

# THE ROLE OF SERVICESCAPE IN CREATING SOCIAL INTERACTION EXPERIENCES IN HOSPITALITY INDUSTRY: A RESEARCH FRAMEWORK.

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**Abstract:** Traditional marketing has been replaced by experiential marketing in lots of industries, especially service industry. Experiential marketing expresses its role in creating unforgettable memories and experiences for customers instead of only focusing on conventional factors such as products, price and promotion. There have been frequent discussions in the experiential marketing concluding that servicescape and social interaction have significant influences on customer experience in service setting. However, most of previous works that typically concentrated on role of servicescape and social interaction on customer service experience paid very few attention to importance of servicescape in creating social interaction experience. Therefore, this study discusses about effects of dimensions of servicescape on social interaction experiences in service environment. The impacts of servicescape and social interaction on service experience, satisfaction and loyalty are also documented. Author's major purposes are to raise propositions and postulate a better holistic framework about relation between servicescape and social interaction and their effects on customer's service experiences, satisfaction and loyalty.

**Keywords:** servicescape, social interaction, service experience, experiential marketing.

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## Introduction

Marketing world have been observed an extensive movement in marketing strategy of enterprises from traditional marketing toward modern marketing based on creating consumption experiences for customers (Schmitt, 1999). Scholars and marketers have been paying much attention to experiential marketing strategy in which companies concentrate on experiential process from pre-purchase to post-purchase rather than traditional value such as product, promotion and price (Yuan & Wu, 2008).

Experience is the core aspect of experiential marketing through creating customers special experiences as interacting with various factors of service environment, including atmosphere, layout, human (Yuan & Wu, 2008). Consumption experience refers to "the total outcome to the customer from the combination of environment, goods and services purchased" (Lewis & Entwistle, 1990). In the service industry such as hospitality and tourism, experiences are considered as a very crucial factor because nature of service offered by business is intangible, customers evaluate service via their experiential perception including feeling, emotion instead of evaluating through price, package or product function. A service experience is characterized as "the customer's interaction with the service process, the organization, the physical facilities, the service firm's employees and other customers" (Walter & Edvardsson, 2012). Creating memorable experience is expected to help service providers remain old customers and attract new ones (Yelkur, 2000). As a consequence, creating customers unforgettable and wonderful experiences are crucial key to assure the success of service providers.

Whereas Moore, Moore, and Capella (2005); Walter, Edvardsson, and Öström (2010), Walter and Edvardsson (2012) indicated that physical environment and social interactions in the service context to be known as the critical factors of the service experience, satisfaction and loyalty with service organization. Physical environment refers factors provided by service

providers aiming to facilitate delivering service to customers (Bitner, 1992). Physical environment are also mentioned through similar terms as atmospherics (Kotler, 1973), physical surrounding (Baker, 1986) or servicescape (Bitner, 1992). While social interaction was described as “a set of verbal and nonverbal behaviors or a series of personal exchanges” (Mehrabian & Russell, 1974). Servicescape aspects were found to have positively influence on customers’ perceived service quality which in turn impact on satisfaction and desire to stay (Siu, Wan, & Dong, 2012). Further, the emotional state of clients (positive or negative feeling) in experience of dinner in restaurant was impacted by dining atmospherics (Liu & Jang, 2009). Store ambience and design are related to customers’ belief and customers’ positive perceptions toward salespeople (Sharma & Stafford, 2000). In other words, Bäckström and Johansson (2006) argued that many of the consumers’ in-store experiences were created through interactions with the employees. Walter, Edvardsson, and Öström (2010) indicated that social interaction as a dynamic driver of customer experiences, favorable and unfavorable, in an interaction-intensive service context-the restaurant setting.

However, the focus of most preceding studies in this area has been on role of servicescape and social interaction on customer service experience. Whereas importance of servicescape in creating social interaction experience has not been considered sufficiently. Furthermore, in addition to interaction between customers and employees, social interactions that also happened in service environment like interactions among friends, relatives or with strangers attracted very little interest from researchers. Although such interactions considerably contribute on evaluation of service quality, overall satisfaction and entire service experience (H. S. Kim & Choi, 2016; Moore et al., 2005; Walter, Edvardsson, & Öström, 2010b). Consequently, a major part of the study is to investigate effects of servicescape design on social interaction experiences in interpersonal service setting.

Therefore, this study is designed to bridge the research gaps aiming to develop hypotheses and suggest a conceptual model about effects of dimensions of servicescape on social interactions among customers which in turn leads to impact service experience quality, satisfaction and loyalty. The paper proceeds as follows: the next section reviews theoretical background and key concepts such as servicescape, social interaction and service experience. Section 3 suggests the research propositions and the preliminary research framework. Section 4 then briefly describes research methodology. The final section discusses major contribution, limitations and future research suggestions.

## **Theoretical background**

### **Servicescape**

The first concept regarding to physical environment proposed by Kotler (1973) by term of “atmospherics”. Atmospherics was understood as “the conscious designing of space to produce specific emotional effects in buyers that enhance their purchase probability” (Kotler, 1973). Atmospherics composites intangible features of physical surrounding, such as vision (color, lighting), audition (kinds of music, sound level), touch (cleanliness) and olfaction (scent, cues). In this notion, Kotler (1973) concentrated on ambient factors regarding to sensory marketing consisting of five human. Baker (1986) then described “physical environment” as a set of three aspects composting of sensory aspect, design factors and social factors. Of these, design factors refer “aesthetic and functional aspects of furnishings and layout”. Whereas, social factors reflects effects of employees and customers.

Later Bitner (1992) proposed the “servicescape” which is relative with dimensions of physical surroundings provided by service organization aiming to enhance delivering service to customers. She identified three aspects of servicescape including ambient conditions; spatial layout and functionality; signs, symbols and artifacts. Ambience explains the intangible characteristics of the service environment such as lighting, color, sound and odors. Spatial

layout and functionality mention about the location, arrangement of machine, equipment and furnishings in store space. Signs, symbols and artifacts reflect guidance, identification system to help service providers connect with their customers (Bitner, 1992).

Based on stimulus-organism-responses (S-O-R) paradigm (Mehrabian and Russell's, 1974), Bitner proposed a servicescape framework which assumed that components of servicescape affect perception of customer and employee that then causes to their emotional, cognitive and physiological responses to the service environment. Such internal reactions in turn influence social interaction between and among customer and service provider and lead to changes of behavioral responses including approach and avoidance (Mehrabian & Russell, 1974). In the service environment, approach responses consist of all positive reactions such as a desire to explore environment or stay in specific atmosphere or demand of affiliating with others. In contrast, avoidance responses refers attempts to escape staying or exploring environment or ignoring interacting with others (Mehrabian & Russell, 1974).

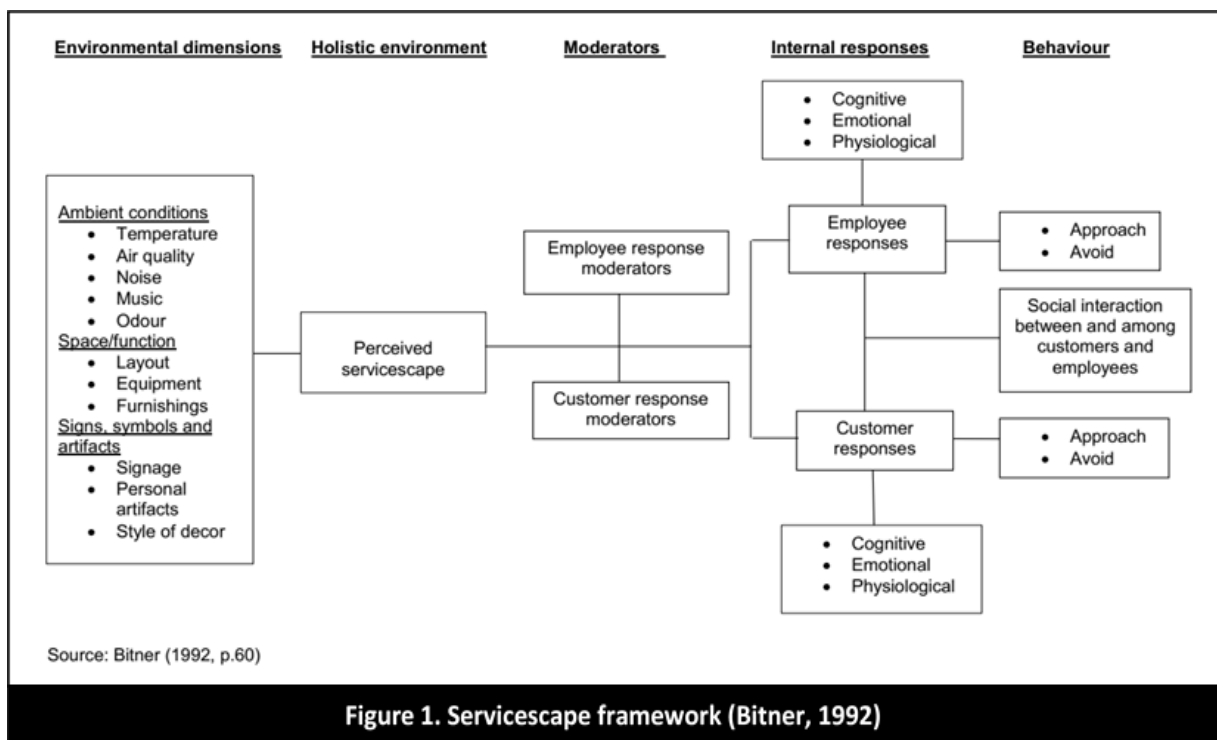


Figure 1. Servicescape framework (Bitner, 1992)

In addition to above concepts, servicescape has also been characterized through various terms by lots of researchers such as marketing environment (Turley & Milliman, 2000), economic environment (Arnold, Handelman, & Tigert, 1996), store atmosphere (Roy & Tai, 2003), service atmosphere (Cronin Jr, 2003), social-servicescape (Tombs & McColl-Kennedy, 2003). These different terms reflect various perspective of scholars towards physical surroundings in service environment. However, for the consistent purpose, this study will employ the term “servicescape” as conceptualized by Bitner (1992) explained as “the design of the physical environment and service staff qualities that characterize the context which houses the service encounter, which elicits internal reactions from customers leading to the display of approach or avoidance behaviors”. Wakefield and Blodgett (1996) later added cleanliness factor into interfaces of servicescape due to its important nature to traditional service as customer typically spend several hours in the service facility. Cleanliness refers to “the sense of neatness, tidiness, or orderliness in the establishment and is a critical determinant of positive customer emotion” (Vilnai-Yavetz & Gilboa, 2010). In addition to cleanliness factor, technology factor has been attracted much interests in the scope of advances in science and

technology that have been considerably changing service experience (Kim & Moon, 2009; Ali, 2016). Technology in service environment relates quality of internet access and technical system in supporting customers (Verhoef et al., 2009). They are recognized as determinants of service experience and customer satisfaction (Verhoef, 2009; Choice, 2015).

In components of servicescape, Bitner (1992) excluded social cues in human elements such as employee and other customers and only concentrated on aspects of physical surroundings. Otherwise, some researchers seem social elements as one part of servicescape (Baker 1996, 2002), this is likely to make difficulties to distinguish between effects of service quality and the effects of servicescape. It was revealed that effects of servicescape should be focused on effects of physical surrounding than effects of social aspects (Liu & Jang, 2009). In present study, servicescape is limited to the restaurant environment. This study, therefore, developed to base on perspective of Bitner (1992) about servicescape is identified including five interfaces as following: ambience; space and function; sign, symbols and artifacts; cleanliness; technology.

### **Servicescape and customer experience**

A service experience is conceptualized as “the customer’s interaction with the service process, the organization, the physical facilities, the service firm’s employees and other customers” (Johnston & Clark, 2008). Whereas Edvardsson, Enquist, and Johnston (2005) referred to a service experience as “a service process that creates the customer’s cognitive, emotional and behavioral responses, resulting in a mental mark, a memory”. Meyer and Schwager (2007) understood “a customer experience as the internal and subjective response customers have to any direct or indirect contact with a company”. In a research of Walter et al. (2010), he defined “a customer experience as the customer’s direct and indirect experience of the service process, the organization, and the facilities and how the customer interacts with the service firm’s representatives and other customers”. Although many various definition of customer service experiences have been existed so far, in this study it is understood as different interactions customers have with service process, physical facilities, employees and other customers. And customer experience quality is defined as “a holistically perceived judgment about the excellence or superiority of the overall customer experience based on an extended service period” (Lemke, Clark, & Wilson, 2011).

The influence of servicescape on customer’s service experience has been established in past research. In literature about effects of service environment factors on customer behavior, model of Mehrabian & Russell (1974) was evaluated as a solid foundation for almost research regarding role of atmospheric stimulus on consumer’s emotional and behavioral responses. Mehrabian & Russell (1974) proposed the stimulus – organism – response (S-O-R) paradigm which assumes that the environment stimulus (S) cause changes to people’s internal states (O), which in turn cause approach or avoidance response (R). In literature of physical surroundings, aspects including atmospherics, design and layout attracted much interest from scholars. Based on work of Mehrabian & Russell (1974), many research illustrated effects of these factors on customer’ in-store behaviors. Atmospheric factors are commonly used to refer to intangible aspects of service environment, consisting of lighting, color, scent, music that are relative to five human senses (Kotler, 1973).

Lighting factor was found that have positive effects on personal emotion and also influences on way human solve problems, recall memories in short or long term (Knez & Kers, 2000). Different colors are recognized that impact perception about service environment and product quality; customers often perceived more positive as interacting with warm colors context compared with cool colors (Chebat & Michon, 2003). Scholars asserted that scent have positive effects on emotion and mood of human (Michon et al., 2005; Mattila & Wirtz, 2001). Scent was found to have effects on customer’s behaviors such as spending, looking information and social interaction behaviors (Mohan et al., 2012; Zemke & Shoemaker, 2007). Many studies

illustrated effects of music on customers' behaviors in variety of industry. The important remainder of servicescape is atmospheric factors which referred the intangible aspects of physical surrounding, while layout and design are typically applied to tangible factors of servicescape. Liu & Jang (2009) posited that a spatial layout with good perception will impact better on emotional customers and then in turn strengthen purchase behavior and recommend behavior to others.

To evaluate impact of the physical environment as a better holistic way, instead of focusing each dimension separately such as scent, music or lighting, many studies investigated physical environment as a total. Studies pointed the significant effects of physical environment on customers' perceived meal in restaurant (Hersleth, Ueland, Allain, & Næs, 2005; King, Meiselman, Hottenstein, Work, & Cronk, 2007). The emotional state of clients (positive or negative feeling) in experience of dinner in restaurant was impacted by dining atmospherics (Liu & Jang, 2009). Walter and Edvardsson (2012) confirmed that physical environment as drivers aiming to form the service experiences of customers by using their own words. Further, W. G. Kim and Moon (2009) stated that servicescape of restaurant are relative to pleasure feeling, service quality perception that stimulate customers' revisit intention behavior.

### **Social interaction**

According to Mehrabian & Russell (1974), they described "social interaction as a set of verbal and nonverbal behaviors or a series of personal exchanges". Bitner (1992) then defined "social interaction as a collection of behaviors, listing behaviors such as small group interaction, friendship formation, participation and helping". In service settings, Lin and Mattila (2010) characterized service encounters "as any interaction that the customer may have with the service organization including interaction with service staff, with other consumers consuming in the organization and with servicescape". However, this study only emphasized impact of servicescape on social interaction which can be understood that consists of two main interaction: interaction between customers and employees; peer-to-peer interaction or interaction among customers. Firstly, interaction between customers and employees has been typically defined as "service interactions that customers encounter with the service staff during the service delivery process and was considered as one part of service encounters" (Lin & Mattila, 2010).

Secondly, peer-to-peer interaction has been distinguished into three forms of interaction as following: friends and family interactions (internal interaction among customers), neighboring stranger customers, the audience (H. S. Kim & Choi, 2016). Friend interaction reflects customers' perceived interaction with friends, family or relatives who have special social connection (Nicholls, 2010; Parker & Ward, 2000). Neighboring customer interaction explains perceived interaction of customers with stranger others surroundings, meanwhile interact activities may be observed (Nicholls, 2010; Parker & Ward, 2000). Finally, audience interaction is understood as customers' perception of the implicit interaction others that happens without observation (Nicholls, 2010). However, present study only concentrates on internal interaction among customers (friend interactions) who have strong ties such as friends, lovers, relatives, colleagues since in the context of restaurant or coffee stores, consumers typically gathered into small groups or private couples in which they have close social ties and ignored interactions with strangers. Therefore, this research has been different with majority of prior papers about customer-to-customer interaction which highlighted interaction with strangers in the service setting.

### **Social interaction and customer's service experiences**

As presented above, social interaction include two forms: interaction between customers and employees; interaction among customers. The concept of interaction quality is typically

employed in evaluation of interact relation between customers and service providers (employees, staff, etc.) in various studies (Brady and Cronin, 2001; Groenroos, 1982, 1984). Interaction quality is defined as “the customers’ perception of the manner in which the service is delivered during service encounters” (Lemke et al., 2011). The interpersonal interactions were found to have critical impacts on customers’ service experience quality (Bitner et al., 1994; Surprenant and Solomon, 1987). Gerrard and Cunningham (2001) even revealed that staffs or contact personnel who directly provide services remain an important role in making customer satisfied as they are first people and have frequent interacts with customers during service process. Employee’s efforts and personal interactions contributes enhancing customers’ experiential quality which is considered as a determinant of customer satisfaction, loyalty (Jamel & Naser, 2002).

In other words, in terms of social interaction in service context, most scholars pay much attention to customer/service provider interaction, but ignoring a critical aspect of social interaction is customer-customer interaction or peer-to-peer interaction. Very few studies was conducted on this notion until first article of Martin and Pranter (1989) was published, many further studies were called to conduct in this field. Peer-to-peer interaction is understood as “the perceived judgment of the superiority of customers’ interaction with other customers”, this notion is recognized as a determinant of providing an excellent service experience for customer (Lemke, 2011). Although other customers’ behavior cannot be predicted, these behaviors was found evidence that have impact on customer experience (Solomon et al., 1985; Surprenant and Solomon, 1987). Other customers have been viewed as a characteristic of social factor in servicescape such as crowding effects (Eroglu & Machleit, 1990) or an independent part of the customers’ service experience (Grove & Fisk, 1997).

### **Servicescape and social interaction**

Although research findings indicated importance of servicescape and social interaction on customer’s service experiences, but very few studies investigate role of servicescape in creating social interaction experiences of both customers and employees. Fowler and Bridges (2012) revealed that the considerable impacts of servicescape on encountering between and among two groups, customers and employees, is even less frequently studied although their importance has been substantiated in the literature. Walter et al. (2010a) stated that physical environment are strongly related to social interaction since almost all social interactions happen in the physical environment of the service setting.

Bitner (1992) is among first scholars that presented the servicescape framework that concentrates on how perceived atmospheric stimulus influence on the interaction between and among customers and service providers. Bitner proposed that positive perception towards environmental stimulus may enhance the social interaction quality between and among customer-employee relation in the interpersonal service environment. Zemke and Shoemaker (2007) found evidence that odors have remarkable influence on the number of customer’s social interaction behaviors in casino context. Fowler and Bridges (2012) demonstrated impacts of service environment on customer-employee interaction through an ambient scent sprayed out in given service setting. In addition, Fowler also pointed that the effects of servicescape towards both consumers and service providers have been typically investigated via the perspective of customer (L. A. Babin, Babin, & Boles, 1999) rather than under eyes of service staff. According to Rashid-Radha (2015), servicescape of hostel was substantiated to have impacts on social interact behaviors and service experiences. In his research series, Walter (2010, 2012) suggested that physical environment composites of functional aspect and social aspect as social interaction and they are recognized as important drivers of customer service experiences in restaurants setting. In the hospitality industry, design features of servicescape contributes to improve customer-to-customer interaction quality and customer’s satisfaction (Fakharyan,

Omidvar, Khodadadian, Jalilvand, & Nasrolahi Vosta, 2014). Although Bitner (1992) called more empirical studies to investigate role of service environment stimulus on social interaction, yet later papers have not been fully investigated as expectation.

Therefore, the major focus of study is to discover role of servicescape stimulus such as ambient conditions, space or layout feature, technology to creating social interaction experiences between customers and employees as well as among internal customers in hospitality context.

## **Hypotheses development**

### **Relation between servicescape and social interaction**

Social interaction is understood as “a set of verbal and nonverbal behaviors or a series of personal exchanges” (Mehrabian & Russell, 1974). As explained in theoretical background section, interpersonal service environment composites of two main forms: customer and employee interaction; peer-to-peer interaction (or internal interaction among customers in this study). Regarding to relation between servicescape and customer/employee interaction, Bitner (1992) firstly suggested the impacts of physical surrounding dimensions on customer-employee interaction through servicescape model. She proposed that positive perception towards environment stimulus may enhance the social interaction quality between customers and employees in the interpersonal service setting. According to Fowler & Bridges (2012), the positive responses to ambience may strengthen customer’s perceived encountering quality with service providers. They found that customers feel more courteous and friendly as communicating with serving staff in given atmosphere via using an ambient scent. In other words, Carù and Cova (2003) stated that factors concerning design of servicescape such as space, function and aesthetics contributes to socialization between customers and staff. In addition, research findings showed that the physical surroundings elements including seating arrangement, size, proximity and flexibility contribute to advance or restrict interacted possibilities between customers and service providers (Forgas, 1979). Likewise, seating arrangement at restaurants is found that may encourage interactions between customer and chef who prepares meals in full view (Choi & Kim, 2015).

In another words, Zemke & Shoemaker (2007) found evidence that ambient scent have remarkable impacts on the number of customer’s social interaction behaviors in casino context. According to Rashid-Radha (2015), servicescape of hostel was found to have effects on both social interaction among customers and service experiences. In the hospitality industry, servicescape has been found that have positive effects on peer-to-peer interaction and customer’s satisfaction (Fakharyan, Omidvar, Khodadadian, Jalilvand, & Nasrolahi Vosta, 2014). Therefore, two hypotheses are suggested as follow:

- H1:** Servicescape with more positive perceptions will affect better customer’s perceived interaction with employee.
- H2:** Servicescape with more positive perceptions will affect better internal interaction of customer.

### **Relation between servicescape and customer’s service experience**

Verhoef et al. (2009) developed a holistic conceptual model of customer experience creation in retailing setting. The important components of customer experience include social environment, service interface, retail atmosphere, the assortment, the price and the promotions. Retail atmosphere refers aspects like design, scents, temperature and music. Technology aspect is displayed in service interface. Physical environment was found to have significant influences on customers’ meal experiences in restaurants (Meiselman et al., 2000; Hersleth et al., 2005).

The emotional state of clients (positive or negative feeling) in experience of dinner in restaurant was impacted by dining atmospherics (Liu & Jang, 2009). Walter and Edvardsson (2012) confirmed that physical environment as drivers aiming to form the service experiences of customers by using their own words. In a research of experience of British customers with resort hotel brands also proposed about effects of servicescape of hotel on customer experience during service consumption (Ismail, 2011). Therefore, author suggests as following:

**H3:** Servicescape with more positive perceptions will affect better customer's service experience.

### **Relation between social interaction and customer's service experience**

Interaction quality refers to the customer's perceived personal interaction with service providers (employees, staff) (Lemke et al., 2011). The positive express of employee such as being polite, friendly, trustworthy and helpful in face-to-face encounters with customers will increase perceived interaction quality which contributes increasing level of experience quality (Joon Choi & Sik Kim, 2013). Choi and Kim (2015) also argued that employee/customer interaction quality is a determinant of customer experience quality. Wu (2011, 2018) indicated that perception of experiential quality is impacted by four primary factors, including interaction quality and physical environment quality. While most of the prior literature studying on the interaction only paid attention to relation between customer and employee, marketers and researcher ignored effects of interaction among customers on service experiences. Customers can be influenced or influence on another customers either directly or indirectly (Baker, 1987; Bitner 1992). Eroglu and Machleit (1990) considered peer-to-peer interaction as a characteristic of social factor in service environment, example as effects of crowding on customers' service experience. Grove and Fisk (1997) seemed this interaction as an independent part of experiential service process. Consequently, two hypotheses are proposed as following:

**H4:** Perception of interact quality with employee will affect positively on customer's service experience.

**H5:** Internal interaction of customer with better perceptions will affect better on customer's service experience.

### **Social interaction, service experience and customer's satisfaction**

Satisfaction refers to the perceived discrepancy between prior expectation and perceived performance after consumption-when performance differs from expectation, dissatisfaction occurs (Oliver, 1977). It can be defined as the degree to which one believes that an experience evokes positive feelings (Rust & Oliver, 1994). Johnson (2001) found that two concepts of customer satisfaction including specific satisfaction and overall satisfaction have been frequently discussed in previous studies. Perspective of specific satisfaction mainly focus on consumer's emotional reactions to specific service attributes or service encounters (L. L. Olsen & Johnson, 2003) In contrast, overall satisfaction is concerned with all aspects of consumer's previous experiences with a firm, product or service (Anderson et al., 1994; Mittal et al., 1999). According to Olsen and Johnson (2003), overall satisfaction seems to be a better predictor of customer intentions and behaviors. Thus customer satisfaction is characterized as an overall evaluation in present study.

Service marketing literatures showed that employees are first people and usually contact with guests, quality of this interaction remarkably influences on customers' attitude and satisfaction towards provided service. Gerrard & Cunningham (2001) concluded that making customer satisfied largely depends on employee's interaction quality during delivering service



process. Jamal and Naser (2002) also argued that customer satisfaction is influenced directly by customer/employee interaction quality. The personal efforts and connection of service providers contribute to an important part in creating customer satisfaction (Jap, 2001).

On the other hand, Moore, Moore, and Capella (2005) indicated that positive customer-customer interaction quality will be associated with customer satisfaction. Positive interaction quality not only influences on customer satisfaction but also future patronage intentions as well as holistic evaluations about service quality (Martin & Pranter, 1989). Harris, Davies, and Baron (1997) revealed that satisfaction can be improved by positive perception of interaction with other customers during the purchase process. In the hotel industry, customer-customer interaction quality was found that have positive and direct effects on hotel satisfaction (Fakharyan et al., 2014).

Moreover, service experience quality have long been known as a determinant of service satisfaction (Ye, 2011; Kim, 2016; Jin, 2015; Wu, 2018). C. F. Chen, Leask, and Phou (2016) found evidence that heritage tourists have higher experience quality, they will be more satisfied with delivered service. Kao, Huang, and Wu (2008) concluded that experiential quality positively impacts experiential satisfaction. Accordingly, three hypotheses are suggested as following:

- H6:** Perceived interaction quality with employee will affect positively on customer satisfaction
- H7:** Customer' service experience quality will affect positively on customer service satisfaction
- H8:** Internal interaction of customer with better perception will affect better on customer satisfaction

### **Social interaction, service experience and customer's loyalty**

Loyalty is defined as "an intention to perform a diverse set of behaviors that signal a motivation to maintain a relationship with the focal firm, including allocating a higher share of the category wallet to the specific service provider, engaging in positive word-of-mouth and repeat purchasing" (Sirdeshmukh, Singh, & Sabol, 2002). Dimensions of loyalty have been long known as word of mouth, purchase intention, price sensitivity and complaining behavior (Zeithaml, Berry, & Parasuraman, 1996). According to Evanschitzky et al. (2012), when customers are considered as "loyalty", it might be classified into: loyalty toward the brand/store, loyalty to program and loyalty to employee. "Brand loyalty" is understood as having a positive attitude toward the company brand consisting of trust, satisfaction and commitment, whereas "program loyalty" refers positive attitude toward the benefits of the loyal program mainly based on economic considerations (Yi & Jeon, 2003). "Loyalty to employee" or "interpersonal loyalty" tends to be built on the foundation of trust, attachment and commitment toward employee, which may be more deeply exhibited in human relationships (Czepiel, 1990). Summary, we understand loyalty as an intention to perform a diverse set of repeat positive behaviors with the service firm such as word-of-mouth or repurchasing. Therefore, loyalty to stores will be employed in present study.

Interact behavior with employee and customer are one of experiences that customer have in service environment. Such perceived interaction quality was found to be associated with customer loyalty (Guenzi & Pelloni, 2004). C. M. Chen, Chen, and Lee (2013) indicated that personal interaction quality has a positive influence on behavioral intentions relating to customer loyalty. Gremler and Gwinner (2000) revealed that enjoyable interaction and personal connection are two determinants of rapport that are relevant to customer satisfaction, loyalty

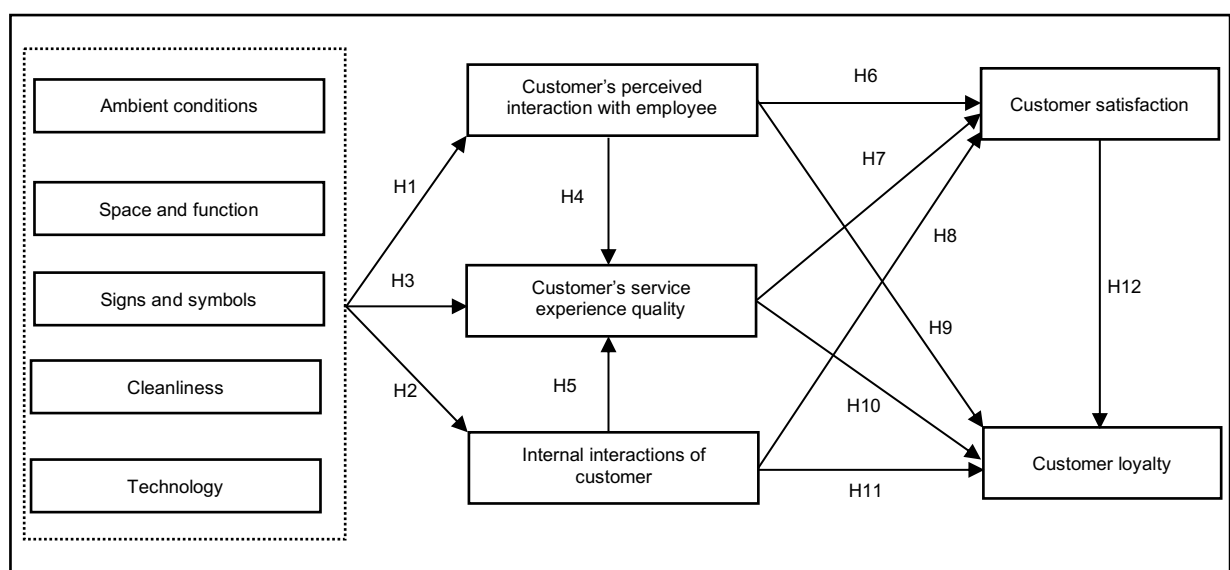
and word-of-mouth communication. In other word, experiences customer have in service setting are associated with customer loyalty to stores (Lee, Hsiao, & Yang, 2010). H. S. Kim and Choi (2016) reported that customer experience quality impacts customer citizen behavior relating to customer behavior loyalty. Cetin and Dincer (2014) also found evidences that interactions customer have with service environment and personal factors impact on their behavior loyalty. Positive service experience is likely to create an emotional tie between the firm and customers and engender customer loyalty (Choi & Kim, 2015). Therefore, we suggest three hypotheses:

- H9:** Customer’s perceived interaction quality with employee will positively influence on customer loyalty to service organization
- H10:** Customer’s service experience quality will positively influence on customer loyalty to service organization
- H11:** Internal interaction quality of customer will positively influence on customer loyalty to service organization

### Satisfaction and loyalty

Regarding studies on customer satisfaction and loyalty, Oliver (1999) noted that customer satisfaction positively affects customer loyalty. Moreover, service quality and customer satisfaction are recognized as two major antecedents of loyalty towards service providers. As customers are satisfied, consumption behaviors will be repeated and positive information will be spread by word-of-mouth (W. G. Kim, Lee, & Yoo, 2006). Also, Sui and Baloglu (2003) argued that customers’ loyalty is due to high customer satisfaction. Furthermore, Jung and Yoon (2013) conducted a structural equation modeling (SEM) to demonstrate the outcome variables of customer loyalty, and that commitment is very closely related to customer satisfaction. The final research hypothesis is proposed as below:

- H12:** Customer’s overall satisfaction will positively influence on customer loyalty to service organization



**Figure 2. The research framework**

## **Research framework**

The present study proposes a conceptual framework as figure 2. The framework suggests that a variety of objective environmental factors composing of ambient conditions, space or function, sign or symbols, cleanliness and technology are perceived by customers in the service environment. The positive responses to environmental stimulus are likely to enhance perceived interaction quality with employee as well as conversation quality among internal customers that contributes improve customer's entire service experience. Further, atmospheric factors are expected to directly impact on customer's service experience through interaction process between customers and physical surroundings in service context. Finally, the increasing of perceived social interaction quality and service experience quality will result in advancing customer's overall satisfaction and loyalty to the service organization.

## **Research methodology**

### **Choice of service form**

Based on various type of services, servicescape of different service organizations and industries are different too (Lovelock, 1983). Service providers therefore build different strategy for designing their servicescape that have to assure difference with competitors. Bitner (1992) classified service into three types based on role of interaction and automation in physical surrounding, which includes: self-service (only customer), interpersonal services (customer-employee interaction) and remote service (only employee). Nevertheless, focus of present study is effects of servicescape in interpersonal services which highlights the effects of the physical surroundings on the social interaction quality between and among customers and employees (Bitner, 1992).

Of various interpersonal service forms, restaurant setting was chosen as the empirical context in present study since restaurant services are widely employed by almost everyone. Customers usually spent much time at restaurant for each visit and their presence establish the close interpersonal interactions between employees with customers as well as among customers (Lovelock, 1983). Restaurant setting is viewed as a high-contact service environment since the service is delivered along with presence of customer and a variety of interactions happen in the restaurant at the same time (Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). Furthermore, restaurant includes the most outstanding characteristics of service industry. They are mutual interactions, activities and co-producer role of customer (Grönroos, 1995). Also, processes of delivering service in restaurant are emphasized as the important interface of service industry (Lovelock, 1983). In additional to enjoying food and drinks, restaurant environment is also available place in which customers expect to have pleasantness, comfortableness and close interactions with their friends or partners (W. K. Olsen, Warde, & Martens, 2000). The restaurant environment is forecasted to bring a benefit chance to study the customers' participation in an experiential setting (Schneider & White, 2004).

### **Sample and procedure**

Data for this study were collected from the customers of restaurants and coffee stores located in 3 destinations (3 largest cities in Vietnam). In each destination, 50 restaurants or coffee stores were recruited to participate in the study. The research team will provide each restaurant a packet of materials including 20 survey questionnaires for customers. The self-administered questionnaires are distributed to randomly 20 chosen-customer at each restaurant and they will be instructed to fill out the surveys and return them to the interviewers.

## **Conclusion**

In this paper, study contributes to theoretical advancements by enriching and advancing

understanding the role of servicescape in creating social interaction experiences between customers and employees as well as among internal customers in interpersonal service setting, which then stimulates improvement of overall service experience, satisfaction and loyalty. Theories relating to the effects of physical environment and social interactions on customer's service experiences have already been understood (Moore, 2005; Walter & Edvardsson, 2012; Walter, Edvardsson, and Öström, 2010), but very few studies have empirically examined the role of the servicescape design in enhancing social interaction experience of customers. In addition, of social interaction forms, interaction between customers and employees have been frequently discussed from scholars, whereas other form of interaction such as interact with strangers, internal interaction among customers with friends, relatives, colleges in service context almost do not receive much attention as a deserve way. As a result, this study will fill in these literature gaps by discussing and developing conceptual model in which authors mention the role of dimensions of servicescape on two different kinds of social interaction, their effects on customer service experience, satisfaction and loyalty.

This present paper aims to suggest a deeper conceptual framework about relation between servicescape, social interaction and service experience which based on original framework of Bitner (1992). Therefore, further study is expected to be completed through conducting realistic research, collecting data, analyzing model, testing hypotheses as proposed above. As Bitner (1992) indicated, servicescape not only impacts on customers' service experiences but also influences on employees' work experiences. The interaction with service environment customers have are a part of their service experience. Likewise, the work environment employees interact are a part of their job experience (Janet Turner, Leonard, & Shun Yin, 2008). As such, it is exciting for future research to investigate impacts of servicescape on both customers and employees who shared physical surrounding conditions. Effects of servicescape will be fully evaluated from two perspective of customers and service providers.

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