a hierarchical approach. *Journal of marketing*, 65(3), 34-49.
- Chan, K. Y. M. (2008). The role of services cape in convention and exhibition centres-Hong Kong convention and exhibition centre and Asia World-Expo. *Hong Kong Baptist University*.
- Foxall, G. R., & Greenley, G. E. (1999). Consumers' emotional responses to service environments. *Journal of Business Research*, 46, 149-58
- Grace, D., & O'Cass, A. (2005). Service branding: consumer verdicts on service brands. *Journal of Retailing and Consumer Services*, 12(2), 125-139.
- Hui, M. K., Dube, L., & Chebat, J. C. (1997). The impact of music on consumers' reactions to waiting for services. *Journal of Retailing*, 73(1), 87-104.
- Kotler, P. (1973). Atmospherics as a marketing tool. *Journal of retailing*, 49(4), 48-64.
- Lin, I. Y. (2004).Evaluating a services cape: the effect of cognition and emotion. *International Journal of Hospitality Management*, 23(2), 163-178.
- Lin, I. Y., & Mattila, A. S. (2010). Restaurant services cape, service encounter, and perceived congruency on customers' emotions and satisfaction. *Journal of Hospitality Marketing & Management*, 19(8), 819-841.
- McKinsey & Company. (2008). *The great Indian bazaar – Organised retail comes of age in India*. Retrieved from http://www.mckinsey.com/App_Media/Reports/Asia%20Consumers/The_Great_Indian_Bazaar_Secure.pdf
- Mckinsey Global Institute. (2012). *Urban world: Cities and the rise of the consuming class*. Retrieved from http://www.mckinsey.com/insights/urbanization/urban_world_cities_and_the_rise_of_the_consuming_class.
- Mathwick, C., Malhotra, N., & Rigdon, E. (2001). Experiential value: conceptualization, measurement and application in the catalog and Internet shopping environment. *Journal of retailing*, 77(1), 39-56.
- Milliman, R. E. (1982). Using background music to affect the behavior of supermarket shoppers. *Journal of marketing*, 46(3).
- O'Neill, R. E. (1992). How consumers shop. *Progressive Grocer*, 71, 62-64.
- O'Neill, M. J. (1992). Effects of familiarity and plan complexity on wayfinding in simulated buildings. *Journal of Environmental Psychology*, 12(4), 319-327.
- Reichheld, F. F., Markey, R. G., Jr & Hopton, C. (2000). "The loyalty effect – the relationship between loyalty and profits. *European Business Journal*, 12(3), 134-139.
- Sommer, R., & Susan, A. (1982). Mental mapping of two supermarkets. *Journal of Consumer Research*, 9, 211-215
- Wakefield, K. L., & Blodgett, J. G. (1994).The importance of services capes in leisure service settings. *Journal of Services Marketing*, 8(3), 66-76.