



# Investigating the influence of servicescape on customer loyalty at a fine - dining restaurants in Jaipur

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## Abstract

Restaurant owners and indeed all the personnel need to create a pleasant servicescape and provide service quality excellence in all their encounters with their customers. Servicescape is the physical environment of a service business where service is delivered to paying or non-paying customers. Servicescape has a very strong effect on all consumption experiences where service is delivered. In India the service sector contributes nearly half of the GDP. Restaurant owners, managers and all the personnel need to be servicescape oriented in order to increase a restaurant's performance and improve its sustainability prospects. Servicescape is thus the physical facility and services which are considered to enhance customer satisfaction and sustain business. The purpose of the present study was to establish the relationship between Servicescape and customer's loyalty towards fine dine restaurants in Jaipur. A total of 436 subjects who visited fine dining restaurant of Jaipur, age from 21 to 60 years of age, were selected for the study. To measure the servicescape parameters, a scale established by Mehrabian and Russell (1974) was adopted. To find out the relation between servicescape and customers' loyalty, the Pearson product minute correlation was used. To develop a model for customers' loyalty, linear regression was employed. Results revealed that there was a strong relationship between servicescape and customer's loyalty and this allowed a significant model for customer's loyalty to be developed. Hence, it is concluded that the loyalty of the customers can be predicted by using the proposed model.

**Keywords:** Hospitality, restaurant, servicescape, customer satisfaction, customer loyalty, India.

## Introduction

Food plays a major role for humans, not only for their survival but it is also important for all occasions like marriage, festivals and other such events. If food fails, everything fails. in the same manner in hospitality industries, it is a backbone of the hotels and catering business. The hotel industry is generally classified into three basic categories mid-segment hotels, business class and luxury segments. All segments are required to fulfil the food expectations of their diverse guests. If they are not able to obtain service as per their expectations, then the services fail for them. A fine dining restaurant is a full-service restaurant. Typically, fine dining restaurants serve high quality food and offer exceptional service by well-trained service staff in a high-end dining environment.

Eating out is observed as in excess of an encounter today; a family stimulation; a method for correlating in the network where individuals get together while enjoying luscious luxuries. At the end of the day, purchasers look for a 'feasting knowledge' which incorporates delicious nourishment, a great mood, diversion from daily stresses and speedy assistance. Truth be told, the tangible pattern supports today's customers' wants and they always search for



intriguing, agreeable, and significant tactile encounters. Expanding opulence, worldwide presentation, changing ways of life have made customers consistently request more profound tangible delights from enterprises from which they buy services and goods. With no special case to the nourishment administration industry, customers are setting critical incentives on the libertine advantages of nutrition and are searching for specific characteristics that connect every one of their faculties which makes for the most satisfying experiences. This impression of tangible experience is to a great extent influenced by numerous elements, and one significant factor being the earth from which the nourishment is devoured. In spite of the fact that the nourishment and the administration are considered as the essential parts, the earth wherein the nourishment is devoured extraordinarily influences the feasting knowledge. Indeed, the vibe, music, stylistic theme, lighting, temperature, and the "vibe" of café can make the entire feasting background progressively significant and decide to an enormous degree, the level of consumer loyalty and ensuing practices.

### **Servicescape**

The idea of Servicescape was created by Booms and Bitner (1981) and it is characterized as "nature in which the administration is collected and in which the vendor and client connect, joined with substantial wares that encourage execution or correspondence of the administration". As such, it alludes to experiential components to configuration administration conditions where the client communicates with a specialist organization while the administration is conveyed. It is likewise called an administration setting in which an assistance event happens. It fuses both outside and inside characteristics. Even more unequivocally, Servicescape is made out of the auxiliary style inside elaborate design, merchandise, including factors, for instance, sound, smell, lighting, air quality, temperature; spatial position, tidiness, outside plan, signage and pictures, and distinctive physical resources which are acknowledged to actuate enthusiastic and scholarly responses in purchasers.

Nicolaides (2008) states that there are various aspects that are important in servicescape and its pointers are restaurant ambience, design, employee behaviour and image, and of course product, promotion and price. The ambience is also dependent on the attractiveness of the place and actual hospitality meted out by employees. Also important are aromas, restaurant temperature, lighting, comfortable furniture and background music. Of course cleanliness is always a non-negotiable aspect.

Servicescape is astoundingly convincing in passing on the company's image and along these lines forming the organization wants and experiences. As such, the notion of Servicescape addresses the totality of the disposition and physical condition of the organization, its goals and the enhancements attract clients before the obtaining the actual service required authentic. There is adequate evidence to suggest that the Servicescape has a huge effect on customer experiences and practices in the hospitality industry and all food and beverage operations (Nicolaides, 2008). Be that as it may, the significance of Servicescape is progressively clear in administrations, for example, inns, eateries, banks, schools, and clinics where clients invest expanded time and energy in the physical surroundings of the place. Furthermore, for example, high end cafés clients search out to encounter delight, fun and energy, thus Servicescape might be a significant determinant for their accomplishment and social need provision.

### **High end Café/Fine dining Restaurant**

High end Cafés otherwise called complete, help restaurants offer explicit servings of nourishment, with a topical feel, are officially outfitted and have talented staff. These fill the need of a get-together contribution enticing nourishment from nearby flavours to mainland cooking styles. High-end eateries separate themselves from easy-going eating as the best nourishment, and have upscale service and an intriguing ambience. With a normal value for



every head dropping in, the scope of Rs.750 - Rs.3000, top notch food is costly and often targets rich and only the upper working-class purchaser fragments. The Indian top-notch food area is growing consistently all over the years with a yearly development of 19% and is relied upon to reach Rs.5393 crores in 2015 from Rs. 2,592 crores.

In 2011(Indian Eatery Report 2012), it is stated that India has a sound portion of 14% in the composed eatery market and high-end food chains, for example, Territory China, Rajdhani, and Grill Country have been doing very well. Today fancy cafés can be in any setting and highlight a wide assortment of food, from ethnic to natural, and neighborhood style foods. These for the most part remain solitary outlets. However, some are appended to star class inns as well. As expendable salaries are rising, the feasting society is on the ascent showing fine development possibilities for the high end food segment.

In India therefore, this fragment is high on focused angles pulling in numerous universal brands just as neighborhood players. Numerous universal extravagance brands, for example, Yauatcha and Hakkasan, London-based Cantonese cooking chains, Le Cirque, a French food chain, Megu, a New York-based Japanese chain, and Paris based Buddha Bar which has changed its name to B-Bar have just entered the Indian eatery space. These improvements demonstrate both promising development prospects and also simultaneously expanded aggressiveness. At this crossroads, the quick challenge for high end food restaurateurs is to give solid and healthy nourishment choices in quality outlets in order to make exceptional eating encounters so as to draw in and hold clients. Hence, the information of what sort of servicescape cafes need to experience and how these boost the influence by their general eating encounters turns out to be essential.

The bistro industry being the greatest portion inside the organization business accept a vital activity in the Indian economy. At present it is regarded at Rs. 75,000 crores and is required to land at the indication of Rs.1,37,000 crores in 2015 with a CAGR of 17% (Indian Restaurant Report, 2012). Creating nonessential wages, changing dietary penchants, expanding the base of young people, rising urbanization, the higher percentage of women used, have been driving up the improvements. In spite of the way that the present market is managed by disordered players which sets up for 70% of the total market, the market is growing faster (20 to 25 % per annum) than the general bistro industry.

## Literature Review

The main aim of this study is to discover how Servicescape influences consumer behavioural intentions in fine dining restaurants while experiencing the leisure services provided by that restaurant. To achieve the effective results, it is necessary to understand in detail the complete idea of Servicescape and its character in service marketing. This section covers the brief of the conceptual background of Servicescape, its role and significance, and offers brief summary of works on Servicescape including the consumer emotional and behavioural purposes.

Booms and Bitner built up the idea of Servicescape in 1981 to imply the totality of physical condition of administration foundations. They characterized Servicescape as "the majority of the goal physical variables that can be constrained by the firm to improve representative and client activities". Further in 1992, Bitner crafted the term Servicescape with the definition "it is any substantial segment that encourages execution or imparts the administration". Hightower in 1997 alluded that Servicescape is "everything that is physically present to the customer during the administration experience". In 2007, Ezeh and Harris incorporated the client reactions and criticisms while characterizing Servicescape as "the physical condition (with or without client input) lodging the administration experience, which inspires inside responses in clients prompting the showcase of approach or evasion practices". Hoffman and Turley (2002)



taking reference with Kotler (1973) characterized Servicescape as "basically a developed situation made of both unmistakable and elusive components which can be controlled and controlled to encourage the arrangement of administration contributions to clients". After exhaustive investigation, analysts reasoned that Servicescape is made out of external aspects (scene, outside plan, stopping, signage, encompassing region and so on.) and internal (structure, stylistic theme, signage, format, hardware, air quality, feeling, temperature and so on.) properties of administration office which are accepted in order to make passionate and intellectual impacts on buyers. This concurs with Nicolaides (2008; 2012) who argues that customers are the very lifeblood of a service industry business and so important that management permanently remove any and all of the obstacles which appear in quality service provision.

Because of the early endeavours and broad research works of the early specialists, including the natural clinicians, Servicescape has a well-characterized and well-created hypothesis. Mehrabian and Russel (1974), examined how scientists set up the way that naturally boosts or makes a generous effect on human conduct. In 1973, Kotler thought of a term 'atmospherics'. This term was incorporated to clarify how constructed or counterfeit situations (structures, place, scenes) can be deliberately wanted to deliver explicit enthusiastic impacts in the purchaser that may improve the client's buy likelihood. As indicated by Kotler, a purchaser will in general consider and assess the 'total item'. By complete or absolute item, he implied that the item incorporates the administrations, bundling, publicizing, financing, guarantees and the spot from where the item will be purchased or devoured. It very well may be seen from genuine circumstances that in certain circumstances, place is more unmistakable in the buy choice than the item itself and consequently the such cases, place turns into the essential item. Kotler (1973) additionally portrayed the importance to the word 'climate' as Servicescape. In fact, environment is alluded to as "the air encompassing a circle" which speaks to the nature of the physical environment. This idea can be comprehended from a basic model, is an eatery is said to have great climate, it implies that the client sees the physical surroundings as wonderful. Kotler depicted the environment in tangible terms of sound, sight, aroma and contact. Fundamentally to incorporate aural (volume, pitch), visual (shading, brilliance, shapes and size), olfactory (freshness, aroma) and material (smoothness, delicateness, temperature) factors. Kotler further suggested that air goes about as consideration making or consideration pulling in mediums in those circumstances where items are expended or bought and where the merchant has different plan choices like retail locations, banks, eateries, and so forth. One of a kind climates likewise give an aggressive edge over others when other showcasing instruments are killed in a focused market. Markin, Lillis, and Narayana (1976) likewise concurred that space or spot influences the customers conduct and thus can be channelized to structure the shopping conduct of purchasers.

When it comes to the discussion of Servicescape Dimensions, there is no consensus among the researchers. Baker (1987) acknowledged three sets of factors in the store environment: (i) Ambient Factors, (ii) Design Factors, and (iii) Social Factors. In 1992, Bitner identified three main dimensions of Servicescape: (i) Ambient Conditions, (ii) Spatial Layout and Functionality, and (iii) Signs, Symbols, and Artefacts. In 1997, Hightower extended the model given by Baker in 1987 and hypothesized sub-dimensional factors: (i) Ambient Factors, (ii) Design sub divided into Aesthetic and Functional Factors, and (iii) Social Factors including Customer and Employee Factors. Lin (2004) categorised three main sets of cues of Servicescape: (i) Visual Cues: colour, lighting, space and function, personal artefacts, layout and design, (ii) Auditory Cues: music and noise, and (iii) Olfactory Cues: odours and scents. Recent researchers such as Wakefield and Blodgett (1994) have explored various other sets of dimensions such as Layout Accessibility, Facility Aesthetics, Electronic Equipment, Seating Comfort, and Cleanliness Factors in leisure services.

In 2003, Lucas identified five variables of a Servicescape: (i) Seating Comfort, (ii) Ambient Conditions, (iii) Interior décor, (iv) Cleanliness, and (v) Layout of the floor of the restaurant.



Ryu (2005) came up with a six-factor Dinescape scale which consisted of (i) Facility Aesthetics, (ii) Ambience, (iii) Lighting, (iv) Service Product, (v) Layout, and (vi) Social Factors in a fine dining upscale restaurant. Tripathi (2007) and Siddiqui (2008) explored some other factors such as general interiors, social dimensions, internal display facilities and external facilities dimensions of a shopping mall.

In 2008, Michaelia came up with six dimensions of Servicescape: (i) Cleanliness, (ii) Signage, (iii) Ambient Conditions, (iv) Functionality, (v) Layout, and (vi) General Facilities. Lee, et. al., in 2008, identified seven basic dimensions of Festivals cape: (i) Program Content, (ii) Staff, (iii) Facility, (iv) Food, (v) Souvenirs, (vi) Convenience, and (vii) Information.

In 2009, Paninchukunnath described three dimensions of Servicescape: (i) Interior, (ii) Ambient Conditions, and (iii) other tangibles. Finally, in 2010, Rosenbaum and Massiah proposed that Physical, Social, Symbolic, and Restorative Stimuli are comprised of Servicescape.

All the researchers concluded that Servicescape cannot be ignored in this competitive market and hence it is not a passive setting but rather an active setting which plays a crucial role in service organizations. Services are mostly produced after purchasing as they are intangible in nature. Hence, there exists a high rate of uncertainty among the customers with respect to the features and outputs of the service purchased. Therefore, customers need to rely on physical cues to estimate services beforehand, and also during consumption. Servicescape is enhanced with substantial prompts and becomes convenient in such circumstances. It helps in conveying administration and includes organizing the administration desires. Clients additionally always speak with the Servicescape during the administration conveyance procedure and most administrations are inseparable and require the client to be physically present in the administration manufacturing areas.

Servicescape is additionally said to insightfully affect the client experience. In every one of these circumstances, Servicescape impacts the client experience and their passionate associations with the specialist co-op. Lovelock and Wirtz, (2004), clarified that the Servicescape helps in the showcasing of administrations by executing: (I) Message-Making Medium: representative signal, helps in conveying the one of a kind sort of nature of administration experience, (ii) Consideration Making Medium: causes in speaking to the objective clients, and (iii) Impact Making Medium: helps in giving impression of Servicescape characteristics, for example, sounds, hues, surfaces, aromas and so forth.

The significance of Servicescape is reliant upon the measure of time the clients spend in the physical offices of the specialist organizations and the explanation of administration utilization. This is clarified as the more extended the time client spends in the physical help office, it is almost certain that he/she is to get affected by the Servicescape. Thus, the apparent nature of the Servicescape by the client decides his/her fulfilment. Servicescape assumes a significant job if there should be an occurrence of recreation benefits when contrasted with practical administrations.

Servicescape assumes a pivotal job in cordiality benefits particularly in the eatery area. It is essential to locate the ideal harmony between the appearance and the flavour of the nourishment aspects, and furthermore, it is critical to find some kind of harmony between the actual menu and the stylistic layout of the eatery.

## **Methodology**

An aggregate was received to draw the reactions of 436 clients of fancy eateries in Jaipur by utilizing a Comfort Testing technique. The survey was utilised based on Mehrabian and Russell (1974) for estimating the servicescape parameters of client's and it depended on a seven-point Likert scale. The dependability of the survey was estimated by utilizing the Cronbach's alpha test. The ordinariness of the information for satisfying the presumption of applying parametric test was estimated by utilizing a Histogram and PP-plot.



## Analysis

**Table1.** Reliability Statistics

| Cronbach's Alpha | No. of Items |
|------------------|--------------|
| 0.978            | 62           |

Table 1 reveals that the reliability statistics for the questionnaire used in the present study using Cronbach's alpha and the value of the Cronbach's alpha is 0.978 which is excellent in the context of reliability.

**Table 2. Descriptive Statistics**

|         | Mean   | -Std. Deviation | N   |
|---------|--------|-----------------|-----|
| Service | 110.28 | 27.938          | 436 |
| Loyalty | 54.94  | 14.865          | 436 |

Table 2 explains the descriptive statistics with mean and standard deviation of Servicescape ( $110.28 \pm 27.93$ ) and Loyalty ( $54.94 \pm 14.865$ ).

**Table 3. Correlations**

|         |                     | Service | Loyalty |
|---------|---------------------|---------|---------|
| Service | Pearson Correlation | 1       | .769**  |
|         | Sig. (2-tailed)     |         | .000    |
|         | N                   | 436     | 436     |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 3 reveals the relationship between Servicescape and Loyalty is 0.769 which is significant at 0.5 level. It shows that servicescape is highly correlated to customer's loyalty.

**Table 4. Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |               | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
|       |                   |          |                   |                            | R Square Change   | F Change | df1 | df2 | Sig. F Change |               |
| 1     | .769 <sup>a</sup> | .591     | .590              | 9.518                      | .591              | 627.033  | 1   | 434 | .000          | 1.722         |

a. Predictors: (Constant), Service

b. Dependent Variable: Loyalty

Table 4 shows that the value of R-square is 0.59 and value of adjusted R-square is 0.59, which is good enough to predict the loyalty in respect of servicescape. This model explains 59% variation in loyalty due to servicescape in the fine dining restaurant. The equation of the model is Loyalty=9.832+0.409 (Servicescap). The model is significant as shown in Table-5 and the p-value is less than 0.05 level. From figure 1&2, it is clear that the data is usually distributed and the statement of fitting of the linear regression model is fulfilled.

**Table 5. ANOVA<sup>a</sup>**

| Model | Sum of Squares | df        | Mean Square | F         | Sig.    |
|-------|----------------|-----------|-------------|-----------|---------|
| 1     | Regression     | 56806.142 | 1           | 56806.142 | 627.033 |
|       | Residual       | 39318.307 | 434         | 90.595    |         |
|       | Total          | 96124.450 | 435         |           |         |

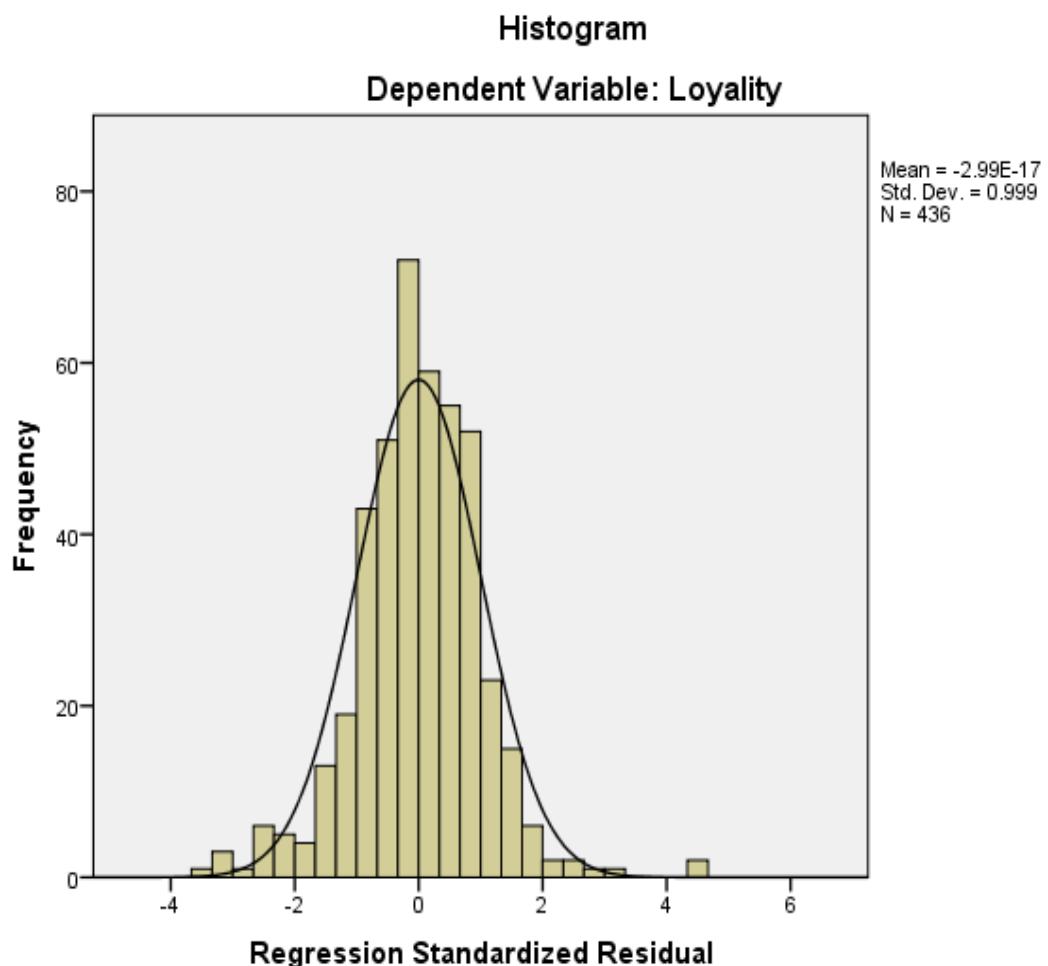
a. Dependent Variable: Loyalty

b. Predictors: (Constant), Service

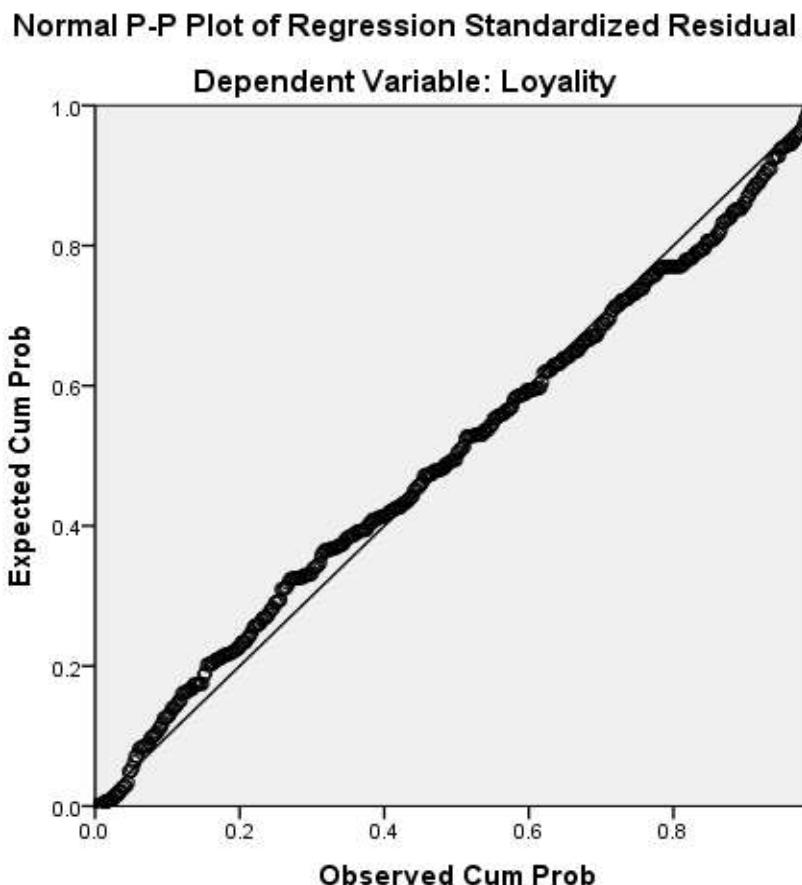
**Table 6.** Coefficients<sup>a</sup>

| Model | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.   | Collinearity Statistics |       |
|-------|-----------------------------|------------|---------------------------|-------|--------|-------------------------|-------|
|       | B                           | Std. Error | Beta                      |       |        | Tolerance               | VIF   |
| 1     | (Constant)                  | 9.832      | 1.858                     | 5.291 | .000   |                         |       |
|       | Service                     | .409       | .016                      | .769  | 25.041 | .000                    | 1.000 |

a. Dependent Variable: Loyalty



**Figure 1.**



**Figure 2.**

### **Discussion/conclusion**

The basic determination of this learning was to identify the factors of Servicescape, and their impact on customer loyalty. Data was collected through a survey of 436 respondents who are the actual diners of fine dining restaurants in Jaipur and analysed using a set of descriptive and inferential statistical tools. The Cronbach's alpha value is 0.978, which shows that questionnaire is highly dependable. From histogram it is observed that the data is normally distributed. So, use of Karl Pearson coefficient of correlation and linear regression model is appropriate. The correlation coefficient between servicescape and customer's loyalty is 0.769, which is highly positively correlated, furthermore a regression model is developed having adjusted R<sup>2</sup> value=0.590. Hence, it is concluded that the servicescape is 59% responsible for variation in customer's loyalty.

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