THE EFFECT OF SERVICESCAPE ON SALES IN THE HOTEL INDUSTRY
(A CASE STUDY OF NAIROBI SERENA HOTEL)

"Mathiu Josphine Mwendwa
THE EFFECT OF SERVICESCAPE ON SALES IN THE HOTEL INDUSTRY
(A CASE STUDY OF NAIROBI SERENA HOTEL)

1* Mathiu Josphine Mwendwa
Undergraduate Student
KCA UNIVERSITY
*alicadius@yahoo.com

Abstract

Purpose: The purpose of this study was to analyze the effect of servicescape on sales in the hotel industry.

Methodology: The study used a descriptive sectional research design. The target population was 200 employees in Nairobi Serena hotel. A sample size of 50 employees was taken. The data collection instrument was a questionnaire. The data was analyzed using descriptive statistics such as means and frequencies. The data analysis tool was statistical package for social sciences (SPSS) version 17. The data was presented using bars and charts.

Results: Findings indicated that facility aesthetic features of the hotel had a positive effect on sales. This was evident because majority of the respondents agreed with the statements that the presence of marbled wall decorations have led to an increase in sales volumes, presence of artifacts have led to an increase in sales volumes, the presence of pictures have led to an increase in sales volume, the presence of signage have led to an increase in sales volume and the presence of good facility upkeep and cleanliness have led to an increase in sales volume. Results further indicated that ambient condition of the hotel had a positive effect on sales in the hotel industry. This was evidenced by majority of the respondents agreeing with the statements that the low noise level of the hotels has led to an increase in sales, the soothing music of the hotel has led to an increase in sales, the comfortable temperature of the hotel has led to an increase in sales, and the ambient/nice scent of the hotel has led to an increase in sales. The study findings also indicated that majority of the respondents agreed with the statements that the furnishings of the hotel have led to an increase in sales, the spacious layout/space of the hotel has led to an increase in sales, the neat seat arrangement of the hotel have led to an increase in sales, adequate car parking space of the hotel has led to an increase in sales, and the comfortable chairs of the hotel have led to an increase in sales.

Unique contribution to theory, practice and policy: study findings, it is recommended that all employees be trained on the importance of facility aesthetic and their maintenance so that the sales volume could be increased. The study recommended that the management to work on the conditions of the hotel so that both the employees and the customers can be comfortable and hence referrals to other people thus increased sales. The study findings recommended that the management ensures that the hotel is spacious, comfortable seats and good furnishings to attract customers thus increased sales. The study also recommended that future studies should also
investigate whether there is a difference in the effect of services capes between no star, one star, 2 star, 3 star, 4 star and 5 star hotels. Further studies recommended on the effect of facility aesthetic, ambient condition and spatial layout on product and manufacturing companies should be carried out.

**Keywords:** facility aesthetic, ambient condition, spatial layout, hotel industry

### 1.1 INTRODUCTION

Servicescape is the built environment or physical aspect of a consumption setting and comprises of dimensions such as ambient condition, partial functions (Bitner, 1992). Hotel servicescape may provide indications about hotels capability and quality even before the consumer chooses the hotel (Bitner, 1992). Because of this firsthand experience the hotel servicescape may have a strong impact on a consumer perception of the service experience (Hoffman et al., 2003). The overall satisfaction with servicescape influences the intention of the customers to return (Johnson et al., 2004). This in the long run improves sales. A large and growing literature in environmental psychology has also shown that the built environment has much significance influence on human psychology and behavior (Darley, 1985; Holahan, 1986).

Research in the service industry has also shown that there is a strong correlation between customer satisfaction and intention of returning to the same service provider (Woodside et al. 1989; Rust and Zahorik, 1993), and that satisfied customers’ brand loyalty has a positive impact on business (Reichheld and Sasser, 1990).

In USA, restaurant industry has employed 12.5 million people (kinclaid et al. 2010). In Kenya hotel industry forms a small percent of modern employment in the tourism industry (sindige 1994). Most international tourists (87%) stay in high hotels that are 3 star to 5 star hotels (Akama et al. 2007). In 2007, hospitality sector catered for 509,000 jobs which is ten percent (10%) of total employment in Kenya (Kuria et al, 2011).

Hotel industry has contributed indirectly to the growth of tourism industry since provision of better hotel facilities attract tourists to come to Kenya. Labour cost is one of the largest single expenses item for hospitality(Jin-Zhao et al. 2009). The managers must seek ways of reducing labour cost and one way is to operate the hotels efficiently without compromising the standards.

Stiff competition from other operators has reduced the profits generated and hotels must come up with strategies to increase the sales turnover. (Jin-Zhao et al. 2009) Lack of skilled work force has posed challenges to hotel industry (Kamau, 2012).

Aging accommodation is another problem facing hotel industry and hotels are therefore supposed to renovate their establishments regularly to meet international standards (World Bank report 2010). Hotel industry must employ latest technology such as ecommerce and online booking to have edge advantage (Rhodes 2012). Usage of Internet and computers are necessary for effective running of the industry.

### 1.2 Statement of the Problem

Servicescape also referred to as the service environment relates to the style and appearance of the
physical environment and other experimental elements encountered by customers at service
delivery site (Lovelock, 1984). Customers will often make patronage decisions based on a firm’s
physical environment. The environment around individuals solicits one of two behaviors:
approach or avoidance (Mehrabian & Russell, 1974). Approach behaviors are the desire to stay,
explore, and willingness to return to business for future purchases. In contrast, customer
avoidance behaviors include not wanting to spend time in a business and not wanting to
patronize it in the future.

The hotel owners have been focusing on the menu and have given little attention on the
dimensions of physical environment as classified by Bitner (1992) which may have a long term
effect on sales. A recent report by the national restaurant Association (2006) revealed that 54
percent of quick service food operators were dedicating a higher portion of their budget to
remodeling in order to attract customers and were focusing on the tangible qualities of their
restaurants, hotels. Not only can physical environment play an important role in providing cues
about the expected level of service but also can affect the actual delivery of the service (Rust,
Zahorik, & Keiningham, 1995). The physical environment of a service facility may also affect
the ease with which customers accomplish their service objectives. The main reason why hotels
fail to grow includes poor designing and specification of the service environment.

Pertinent literature on servicescape has demonstrated that service industries, in general and
hotels in particular, operate in environments characterized by increased need for designing
servicescape to achieve the desired effects inorder to create and sustain competitive advantages.
Service industries therefore, need to be cognizant of the overall effects of servicescape.

There are a few studies (Hoffman et al. 2003, Lovelock, 1984) dealing with servicescape and
customer perception. However, none of them directly addresses the subject of the effect of the
servicescape on sales in the hotel industry. Given that the servicescape designing is a key
success factor in the service industry, it should be studied and documented. No study exists on
the effect of servicescape on the sales of Nairobi Serena Hotel. This study therefore sought to
investigate the effect of servicescape on sales in the Nairobi Serena Hotel.

**Study Objectives**

1. To determine the effect of facility aesthetic on sales in the hotel industry.
2. To analyse the effect of ambient condition on sales in the hotel industry in Kenya.
3. To assess the effect of spatial layout on sales in the hotel industry.

**2.0 LITERATURE REVIEW**

**2.1 Theoretical Literature Review**

Lovelock (1984) defines servicecape as the style and appearance of the physical surroundings
and other experimental elements encountered by customer at service delivery sites. Bitner (1992)
refers to the physical environment in service firms as servicecape and classifies it into three
dimensions—(a) ambient conditions,(b) spatial layout and functionality, and (c) signs, symbols,
and artifacts. Bitner (1992) further argued that “the servicescape has a facilitator role by either
In high contact services, physical service environment plays a key role in shaping the service experience and enhancing or undermining customer satisfaction. Organization from hospitals to hotels and from restaurants to professional firms have come to recognize that the service environment is an important component of their marketing and overall value proposition. According to Lovelock (1984) service environment communicates and determine the positioning of the service, shape employees as well as customer productivity, guide customers through the delivery system and may represent a core component of a firm’s search for competitive advantage. For example, some elements of servicescape such as process technology and layout may decrease customer search time, improve processing efficiency, increase service consistency and reliability, and facilitate customer orientation within the service delivery system (Bitner, 1992; Chase & Hayes, 1991; Chase & Bowen, 1991). Mehrabian. Russel – stimulus – response model hold that the environments, its conscious and unconscious perception and interpretation influence how people feel in that environment. People's feelings in turn drive their responses to that environment.

Russell’s model of affect suggest that emotional responses to environment can be described along two main dimensions, pleasure and arousal. Pleasure is a direct subjective response to the environment depending on how much the individual likes or dislikes the environment. Arousal refers to how stimulated the individual feels ranging from deep sleep to highest level in the blood stream. The arousal quality is much less subjective that it’s pleasure quality.

If the environment is pleasant, increasing arousal can generate excitement leading to stronger positive consumer response. When customers have a strong affective expectations it is important that the environment be designed feel during the service encounter is an important driver of loyalty. Positive affect drives hedonic shopping value which in turn increases reported purchasing behaviour thus increasing sales. It is also important that the environment be designed to match with the customer expectations (Lovelock 1984)

### 2.2 Conceptualization

![Diagram showing the relationship between Aesthetic appeal, Ambient condition, Spatial layout, and Sales volume.](image-url)
3.0 RESEARCH METHODOLOGY

The study used a descriptive sectional research design. The target population was 200 employees in Nairobi Serena hotel. A sample size of 50 employees was taken. The data collection instrument was a questionnaire. The data was analyzed using descriptive statistics such as means and frequencies. The data analysis tool was statistical package for social sciences (SPSS) version 17. The data was presented using bars and charts.

4.0 RESULTS AND DISCUSSIONS

4.1 Demographics

A total of 45 responses/Questionnaires were received out of a possible 50 Questionnaires. This is a response rate of 90% of the total sampled respondents. According to Mugenda and Mugenda (2003) a sample size of more than 50% is ideal for data analysis.

4.1.1 Age of the Respondents

The respondents were asked to indicate their ages and results are presented in figure 1.

![Figure 1: Age of the Respondents](image)

Results in figure 4.1 revealed that 49% of the respondents indicated that they were between 26-35 years of age, 31% of the respondents indicated that they were between 18-25 years of age, while 7% of the respondents indicated between 26-35 years of age, another 7% of the respondents indicated 56 years and above and 6% of the respondents indicated 36-45 years of age. The findings imply that most of the respondents working in the hotel industry are enjoying their youth.

4.2 Effect of Facility Aesthetic on Sales

The respondents were requested to rate the effect that facility aesthetics has on sales. The results are presented in table 4.5 and figure 4.5.

Table 2: Response on the Effect of Facility Aesthetic on Sales
Results in figure indicated that 51.1% of the respondents agreed while another 13.3% strongly agreed bringing to a total of (64.4%) agreed with the statement that the presence of marbled wall decorations have led to an increase in sales volumes, while 15.6% of the respondents disagreed, 8.9% of the respondents strongly disagreed and 11.1% of the respondents were neutral.

The findings also indicated that 62.2% of the respondents agreed and another 6.7% strongly agreed bringing to a total of (68.9%) of those who agreed with the statement the presence of artifacts have led to an increase in sales volumes.

The findings further revealed that 75.6% of the respondents agreed with the statement that the presence of pictures have led to an increase in sales volume, while 13.3% of the respondents were neutral and 11.1% of the respondents disagreed with the statement.

In addition, the study findings indicated that 57.8% of the respondents agreed and another 8.9% strongly agreed bringing to a total of (66.7%) of those who agreed with the statement the presence of signage have led to an increase in sales volume, while 15.6% were neutral, 11.1% of the respondents disagreed and 6.7% strongly disagreed with the statement.

Finally, the findings indicated that 55.6% of the respondents agreed and another 13.3% strongly agreed bringing to a total of (68.9%) of those who agreed with the statement that the presence of good facility upkeep and cleanliness have led to an increase in sales volume, while 13.3% of the respondents disagreed, 8.9% were neutral and 8.9% of the respondents strongly disagreed with the statement. The finding simply that marbel walls have led to an increase in sales volumes that the presence of artifacts has led to an increase in sales volumes.
The results agree with those in Wakefield & Blodgett (1994), and Mano & Oliver (1993) who noted that facility aesthetics can be a critical aspect of attracting and maintaining customers to a restaurant. Not only it can influences consumer traffic to a restaurant, but it can also affects the revenue of restaurant.

### 4.2.1 Extent of Effects on sales

The respondents were requested to rate the extent of effect that facility aesthetics has on sales. The results are presented in table 4.6 and figure 4.6.

![Figure 4.1: Extent of Effects on sales](image)

As illustrated in table and figure 4.6, the findings indicated that 42.2% of the respondents indicated that wall decorations affect the extent of sales strongly, while 31.1% of the respondents indicated averagely and 26.7% indicated that wall decorations had no effect on sales of the hotel. The findings also indicated that 48.9% of the respondents indicated that artifacts affect the extent of sales strongly, while 28.9% of the respondents indicated averagely and 22.2% indicated that artifacts had no effect on sales of the hotel. In addition, 46.7% of the respondents indicated that pictures affect the extent of sales strongly, while 26.7% of the respondents indicated averagely and another 26.7% indicated that pictures had no effect on sales of the hotel.

Furthermore, the study findings indicated that 51.1% of the respondents indicated that signage affect the extent of sales strongly, while 31.1% of the respondents indicated averagely and 17.8% indicated that signage had no effect on sales of the hotel. Finally, results in figure 4.6 revealed that 60% of the respondents indicated that symbols affect the extent of sales strongly, while 31.1% of the respondents indicated averagely and 8.9% indicated that symbols had no effect on sales of the hotel.
The findings imply that the effect of waled decorations, artifacts, pictures, signals and symbols strongly affect sales.

The findings agree with those in Berry & Wall (2007) who noted that a lot of restaurants recognize and utilize facility aesthetics to capture specific customers. The authors note that it can play as an important marketing tool by affecting customer responses such as attitudes, emotions, price perception, value, satisfaction, and behavior.

4.3 Effect of Ambient Condition on sales

![Figure: Effect of Ambient Condition on sales]

Results in figure 4.7 indicated that 40% of the respondents agreed while another 28.9% strongly agreed bringing to a total of (68.9%) of those who agreed with the statement that the low noise level of the hotels has led to an increase in sales, while 14.1% of the respondents disagreed, 6.7% of the respondents strongly disagreed and 3.3% of the respondents were neutral. The findings also indicated that 53.3% of the respondents agreed with the statement that the soothing music of the hotel has led to an increase in sales, while 11.1% of the respondents disagreed and 13.3% strongly disagreed with the statement.

The findings further revealed that 73.3% of the respondents agreed with the statement that the comfortable temperature of the hotel has led to an increase in sales, while 15.6% of the respondents disagreed and 11.1% of the respondents strongly disagreed with the statement.

In addition, the study findings indicated that 91.1% of the respondents agreed and another 2.2% strongly agreed bringing to a total of (93.3%) of those who agreed with the statement the ambient/nice scent of the hotel has led to an increase in sales, while 15.6% were neutral. None of the respondents disagreed and strongly disagreed with the statement. The findings imply that
low noise level, ambient/nice scent, comfortable temperature and soothing music of the hotels leads to an increase in sales

The findings agree with those in Annemiek (2007) who noted that cool colors are favored when consumers need time to make high-involvement purchases. The findings also agree with those in Sullivan and Adcock (2002) who show that colour can be used to improve mood and direct emotions and to increase arousal and excitement. It can be seen to have both physiological and psychological effect on an individual. The findings further compare well with those in Countryman and Jang (2006) who found that colors that are bright and highly saturated tend to produce pleasant feelings.

4.3.1 Extent of Effect on sales

The respondents were requested to rate the extent that ambience conditions has on sales. The results are presented in figure 4.8 and in table 4.8

Table 1: Extent of Effect on sales

Figure 4.2: Extent of Effect on sales

As illustrated in figure 4.8, the findings indicated that 44.4% of the respondents indicated that low noise level affect the extent of sales strongly, while 33.3% of the respondents indicated averagely and 22.2% indicated that low noise level had no effect on sales of the hotel. The findings also indicated that 48.9% of the respondents indicated that soothing music affect the extent of sales strongly, while 31.1% of the respondents indicated averagely and 20% indicated that soothing music had no effect on sales of the hotel. In addition, majority 51.1% of the respondents indicated that comfortable temperatures affect the extent of sales strongly, while 33.3% of the respondents indicated averagely and 15.6% indicated that comfortable temperatures...
had no effect on sales of the hotel.

Finally, the study findings indicated that 64.4% of the respondents indicated that ambient scent affect the extent of sales strongly, while 22.2% of the respondents indicated averagely and 13.3% indicated that ambient scent had no effect on sales of the hotel. The findings imply that low noise level, soothing music, comfortable temperatures and ambient scent affects the extent of sales strongly.

The findings agree with those in Morin, Dube & Chebat (2007) and who noted that that the presence of music in a service environment changes the ambience in that environment. Hence music is considered an efficient and effective means for triggering moods and communicating non-verbally. Even if played at barely audible volumes, music can have a powerful effect on perception behaviours in service settings.

The findings also agree with those in Kurtz & Clow (1998), Newman & Cullen (2002) who note that ambient conditions affect spectators physiologically, cognitively or affectively. If the temperature is too hot or too cold, customers will feel uncomfortable.

The finding also agree with those in Hoffman & Bateson (2006) who note that lightning is an important element of a stores interior and exterior design and creates a favourable first impression of the store and its surroundings. Lighting can set the mood, tone and pace of the service encounter. Customers talk more softly when the lights are low, the service environment is considered formal hence, and pace of movement becomes slow

4.4 Effect of Spatial Layout on Sales

The respondents were requested to rate the effect that spatila layout has on sales. The results are presented in table 4.9 and figure 4.9.

Table 4. 2: Effect of Spatial Layout on Sales
Results in figure 4.9 indicated that 73.3% of the respondents agreed with the statement that the furnishings of the hotel have led to an increase in sales, while 14.1% of the respondents disagreed, 6.7% of the respondents strongly disagreed and 3.3% of the respondents were neutral.

The findings further revealed that 37.8% of the respondents strongly agreed and another 35.6% agreed bringing to a total (73.4%) of those who agreed with the statement that the spacious layout/ space of the hotel has led to an increase in sales, while 26.6% of the respondents strongly disagreed with the statement.

The findings also indicated that 35.6% of the respondents agreed and another 33.3% strongly agreed bringing to a total of (68.9%) of those who agreed with the statement that the neat seat arrangement of the hotel have led to an increase in sales, while 26.7% of the respondents strongly disagreed with the statement.

In addition, the study findings indicated that 51.1% of the respondents agreed and another 4.4% strongly agreed bringing to a total of (55.5%) of those who agreed with the statement that adequate car parking space of the hotel has led to an increase in sales, while 17.8% were neutral and 26.7% disagreed with the statement.

Finally, the study findings indicated that 42.2% of the respondents strongly agreed and another 31.1% agreed bringing to a total of (74.3%) of those who agreed with the statement that the
Comfortable chairs of the hotel has led to an increase in sales, while 13.3% of the respondents strongly disagreed and another 13.3% disagreed with the statement. The findings imply that furnishings of the hotel, spacious layout, neat seat arrangement, adequate car parking and comfortable chairs lead to an increase in sales.

The findings agree with those in Rutes et al. (2001) who noted that a private setting such as a hotel guestroom has a greater influence on guests’ overall hotel experience than a public setting. The author also noted that the best hotel design organizations emphasize the importance of creating a residential feel. The author also notes that the overall layout and design of a hotel lobby must provide guest circulation from the entrance to the front desk to elevators in a logical and convenient fashion.

The results also agree with those in Milgram (1970) who posits that under high density conditions an individual is likely to experience information overload when the rate and amount of environmental stimuli exceeds his/her capacity to cope with them. Feelings of being confined, out of control and constrained are the result of this information overload.

4.4.1 Extent of Effect on sales
The respondents were requested to rate the extent of effect that spatial layout has on sales. The results are presented in figure 4.10 and in table 4.10

Table 4. 3: Extent of Effect on sales

![Figure 4.4: Extent of Effect on sales](image)

As illustrated in figure 4.10, the findings indicated that 48.9% of the respondents indicated that furnishings affect the extent of sales strongly, while 33.3% of the respondents indicated averagely and 17.8% indicated that furnishings had no effect on sales of the hotel. The findings also indicated that 62.2% of the respondents indicated that spacious layout affect the extent of sales strongly, while 24.4% of the respondents indicated averagely and 13.3% indicated that spacious layout had no effect on sales of the hotel. In addition, 60% of the respondents indicated that neat seat arrangement affect the extent of sales strongly, while 24.4% of the respondents indicated averagely and 15.6% indicated that neat seat arrangement had no effect on sales of the hotel.

Furthermore, the study findings indicated that 60% of the respondents indicated that adequate car
park affect the extent of sales strongly, while 33.3% of the respondents indicated averagely and 6.7% indicated that adequate car park had no effect on sales of the hotel. Finally, the study findings indicated that 64.4% of the respondents indicated that comfortable chairs affect the extent of sales strongly, while 28.9% of the respondents indicated averagely and 6.7% indicated that comfortable chairs had no effect on sales of the hotel.

The findings imply that furnishings, spacious layout, adequate car park, neat seat arrangement and comfortable chairs strongly affect the extent of effect on sales.

The findings agree with those in Machleit, Eroglu & Mantel (2000) who notes that perceived crowding in a retail environment has received considerable research interest. The findings also agree with those in Eroglu & Machleit (1990) who noted that the level of crowding perceived by a shopper can affect patronage decisions as well as satisfaction with the overall shopping experience.

5.0 Summary of Findings

Results indicated that facility aesthetic features of the hotel had a positive effect on sales

Results further indicated that ambient condition of the hotel had a positive effect on sales in the hotel industry

The study findings also indicated that majority of the respondents agreed and strongly agreed with the statements that the furnishings of the hotel have led to an increase in sales, the spacious layout/ space of the hotel has led to an increase in sales, the neat seat arrangement of the hotel have led to an increase in sales, adequate car parking space of the hotel has led to an increase in sales, and the comfortable chairs of the hotel has led to an increase in sales

5.1 Recommendations

The study findings, recommended that all employees be trained on the importance of facility aesthetic and their maintenance so that the sales volume could be increased. The study also recommends that the management to work on the conditions of the hotel so that both the employees and the customers can be comfortable and hence referrals to other people thus increased sales. The study findings recommended that the management ensures that the hotel is spacious, comfortable seats and good furnishings to attract customers thus increased sales.

The study also recommends future studies should also investigate whether there is a difference in the effect of services capes between no star, one star, 2 star, 3 star, 4star and 5 star hotels. Further studies on the effect of facility aesthetic, ambient condition and spatial layout on product and manufacturing companies should be carried out.

REFERENCES


Babin, B. J., Darden W. R., and Griffin M. (1994). Work and/or Fun: Measuring Hedonic and


