



ENHANCING CUSTOMER SATISFACTION: UNRAVELING THE IMPACT OF SERVICESCAPE ELEMENTS ON GUEST EXPERIENCE

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Abstract

This study attempts to investigate the impact of servicescape—which includes ambient conditions (X1), spatial layout and functioning (X2), and artifacts, signs, and symbols (X3)—on guest satisfaction (Y) at Bali's five-star hotels. With 91 research participants who had stayed in five-star hotels in Bali, a multiple linear test was the statistical test technique employed. The study's findings demonstrate that ambient factors, which provide a comfortable environment for patrons, have a favorable and substantial impact on customer satisfaction. However, there was no discernible impact on spatial arrangement or functioning. This might be because different customers have different tastes when it comes to certain aspects of space layout and functionality. Signs, symbols, and artifacts have a positive and substantial influence, particularly in relation to the distinctiveness of Balinese architecture, according to another intriguing conclusion. The results of this study have practical consequences for hotel management, including ways to retain and develop artistic and cultural components in physical design, take into account the diversity of preferences for spatial arrangement and functioning, and increase the quality of ambient circumstances. In a market where there is competition, this might boost the hotel's brand image and maximize client happiness.

Keywords: *servicescape, customer experience, customers' perceptions and behaviors*

1. INTRODUCTION

The physical space where service providers offer their services to clients is referred to as the "servicescape," a phrase that Bitner (1992) originally used. According to Bitner (1992), the physical environment has a big impact on customer satisfaction, which in turn affects the customer's chance of using the service again. For many years, service companies, architects, and interior designers have understood the impact of the servicescape on human behavior (Baker et al., 1992; Gilboa and Rafaeli, 2003; Kearney et al., 2007; Tai and Fung, 1997). The physical environment can have a significant impact on customer behavior and emotions, according to several research conducted over several decades (Mehrabian and Russell, 1974; Donovan and Rositer, 1982; Turley and Milliman, 2000).

Customers might use Servicescape as a shortcut to distinguish between various kinds of eateries and lodging (Bitner, 1992). The hotel sector uses servicescape extensively to set itself apart from rivals and provide guests with distinctive experiences. According to Lockwood and Pyun (Lockwood & Pyun, 2019), hotel design has a significant role in drawing attention to, explaining, and differentiating the value of hotel products and services. While many studies on servicescapes have been carried out at dining establishments, lodging facilities, and resorts, (Durna et al., 2015) noted that further empirical study is required to examine the impact of various servicescape components on patron reactions.

A tourist destination's or a service context's physical environment's design, artwork, architecture, and overall look are together referred to as the "servicescape." clients' decisions to become sustainable clients may be influenced by this atmosphere of comfort (Delpiero and Istriani, 2023). Buildings in Bali have distinct architectural features compared to those in other places (Paramita, 2020; Wiryawan & Susanta, 2016) The spatial arrangement of traditional Balinese architecture, which includes reliefs, pepatraan/artifacts, and openwork/free space, sets it apart from other architectural styles (Glebet, 2012). Therefore, investigating the servicescape in Bali hotels is an intriguing research topic to explore, especially in relation to the island's distinctive architectural style.

According to research by (Dedeoglu et al., 2018)Dedeoglu et al. (2018), it's critical to comprehend the servicescape's multifaceted structure in the hotel industry. According to Dedeoglu et al. (Dedeoglu et al., 2018)(2018), elements of the servicescape enhance the perception of hotels as a whole. In the context of the hotel industry, (Durna et al., 2015) research attempts to investigate the link between servicescape components, image, and behavioral intentions, emphasizing the significance of servicescape for the impression of a favorable corporate image. Five hotel servicescape aspects were shown to be positively correlated with customers' emotional states and behavioral reactions, according to Lockwood and Pyun's (2019) investigation into the impact of hotel servicescape on guests' emotional and behavioral responses. The majority of these research look at the connection between hotel image and servicescape. Customer satisfaction may rise significantly when a hotel maintains a favorable reputation. Thus, the purpose of this study is to look into how servicescape affects customer happiness.

2. RESEARCH METHODS

The purpose of this study is to determine how Servicescape—which includes ambient circumstances (X1), spatial layout and functioning (X2), and artifacts, signs, and symbols (X3)—affects customer satisfaction (Y). Multiple linear tests are the statistical test procedure that is employed. This study's method of data collecting is the questionnaire. Ninety-one visitors who had stayed at Bali's five-star hotels made up the research participants. This research is anticipated to offer more precise insight into the impact of the environmental factors assessed on customer satisfaction because of its focus on the Bali hotel environment.

3. RESULTS AND DISCUSSION

3.1 Data Description or Result

A descriptive statistical test is run first, followed by a multiple regression test. The goal of this test is to get a complete view of the properties of the data used in the study. Descriptive statistics examine each variable's mean, maximum, minimum, and standard deviation to characterize and depict the data found in the study. The following are the findings of the descriptive statistical analysis.

Table 1. Descriptive Statistics
(Source: Data processing, 2024)

	N	Minimum	Maximum	Mean	Std. Deviation
<i>Ambient conditions (X1)</i>	91	11.00	25.00	20.9011	3.16598
<i>Spatial Layout and Fungsionalitas(X2)</i>	91	3.00	10.00	8.0220	1.49798
<i>Sign, Symbol, Artifact (X3)</i>	91	5.00	15.00	12.1978	2.27166
<i>Customer satisfaction (Y)</i>	91	9.00	20.00	16.8132	2.86710
Valid N (listwise)	91				

The evaluation of convergent validity relies on how well the indicators factor load into their corresponding latent variables, with a threshold of more than 0.7 anticipated (Hussein, 2015). All of the indicators' factor loading values for the constructs are more than 0.5, according to the data shown in Table 2. This demonstrates that the assessment, particularly when using reflecting indicators, satisfies the conditions for convergent validity in PLS. Tests are conducted for discriminant validity in addition to convergent validity. In this test, the correlation between each construct and the other constructs in the model is compared to the square root of the Average Variance Extracted (AVE), where the predicted AVE value must be more than 0.5. Every one of the research variables' AVE roots exceeds 0.5, as seen in Table 1. Therefore, the measurement satisfies the requirements for discriminant validity. The last stage in determining the external model's goodness of fit is to examine reliability using composite reliability, after the evaluation of convergent and discriminant validity. In research models, composite reliability testing is used to assess an instrument's dependability, particularly with regard to reflected indicators. Table 2 displays the composite reliability test findings.

Table 2. Composite Reliability Test Results
(Source: Data processing, 2024)

<i>Variable</i>	<i>Composite Reliability</i>	<i>Results</i>
Ambient_Conditions	,808	Valid
Customer_Satisfaction	,898	Valid
Sign, Symbol, Artifact	,815	Valid

Spatial Layout_and Fungsionality	,791	Valid
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The composite reliability test findings are good, as Table 2 illustrates, with all latent variables displaying high reliability due to the composite reliability value above 0.7. This suggests that every indicator measures the associated concept in an effective manner. Data having a composite reliability greater than 0.7 is regarded as very dependable. Composite reliability is a trustworthy indication of internal consistency for a construct.

Evaluation of Goodness of Fit Inner Model (Structural Model)

The outer loading, or factor loading value, is another name for the weight of each indication as a measure of its corresponding variable. The indicator is a more prominent measure of the variable when the factor loading value is greater; the converse is true when the factor loading value is lower. Table 3 displays the factor loading results for the variable dimensions of market innovation, company performance, product innovation, process innovation, and entrepreneurial abilities.

Table 3. Hypothesis Testing Results with Partial Least Square
(Source: Smart PLS, 2024)

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Ambient_Conditions -> Customer_Satisfaction	,690	,683	,102	6,740	,000
Sign, Symbol, Artifact -> Customer_Satisfaction	,243	,240	,102	2,385	,017
Spatial Layout_and Fungsionality -> Customer_Satisfaction	-,024	-,008	,093	,258	,796

According to the study's findings, certain hypotheses are accepted when their statistical t value is more than 1.96 and their p value is less than 0.05. In contrast, if the p value is higher than 0.05, the hypothesis will be disproved. Two of the study's hypotheses were accepted, while one was rejected. The next section will provide more clarifications.

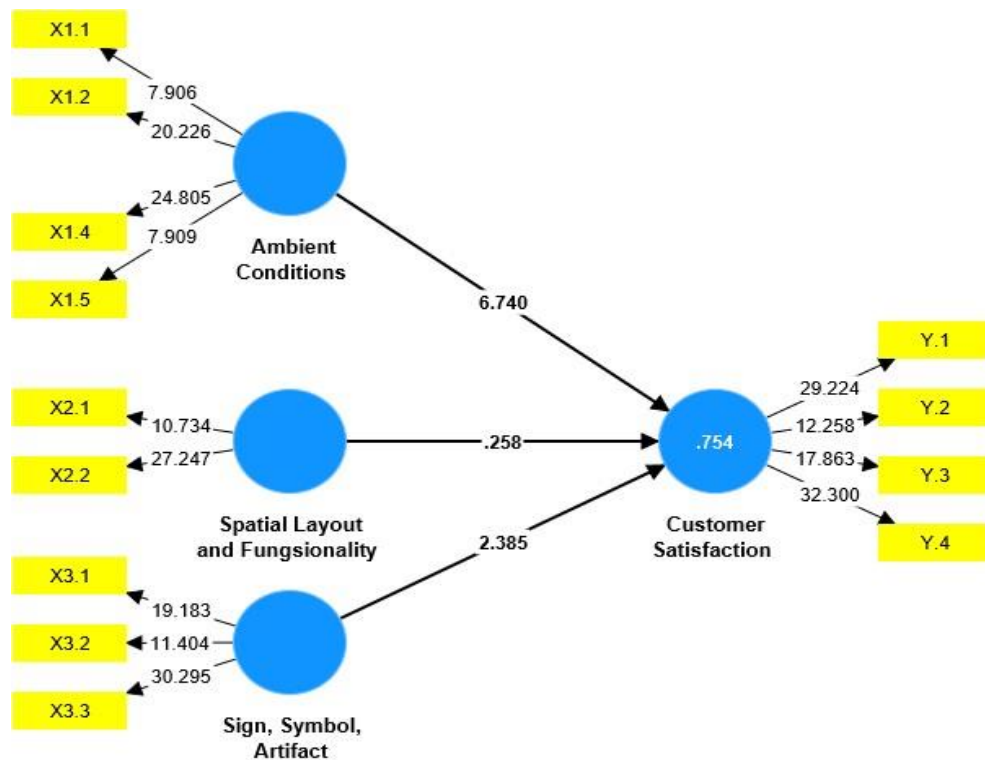


Figure 1: *Inner Structural Model*
(Source: Smart PLS, 2024)

3.2 Discussion

According to the research, the first finding is that ambient settings (X1) significantly improve consumer satisfaction (Y). Customers can have a nice experience when there are favorable atmospheric conditions in the physical surroundings, such as lighting, temperature, noise level, and scents. Ambient factors may also affect how customers feel and behave, which can improve their experience and raise their satisfaction levels. Customers are likely to link excellent ambient circumstances with high-quality service if they make a positive impression. Additionally, a well-designed physical environment is seen to be an indicator of service quality. Ambient surroundings that are pleasant might give clients the impression that the services they receive are more valuable. Customer satisfaction might rise dramatically when this gives the sense that they are receiving more than they anticipated. This study validates the findings of earlier research by (Lestari, 2016; Rena et al., 2018) (Welasasih & Suyuthie, 2020) (Putri dan Raharjo, 2013) Research by S. Lee & Chuang, 2022)) demonstrates that a welcoming environment can raise customer satisfaction levels.

The second research conclusion indicates that, in Bali's star hotels, spatial arrangement and functioning (X2) have a major impact on customer happiness (Y). Significant findings from this study demonstrate the connection between customer happiness and room arrangement and functionality at Bali's five-star hotels. This illustrates the important role that space layout and functionality play in influencing a

guest's overall experience. Facilities that are easily accessible and well-integrated into the hotel layout can increase guest comfort and satisfaction. Hotels that can optimize their layout and functionality will have a significant competitive advantage. These findings can be used as a basis for developing more effective strategies in improving guest experience and customer satisfaction, as well as strengthening the market position of star hotels in Bali.

The third research conclusion states that the ambient sign, symbol, and artifact factors have no discernible impact on customer satisfaction (Y). Customers may have a genuine experience with the hotel through signs, symbols, and objects that represent traditional and cultural Balinese features in the physical surroundings. Customers may be more satisfied when they can appreciate the originality and beauty of architectural design with these special features. Strong brand images may be created by hotel brands using symbols and artifacts. Customer value views can be positively impacted by the distinctiveness of Balinese signs, symbols, and artifacts that represent local authenticity. Consumer satisfaction may increase if they believe they are receiving a particular and unique experience. In order for cultural and artistic components in physical design to match consumer expectations, produce a unique experience, and ultimately boost customer satisfaction.

Spatial layout and functionality are highly subjective aspects of hotel design. Different guests may have different expectations regarding room and facility arrangements. Some customers may prioritize spaciousness and open areas, while others may value accessibility, privacy, or proximity to specific hotel amenities. This diversity in preferences may dilute the overall impact of spatial layout on satisfaction, as no single design can accommodate all customer expectations equally.

4. CONCLUSION

This research found that ambient conditions positively and significantly influence customer satisfaction. Spatial layout and functionality do not show a significant influence on customer satisfaction. Meanwhile, Ambient Signs, Symbols, Artifacts, have a positive and significant impact on customer satisfaction. The practical implication of this research is that hotels in Bali can increase customer satisfaction by focusing on improving the quality of ambient conditions. Apart from that, hotel management needs to understand the diversity of customer preferences related to Spatial Layout and Functionality and adjust space design strategically. Based on the results of this research, hotels in Bali must also maintain and improve cultural and artistic elements in physical design, such as Signs, Symbols, Artifacts, which support increasing customer satisfaction and hotel brand image.

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