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Quynh Tran Xuan

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THÈSE DE DOCTORAT

Le rôle de l'environnement des services
et de l'interaction sociale sur l'expérience
des clients et des employés dans le
cadre d'un café - Le cas du Vietnam.

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Groupe de Recherche en Management (EA 4711)

Présentée en vue de l'obtention
du grade de docteur en Sciences de gestion
d'Université Côte d'Azur

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Soutenue le : 10 décembre, 2020

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DOCTORAL THESIS

The role of servicescape and social interaction towards the experience of customers and employees in the café setting. A study in Vietnam.

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Presented for obtaining the degree of doctor in management sciences of Côte d'Azur University

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the experience of customers and employees in the café
setting. A study in Vietnam.

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Titre: Le rôle de l'environnement des services et de l'interaction sociale sur l'expérience des clients et des employés dans le cadre d'un café - Le cas du Vietnam.

Résumé

Le Vietnam est un pays connu dans le monde entier pour sa culture de consommation de café, pour la routine de vie quotidienne de consommation dans des cafés. Il s'agit là d'un marché prospectif avec des millions de consommateurs Vietnamiens. Les marques de café étrangères et les marques de café nationales rivalisent intensément pour se partager le marché intérieur. L'une des stratégies de concurrence efficaces consiste à créer une expérience agréable pour les clients grâce à une atmosphère exceptionnelle et une excellente qualité de service par les cafés. De nombreuses études ont été publiées ces dernières années pour étudier le rôle de l'environnement de service et des interactions sociales sur le comportement des consommateurs. Néanmoins, il existe plusieurs lacunes de recherche dans ce domaine.

Un manque significatif de travaux empiriques existe en ce qui concerne l'analyse de l'impact de l'environnement des services sur l'interaction sociale perçue par les consommateurs. L'importance des interactions sociales dans les magasins de services a été peu explorée, en particulier l'interaction client-employé et l'interaction client-client. La relation entre l'expérience de service, la satisfaction du client et la fidélité n'a guère été examinée. En outre, très peu d'études ont examiné l'expérience de service dans le domaine des cafés. Dans un autre domaine, les influences de l'environnement des services sur ses utilisateurs ont été ignorées par les chercheurs. Par conséquent, il existe un déficit de recherche en ce qui concerne la compréhension de l'impact des attributs de l'environnement des services sur les expériences des clients et des employés dans le cadre du café.

Afin de combler cette lacune, une enquête a été menée auprès de 185 magasins de café avec 1779 clients et 608 employés dans les trois grandes villes du Vietnam à travers des questionnaires auto-administrés. Le modèle structurel et les hypothèses ont été testés grâce à la technique PLS-SEM par l'application Smartpls 3.0. Les résultats de recherche indiquent que l'évaluation positive des clients envers l'environnement des services de café est susceptible de favoriser la qualité de l'interaction sociale des clients avec les employés et les autres clients, ainsi que d'augmenter la qualité de l'expérience. En outre, les résultats indiquent que les interactions sociales perçues par les clients sont un déterminant essentiel de la qualité de l'expérience dans l'environnement du café.

Les interactions sociales et les expériences de service influencent considérablement le développement de la satisfaction des clients et de la fidélité aux cafés fréquentés.

Les résultats ont montré que la présence de conditions tangibles agréables dans le café est susceptible de permettre aux employés d'acquérir une meilleure expérience de travail, de provoquer des expériences émotionnelles positives et de favoriser la qualité des interactions sociales. Cette étude a également révélé que l'espace de travail physique, l'interaction sociale et l'expérience émotionnelle sont les antécédents importants de la qualité de l'expérience de travail. De plus, il a été avancé que l'émotion ressentie et l'expérience professionnelle des employés ont influencé considérablement le degré de satisfaction des employés à l'égard de l'emploi actuel. Les résultats ont aussi révélé que les états émotionnels perçus par les employés dans leur espace de travail sont étroitement associés à la perception positive par les clients, de la qualité des interactions avec les employés. Cette étude a validé l'interrelation causale entre la satisfaction au travail, la satisfaction du service et la fidélité des clients. Cette recherche a fourni plusieurs contributions essentielles pour les applications théoriques et les applications managériales dans l'industrie de service du café. Il a identifié également certaines limites de l'étude actuelle et suggère des orientations de recherche à l'avenir.

Mots-clés: Environnement de service, interaction sociale, expérience de service, expérience de travail, émotion, satisfaction et fidélité.

Title: The role of servicescape and social interaction towards the experience of customers and employees in the café setting. A study in Vietnam.

Abstract

Vietnam is well-known all over the world with the coffee-consuming culture every day. This nation is a fully prospective market with millions of consumers. The foreign brands and domestic brands intensely compete to share the internal market. One of the efficient competition strategies is focusing on creating a pleasant experience for customers through an outstanding atmosphere and excellent service quality. Consequently, experiential marketing has attracted much interest from researchers in this industry. Abundant studies have been published in the near period to

investigate the role of service environment and social interactions to customer behaviors. Nevertheless, there are several research gaps in this field.

A significant lack of empirical works investigates the impacts of servicescape on customers' perceived social interaction as a considerable example. The importance of social interactions in service establishments has been less explored, particularly customer-to-employee interaction and customer-to-customer interaction. The relationship between service experience, customer satisfaction and loyalty has been scarcely examined. Besides, very few studies have investigated service experience in the café environment. In another field, the influences of servicescape on its users (staff, service employees, contact personnel) have almost been ignored in previous publications. Consequently, there is a considerable research gap that concentrates on understanding the impacts of servicescape attributes on both experiences of customers and employees in the café setting.

In order to fill in this gap, a survey study carried out at 185 coffee outlets with 1779 customers and 608 employees in the three largest cities in Vietnam through self-administered questionnaires. The structural model and hypotheses were tested through the PLS-SEM technique by Smartpls 3.0 application. The results denoted that the positive evaluation of customers towards the café servicescape is likely to foster the social interaction quality of customers with employees and other customers as well as increase the experience quality. Also, the findings signified that customers' perceived social interactions (employees, other customers) are a critical determinant of experience quality in the café environment. Moreover, social interactions and service experiences considerably influence the development of customer satisfaction and loyalty to coffee establishments.

Additionally, the results proved that the pleasant presence of tangible conditions in the café setting is likely to make employees achieve a better job experience, induce positive emotional experiences and foster social interaction quality. This study also found that the physical workspace, social interaction and emotional experience are the important antecedents of job experience quality in the café environment. Furthermore, it has been argued that employee inner emotion and job experience substantially determine the extent of employee satisfaction towards the current job. The findings revealed that the emotional states that employees experienced in their workspace is closely associated with the perception of customers about interaction quality with employees. Moreover, this study validated the causal interrelation between job satisfaction, service

satisfaction and customer loyalty. This research provides several critical contributions for theoretical applications and managerial applications in the café industry. It also identifies some limitations in the current study and suggests some research directions in the future.

Keywords: Servicescape, Social interaction, Service experience, Customer satisfaction, Customer loyalty, Workspace, Job experience, Employee emotion and Job Satisfaction.

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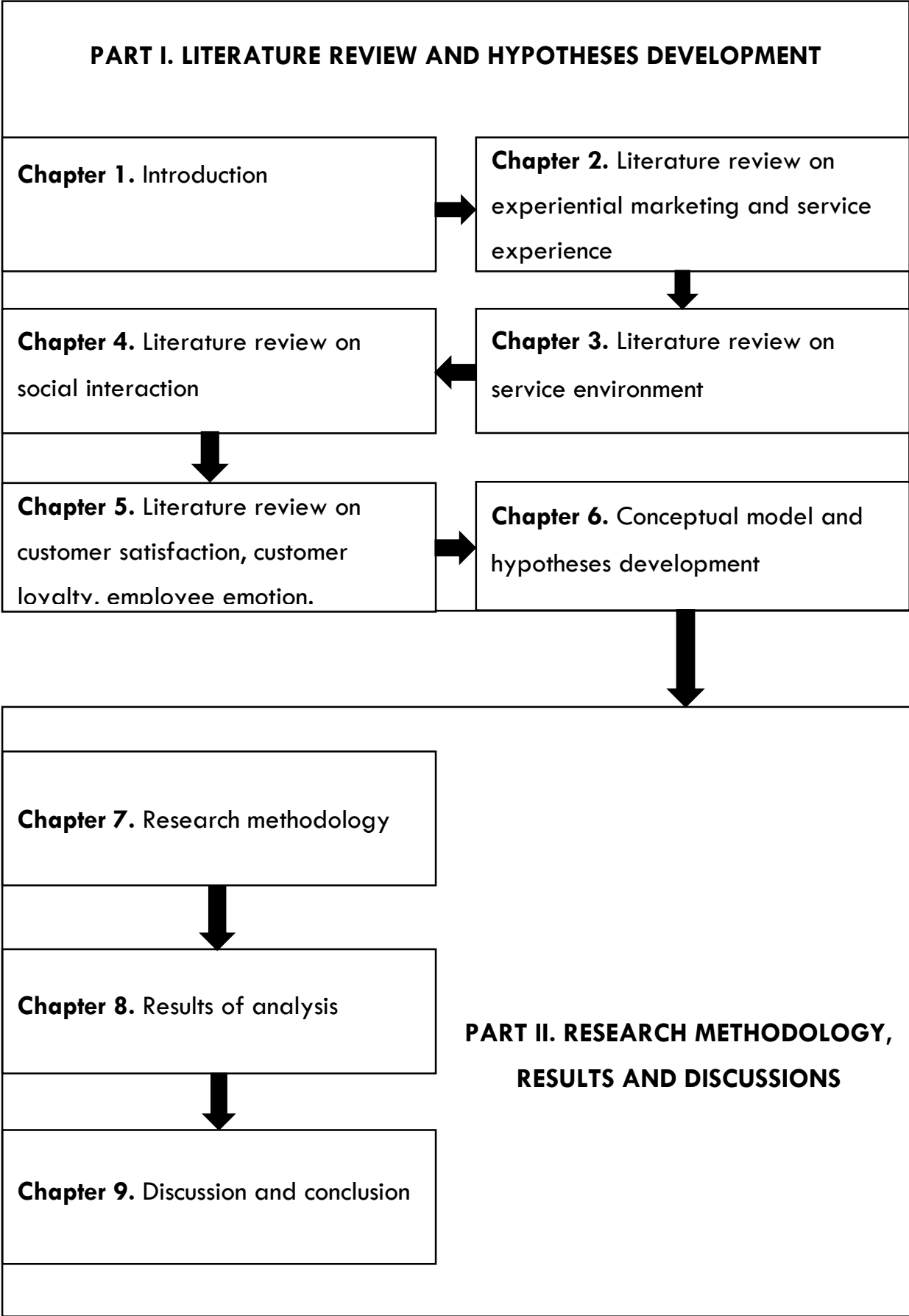
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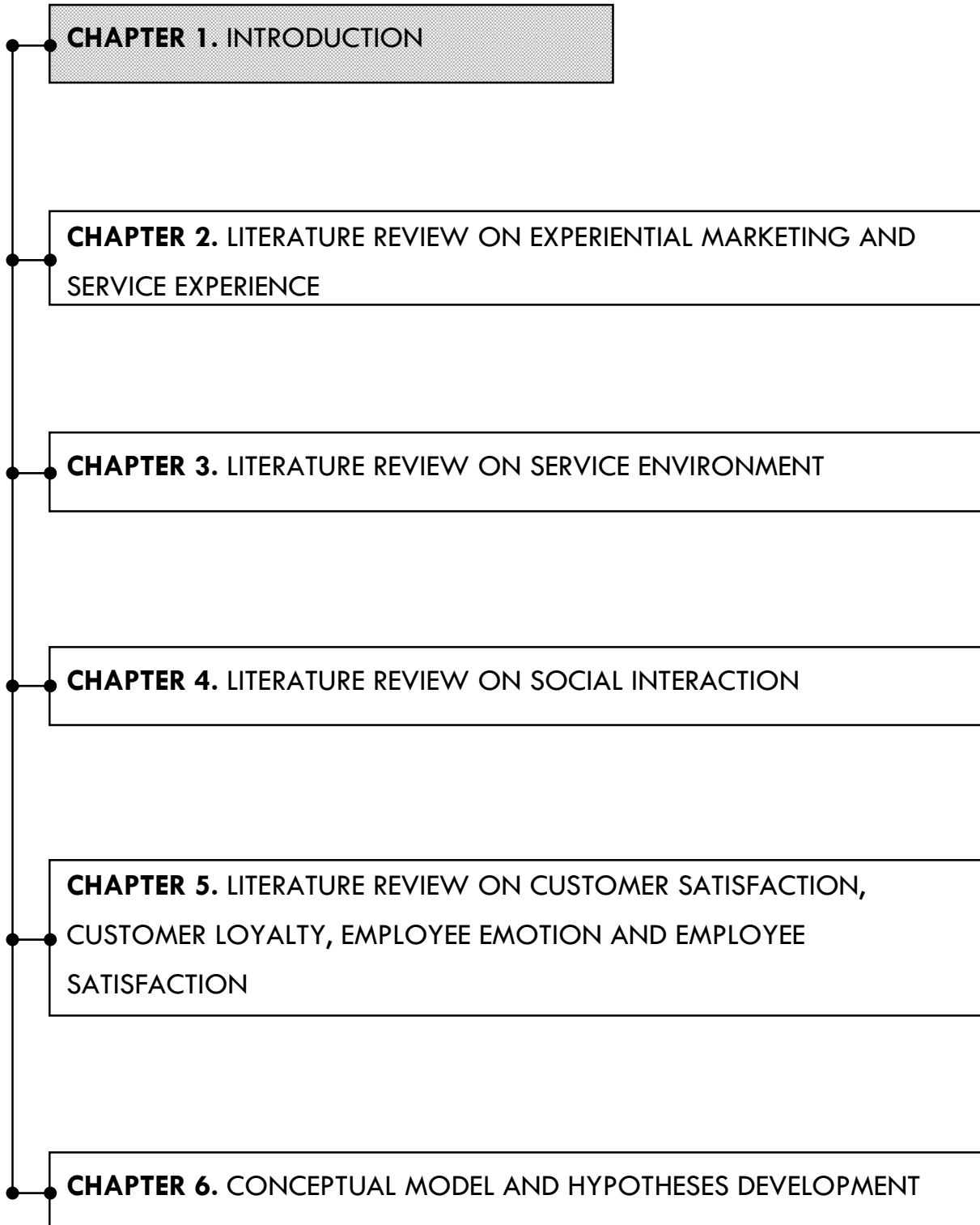
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PART 1.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT



CHAPTER 1.

INTRODUCTION

1.1. General introduction

Coffee is one of the most popular beverages worldwide with millions of people consuming it every year (Spence, 2019). Vietnam is known as one of the world's fastest-growing retail coffee markets and this nation is also the world's second-largest producer and exporter of coffee (Statista, 2020). The Vietnamese people consume coffee every day, they can relax or meet with friends or partners in a favorite coffee shop (Sao Mai, 2015). According to the International Coffee Organization, Vietnam showed a steady per capita soluble coffee consumption when compared to other countries over the last decade. Domestic consumption of coffee in the period from 2012 to 2018 with CARG (Compound annual growth rate) remains at 7.9%. The domestic coffee consumption market is a fierce competition of well-known foreign coffee brands such as Starbuck, Coffee Beans and Tea Leaves, Gloria Jeans and Dunkin Donuts with local chains such as Trung Nguyen, Phuc Long, Highlands, Coffee House, Cong Café, King Coffee and other local brands. The coffee industry represents one of the fastest-growing segments in the food-service industry with more than 10.000 coffee stores across the country (Jolliffe, 2010).

The explosive growth and wide appearance of coffee brands create an extensively competitive market where brands must look for ways to attract and retain their customers as well as enhance profitability (Islam, 2019). Based on the traditional approach, the centrality of marketing strategy is to increase customer satisfaction and loyalty through the attempts of delivering high-quality services (Sinniah, 2018). Nevertheless, service providers have realized that quality service is no longer a strong competitive advantage as before (Gupta, 2016; Lee, 2010). The emerging propensity concentrates on creating pleasant experiences for customers (Wu, 2018; Alnawas, 2018; Ali, 2016). In the field of coffee service, customer purpose is not simply purchasing a cup of coffee, but also purchasing pleasant experiences in a given store such as listening to music, meeting with friends, enjoying the café servicescape, using the internet and so on (Nadiri, 2013). As noted by Oh (2019) that customers often expect to enjoy a pleasant experience when visiting well-known coffee brands where the coffee price is relatively expensive in comparison to other stores. Because they feel special and valuable for drinking coffee at these stores. When the society

moves to the experience economy (Pine and Gilmore's, 1999), customers mostly look for an experience that can fulfill their desires and create a memorable overall experience for each consumption (Ali, 2016).

Therefore, creating good service experience quality attracted very much interest from scholars and managers in the hospitality industry generally (Alnawas, 2018; Ali, 2018; Ren and Lianping, 2016; Fernandes, 2016; Jin and Lee, 2015; Walter, 2010). Experience is the core aspect of experiential marketing through creating customers' special experiences as interacting with various factors of service environment including the atmosphere, layout, human (Yuan and Wu, 2008). Consumption experience is relevant to "the total outcome to the customer from the combination of environment, goods and services purchased" (Lewis and Chambers, 1989). In this industry, experiences are considered as a very crucial factor because the nature of service offered by the business is intangible (Maklan, 2011; Lemke, 2011), customers typically evaluate service via their experiential perception instead of utilitarian and functional aspects (Ismail, 2011). They no longer perceive value in a specific product that lacks in experience-related aspects even these products are outstanding (Oh, 2019). Furthermore, the purpose of customers is to achieve different experiences through attempts to consume various goods and services, the different shopping strategies were therefore utilized (Chen and Chen, 2010; Wu, 2018). Consequently, creating memorable and unforgettable experiences is expected to help service providers increase customer loyalty and profitability (Verhoef et al., 2009).

In the service context, service experiences are remarkably shaped by various determinants such as core services, physical surroundings and social interactions (Verhoef, 2009; Walter et al., 2010; Lemke, 2011; Ali, 2014; Kim and Choi, 2016). While the importance of core services have long been confirmed in the service marketing literature (Schifferstein, 2013; Ryu, 2010; Qin, 2010), further investigations on social interaction and physical environment in service settings have been encouraged (Turley and Milliman, 2000; Ramlee, 2014).

The physical environment refers to factors provided by service providers aiming to facilitate delivering service to customers (Bitner, 1992). It is particularly critical to service facilities where customers frequently spend a moderate period of time to visit and enjoy the architecture and the service (Wakefield and Blodgett, 1996). Prior works have noted the influences of physical surroundings attributes on customer's delight and satisfaction (Ali, 2016), service quality and desire to stay (Siu, Wan, and Dong, 2012), restaurant experience (Liu and Jang, 2009; Walter,

2012), customers' confidence and customers' positive perceptions towards salespeople (Sharma and Stafford, 2000) and entire service experiences (Edvarsson et al., 2010; Wall and Berry, 2006). Meanwhile, the literature in service marketing also recognized social interactions as a crucial antecedent of customer service experience (Wu, 2018; Choi, 2015; Kim, 2013; Verhoef, 2009), this is particularly true for services where social interactions often occur and customers could be regarded as dynamic co-creators of their own experiences in physical surrounding (Walter, 2010).

Although lots of studies have been conducted in this field, yet the attention of most preceding works has been on the role of physical environment attributes and social interactions to service experiences. Whereas yet scant research was implemented to investigate how physical environment dimensions influence social interaction experience in the service environment. Walter (2010) stated that the physical environment is closely related to social interactions since almost all social interactions happen in the physical environment of the service context. Bitner (1992) is among the first scholars that presented the servicescape framework describing how perceived atmospheric stimulus influences the social interactions between and among customers and service providers. Bitner also called more empirical studies to bring a deeper insight into the impact of servicescape on social interactions. In response to calls from Bitner and other researchers, some studies were conducted later (Ekstrom and Borg, 2006; Zemke and Shoemaker, 2007; Fowler, 2012). Nevertheless, there is still a significant lack of empirical and holistic evidence that investigates the effects of servicescape dimensions on customer's perceived social interactions in the service setting.

Additionally, social interactions in the service environment might happen between customers and employees or between customers and customers (Lin and Mattila, 2010). Of these interactions, the first interaction has been widely studied with its impacts on service quality, satisfaction or loyalty (Alhelalat, 2017; Medler-Liraz, 2016; Jang, 2015; Fowler, 2012), while the second interaction attracts very little interest from researchers (Lemke, 2011). This is not surprising as the customer-to-employee interaction is a controllable factor in service facilities, while the interaction between customers is impossible to control completely during the service process (Kim, 2016; Fakharyan, 2014). Consequently, there is a significant consideration to further explore the role of interaction between customers in the service environment. Besides, the relationship between perceived service quality, service satisfaction and brand loyalty has been demonstrated in numerous times in the previous research (Srivastava, 2014; Kranias, 2013; White, 2010), yet the link between customer experience quality, customer satisfaction and customer

loyalty has been scarcely examined (Kim and Choi, 2013). It may be partly because customer experience quality has been relatively ignored, drawing less research attention compared to service quality (Gupta, 2016; Bagdare, 2013).

Furthermore, the focus of previous studies regarding customer experience has been on the contexts of restaurants and hotels (Ren, 2016; Khan, 2015; Kim, 2013; Walter, 2012), theme parks (Wu, 2018; Ali, 2016; Dong, 2013), a significant lack of works is identified in the coffee shop setting (Wu, 2017). Although the café environment also includes the most outstanding characteristics of the service industry such as the mutual interactions, activities and co-producer role of the customer (Han et al., 2009). Consequently, there is a considerable research gap in the service marketing literature to investigate the impacts of café physical environment on customer satisfaction and loyalty-centered on social interaction and service experience.

On the other hand, internal marketing theories indicated that employees' behaviors are shaped by a variety of drivers, including the physical work environment (Janet Turner, 2008; Wineman, 1982). Regarding the relation between employee behavior and customer behavior, Schlesinger and Heskett (1911) illustrated that as employee demands are satisfied, it then results in improving the organization's capability in meeting customer requirements, which is closely associated with their service experience quality and satisfaction. Yet, most studies about the effects of the physical environment on employees are almost distributed on organizational behavior literature. Specifically, employee performance and job satisfaction are strongly impacted by the physical atmosphere in office and factory settings (Sundstrom and Asmus, 1996; Sundstrom and Sundstrom, 1986). According to Wineman (1982), physical work environment factors like workspace design and ambiance are crucial components of employee satisfaction and productivity. Leaman (1995) indicated that employee's dissatisfaction with the workspace is likely to result in the loss of their work concentration.

Not many works have been implemented to discover the links between the physical work environment and employee in the field of consumption behavior. In service marketing, Bitner (1990, 1992) and Baker (1988) are among the few scholars that considered the influence of service environment design on service providers' attitudes and behaviors. Janet (2008) also suggested that the service environment customers interact are a part of their service experience. In similar, the physical space in which employees work is a part of their job experience. Even, employees frequently spend a large amount of time in service establishments due to their job requests, while

customers commonly leave after a short time (Janet, 2008). Considerably less is known about the effects of physical surroundings on employees in the service settings. Therefore, the present study attempts to fill in these research gaps by investigating the effects of physical surroundings on the experiences of both customers and employees in the café setting.

In summary, the present study is designed to achieve some principle objectives as follows: (1) investigate the effects of café servicescape on customer satisfaction and loyalty-centered on social interaction and service experience, (2) investigate the impacts of café workspace on employee satisfaction-centered on social interaction, job experience and employee emotion, (3) examine the relationship between customer variables and employee variables in the café setting.

1.2. Research question

The theories drawn from service marketing denoted the importance of servicescape and social interaction to customer evaluation of service quality and service experience (Walter, 2010; Ali, 2016; Wu, 2018; Fernandes, 2014; Kim and Choi, 2016). Besides, the internal marketing literature signified that the service environment where employees work every day is a part of their job experience. In these workspaces, staff frequently interact with physical attributes and individuals that contribute to generating entire job experience (Bitner, 1992; Janet, 2008). Nevertheless, very few studies have been conducted to investigate the impacts of servicescape on creating social interactions towards both customers and employees in café stores. Moreover, the role of servicescape and social interaction to the cognitive, affective and behavioral responses of employees has almost ignored in prior works. Consequently, the present study attempts to fill these gaps by answering the following research questions:

Q1. In what ways do the servicescape and social interaction influence customer evaluation of service experience, satisfaction and loyalty to coffee shops?

Q2. In what ways do the workspace and social interaction influence employee emotion, job experience and job satisfaction in the café environment?

Q3. What is the relationship between customer variables and employee variables in the café context?

1.3. Research objectives

Based on the research questions, the research objectives have been developed as follows:

(1) To investigate the effects of servicescape on social interaction customers perceive in the café environment, including customer-to-employee interaction and customer-to-customer interaction.

(2) To explore the impacts of servicescape and social interaction on service experience, customer satisfaction and loyalty in the café setting.

(3) To investigate how the café workspace influences employee emotion and employee's perceived social interaction.

(4) To examine the extent to which workspace, social interaction, and employee emotion influence job experience and job satisfaction to the café work environment.

(5) To investigate the relationships between customer variables and employee variables, including employee emotion, job satisfaction, customer-to-employee interaction and customer satisfaction in the café setting.

1.4. Contribution of research

The study findings are expected to make critical contributions to the current literature and managerial aspect. The foremost contribution to theory advancement is developing and extending the servicescape model (Bitner, 1992) by investigating the impact of servicescape attributes on the affective responses of both customers and employees in the café setting. Furthermore, this work significantly contributes to an emerging stream of research that investigates with multiple samples (Chang et al., 2016; Jung and Yoon, 2013; Salanova et al., 2005; Chi and Gursoy, 2009; Hartline and Ferrell, 1996). The present study collected the data from two different respondents (customer and employee) and analyzed the result at three different levels (customer, employee and store).

Further, this study offers a better understanding of the importance of social interaction in the service environment, especially customer-to-customer interaction. The results suggest that the

evaluation of customers towards internal interactions is an important indicator of service experience quality, customer satisfaction and loyalty to the café services. This research also advances the knowledge of customer service experience in the hedonic service. The findings of the present study contribute to identifying the determinants of service experience including servicescape and social interaction. Another contribution to literature is the exploration of the relationship between service experience, customer satisfaction and loyalty in the service environment. The findings suggest that the positive perception of customers towards experiential activities in the café environment is directly influential in the development of customer satisfaction and loyalty.

This study is the first work of investigating the effects of the physical work environment on employee's internal responses including emotional reactions, job experience and perceived social interaction. This study provides empirical evidence that the pleasant presence of workspace results in positively improving employee inner emotion, job experience quality and social interaction quality. The present study also adds significant knowledge to employee emotion in the service marketing literature, especially employee inner emotion. The findings showed that employees with better emotional experiences often tend to achieve better job experience and greater job satisfaction in the coffee shop environment. Additionally, it also enhances the perceived interaction quality of customers with employees.

Furthermore, this study is among very few works investigating the perception of social interaction under the viewpoint of service employees. The findings explore that employees with positively perceived interactions are likely to achieve higher job experience. Nevertheless, the results illustrate that the positive perception of employees in interaction with customers does not lead to directly increasing job satisfaction. Lastly, this study provides empirical evidence that employees with higher job satisfaction typically provide a better service than others, and this helps to increase customer satisfaction towards the delivered service that then facilitates the development of customer loyalty.

From a practical viewpoint, this study attempts to provide a deeper understanding for marketers and service providers about the critical role of servicescape, social interaction and experience in the interpersonal service context which contributes to the satisfaction and loyalty of both employees and customers. It shows that nowadays consumers not only focus on the traditional factors of service but also spend much interest in the entire experience that a firm creates for them

(Mills, 2000). Such experiences might be established through interaction with physical surroundings and social interaction experiences. Consequently, managers should have a clear strategy in designing physical surroundings from ambient conditions, spatial layout and aesthetics to cleanliness. They should be aware of which particular attributes of coffee stores are critical and how they are associated with customer experience. Besides, managers should concentrate on training and educating employees as their expressions and behaviors are one of the major elements reflecting service quality and deeply affecting customer experience and social quality interaction. The managers should thus instruct their employees to assure that they always appear elegantly and behave professionally.

From the internal marketing view, it reveals that service providers need to pay focus on how to design physical surroundings aiming to provide employees a comfortable and convenient working environment that helps them achieve pleasure emotional experiences and positive job experience quality. The findings also provide a strong recommendation to managers in terms of managing employee inner emotion in the service environment. The results illustrate that the true emotions employees experienced in the work environment largely and positively influence their job experience and job satisfaction. Even, it has been found that the positive experiences of emotion contribute to facilitating the perceived interaction quality of customers with employees as well as significantly shaping customer satisfaction.

1.5. Research methodology

Research scope: The focus of the present study has been on interpersonal service which highlights the importance of service environment attributes and social interaction quality between and among customers and employees. Therefore, the coffee store setting was chosen in the current study because this service is widely employed by almost everyone and it includes the most outstanding characteristics of the service industry such as mutual interactions, activities and the co-producer role of customers (Han et al., 2009).

Research instrument: In this study, the questionnaire was developed as a major instrument to collect data. All measurements of the questionnaire were summarized and adapted from prior studies of service marketing using the standard scale development procedure (Boudreau, Gefen, and Straub, 2001) and a refinement procedure. The content validity test was later implemented to

evaluate preliminary items, add or remove items and improve the item wording (Moon et al., 2015).

In order to test the research instrument, two complete questionnaires were screened via in-depth interviews with experts and marketing professors in the Graduate School of Management-IAE, University of Côte d'Azur, France. Later, the pilot test was performed to confirm the clarity and appropriateness of questionnaires (Johanson and Brooks, 2010). A small sample of 15 employees and 15 customers in Vietnam was chosen to conduct the pilot test. The reliability and the validity of questionnaires were also checked before using them in the mass study. In this study, all items were measured based on a 5-point Likert scale from 1 = strongly disagree to 5 = strongly agree.

Method of collecting data: The procedure of choosing the sample and summarizing data is based on the instructions of analyzing data with multiple samples by Chi and Gursoy (2009). Data for this study was collected from employees and customers at coffee stores located in the 3 largest cities in Vietnam (Hanoi capital, Danang city and Hochiminh city). In each destination, 70 coffee stores were recruited to participate in the study based on an available list of stores for each city. After, the research team randomly selected 70 shops to collect data. Because one of the research objectives is to evaluate the internal interaction quality among customers, the survey for groups is critical. The minimum selection of two groups for each café store (each group from 3-5 people) is recommended. The research team provided each store a packet of materials including 5 survey questionnaires for employees and 10 survey questionnaires for customers. Before delivering questionnaires to stores, each packet was marked to make sure that the answers of employees and customers in the same store. This assures the accuracy of data as performing analysis in the next steps. Employee surveys were distributed to randomly 5 chosen-employee. Whereas self-administered questionnaires were distributed to randomly 10 chosen-customer at each store. They were instructed to fill out the surveys and returned them to the interviewers.

Software applications: In this study, two analysis methods were majorly used including descriptive statistics and Partial Least Squares SEM (PLS-SEM). The descriptive statistics were used to calculate the average value, frequency distributions and percentage distributions for demographic variables and content variables. SPSS 22.0 software was considered a significant device in this stage. Later, PLS-SEM was employed to analyze the structural model, test hypotheses and test mediating roles by the Smartpls 3.0 software application.

1.6. Thesis structure

This dissertation consisting of nine well-organized chapters is shown in Figure 1.1. It covers full and accurate contents, ranging from the introduction part, the literature review part to the empirical results.

The first chapter provides a general introduction to the research topic. It begins with research questions and objectives. It further explains the significance and contribution of research, the research methodology and the thesis structure.

The next four chapters (2-5) review the previous studies regarding the research topic. Chapter 2 discusses the literature of experiential marketing and service experience as well as work experience. Chapter 3 provides an understanding of the service environment, physical work environment and their effects on customers and employees. Chapter 4 describes the literature regarding social interaction and its impacts on service experience and job experience. Chapter 5 concentrates on the outcomes of social interaction and experience including customer satisfaction, customer loyalty, job satisfaction and employee emotion.

Chapter 6 moves on to the theoretical framework and hypotheses development. The focus of this chapter has been on developing the relevant hypotheses in the present study as well as suggesting a research model.

Chapter 7 describes the research methodology. It concentrates on interpreting steps from the choice of service form, the procedure of sample choice, the development of measurements, building questionnaires and the procedure of data analysis.

Chapter 8 presents the results of the analysis process. The main content comprises the descriptive statistic results, the assessment of reliability for summated scales, the evaluation of the measurement model, the results of the structural model, the results of hypothesis tests and mediating role tests.

Chapter 9 concludes by making the discussion of research results, identifying the theoretical and managerial contributions, evaluating limitations and supporting research directions for the future.

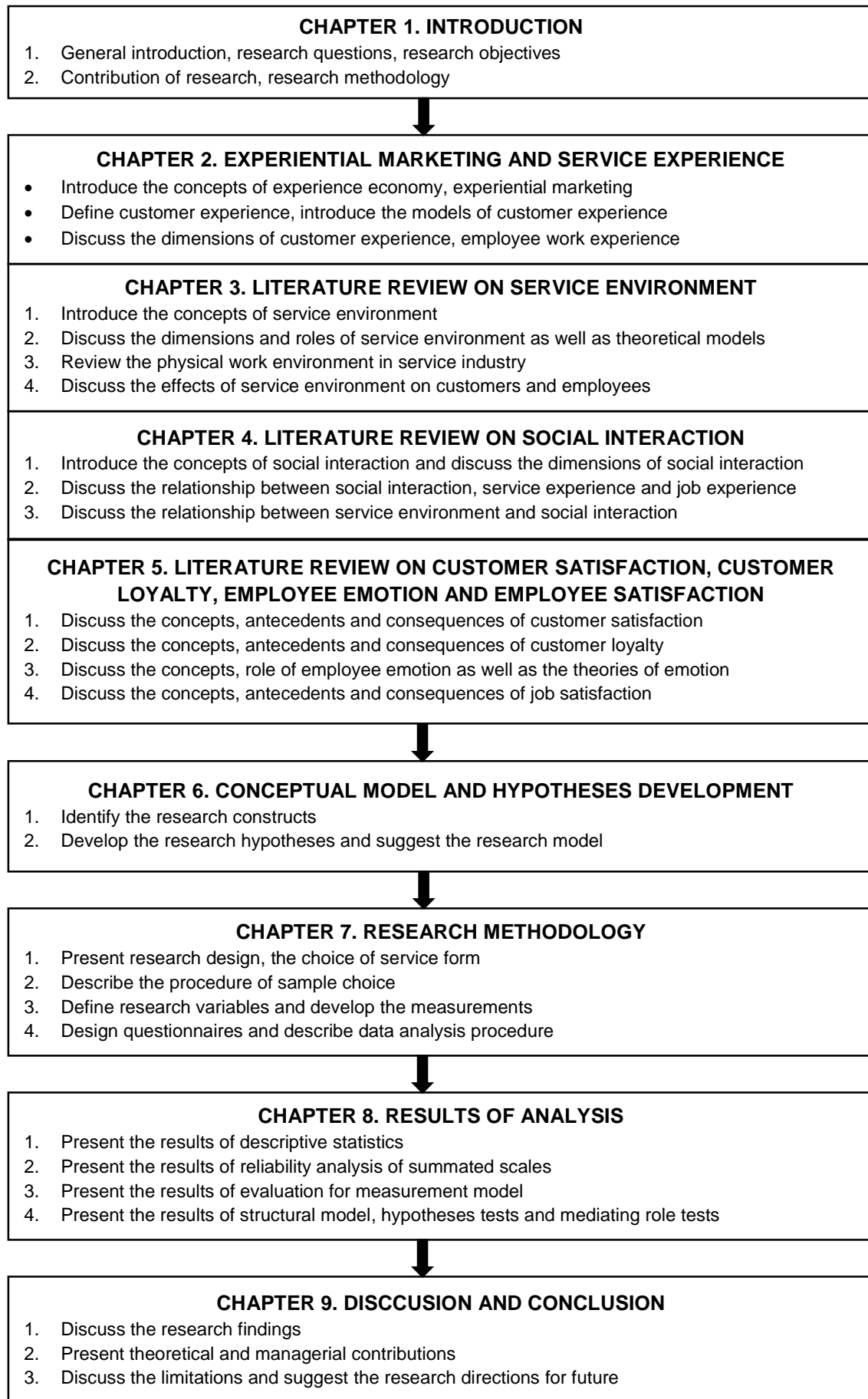
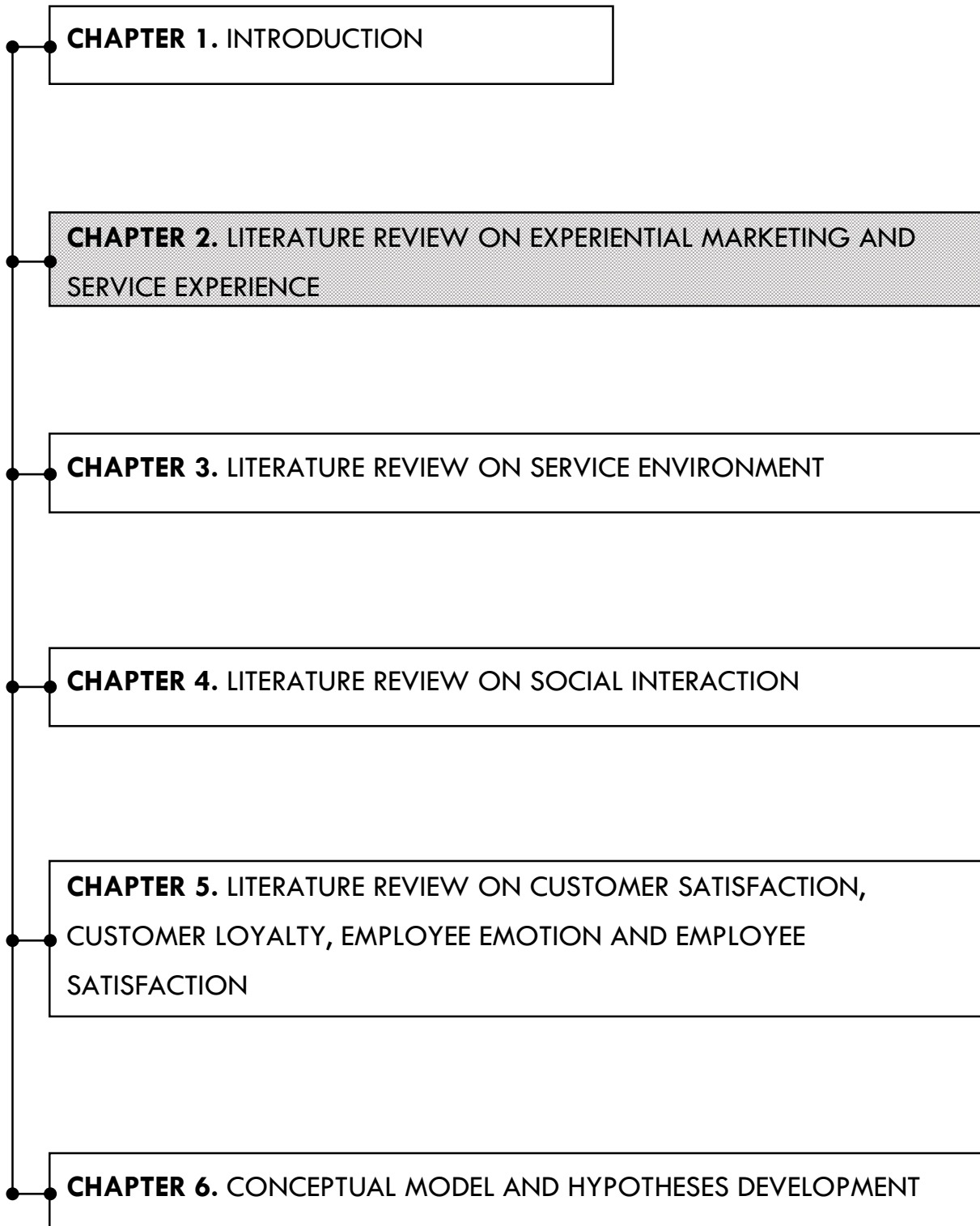


Figure 1.1. The structure and content of the dissertation

PART 1.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT



CHAPTER 2

LITERATURE REVIEW ON EXPERIENTIAL MARKETING AND SERVICE EXPERIENCE

The purpose of this chapter is to provide the knowledge of experiential marketing, service experience and work experience. This chapter is organized into six sections. Firstly, author introduces a brief overview of the experience economy suggested by Pine and Gilmore (1998). The characteristics and importance of the experience economy are also reviewed in this section. Subsequently, author discusses the characteristics and roles of experiential marketing, focusing on the approach by Schmitt (1999). Thirdly, author presents important contents regarding service experience such as the concepts of customer experience and experience quality, the relation between experience quality and service quality, the role of service experience. Besides, the theoretical models of customer experience are discussed and the major dimensions of customer experience are synthesized as well. Lastly, author concentrates on understanding the concepts and components of work experience as well as reviewing relevant studies in the service industry.

2.1. Experience economy

According to Pine and Gilmore (1998), a majority of studies relating to service marketing were understood upon a cognitive perspective, which describes a consumer as a logic-based decision-maker in the period of the early 1990s. Meanwhile, the utilitarian value is the foremost factor to evaluate service quality (Oliver, 1980). Nevertheless, some scholars commenced having an interest in a few ignored aspects of the consumption process such as emotional reactions and esthetic pleasure (Sheth, 1979; Oliver, 1980). These works are antecedents to the concept of experience economy introduced by Pine and Gilmore (1998). This notion refers to “a subjective state of consciousness with a variety of symbolic meanings, hedonic responses and esthetic criteria” (Maklan and Klaus, 2011). Ever since, the attention of service marketing has moved from the traditional approach to the experiential approach, in which it considers the shopping decision process upon both cognitive and affective needs. Holbrook and Hirschman (1982) stated that the utilitarian and functional values of products or services only are a part of consuming objectives, the deep demand of customers is to enjoy the funny and pleasurable experiences.

2.1.1. The characteristic of the experience economy

According to the concept of the experience economy suggested by Pine and Gilmore (1998), the economic revolution has continuously developed over time. They stated that the evolution of economic value has spent four stages until now from the “commodities stage”, “goods stage” then “services stage” to “experiences stage”, and the experience stage has been identified as an emerging propensity in the modern economy (Figure 2.1). In the first stage, the focus of the economy has been on producing, consuming and exchanging commodities to satisfy the basic needs of humans (Maslow's hierarchy of needs). Subsequently, these commodities are converted into goods via the process of adding further values in the second stage. In the third stage, service is generated upon the combination of tangible goods and intangible activities. In the final stage, the economy evolution moves into the new stage, the experience stage. This period is related to the highest level of the hierarchy of needs (Maslow). At this time, when services and products are more and more popular, the utilitarian value is only a small part of consumption objectives, the more important part is affective and emotional values that customers desire to obtain as consuming.

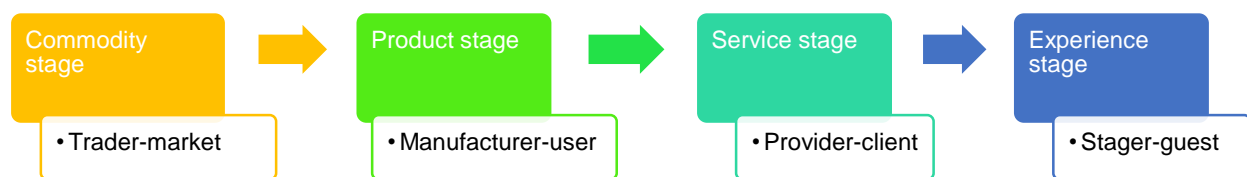


Figure 2.1. The process of the economic value chain

In the experience economy, products and services are regarded as “props and stages” in the process of creating experiences for customers (Pine II and Gilmore, 1999). The objective of the business is to generate memorable and unforgettable experiences to attract and retain customers. The centrality of the experience economy is experiential consumption which is conceptualized as “a subjective state of consciousness with a variety of symbolic meanings, hedonic responses and esthetic criteria” (Maklan and Klaus, 2011). Individual experiences are distinct and exclusive, nobody has the same experience with others. Because these experiences result from the interaction between mental aspects and physical aspects, emotional events and cognitive events within each person alone (Schmitt, 1999). The activities of the experiential consumption are regarded as the enjoyment of artworks that highlights the role of both core values and the adding values of products and services (McGregor, 1974).

Along with the evolution of the economic stage from commodities to experiences, the relationship between sellers and buyers also transforms into the experience economy. It begins with the relationship between traders and markets in the commodities period, it then upgrades to the manufacturer-user relation in the goods stage, the relationship between providers and clients in the service period. Finally, the stager-guest relation is established in the experience stage (Pine II and Gilmore, 1999).

2.1.2. The role of the experience economy

In the experience economy, customers are interested in both functional aspects of products or services and experiential values provided by enterprises. Consequently, creating distinct and creative experiences is the central aspect of their business strategy (Yuan and Wu, 2008). Pine II and Gilmore (1999) postulated that organizations should deliver excellent value to their customers through customizable and memorable experiences. When organizations consider products and services as props and stage, experiences will happen along with involving customers. As the economic offerings evolve from the commodity stage to the experience stage, the economic benefit is also raised upon this development. The enterprises charge premium costs for customer's special experiences (Pine II and Gilmore, 1999). At this time, what business provides not just products or services, the more important thing is a valuable experience. The profitable level of enterprise obtained in the experience economy is significantly greater than in the commodity economy.

Moreover, companies in this period compete by delivering various experiences to their customers instead of price competition. This makes the organization focus on researching and developing unique and creative products and services to survive. The distinct experiences help to create long-term competitive advantages for companies, which can distinguish them from rivals and dominate markets (Pine II and Gilmore, 1999). Further, as entering the highly growing economy, the traditional marketing approach is impossible to satisfy customers due to their diversity and customization in their needs and demands. Therefore, only the experiential marketing approach is the best solution to solve this problem (Kao, Huang, and Yang, 2006). The successful businesses are which businesses can create loyal customers via delivering memorable and valuable experiences. Prahalad and Ramaswamy (2000) confirmed that the centrality of the future competitive edge has been on researching and establishing valuable experiences for customers.

2.1.3. The elements of the experience economy

According to Pine and Gilmore (1998), the elements of experience are distinguished in four different categories based on their positions regarding two axes: passive/active and absorption/immersion (Figure 2.2). Meanwhile, passive or active participation refers to the extent to which customers are likely to impact experiential events. In other words, absorption and immersion are associated with the degree in which customers desire to involve in experiences. More specifically, absorption is understood as a partial involvement in experiential activities by customers (for instance, getting information). On another side, immersion refers to a holistic involvement in experiential activities by customers. Based on this classification, a combination of passive participation and absorption involvement constitutes the entertainment experience. Likewise, the educational experience results from the interaction of active participation and absorption involvement. A combination of active participation and immersion involvement constitutes an escapist experience. Finally, the esthetic experience is the interaction of passive participation and immersion involvement.

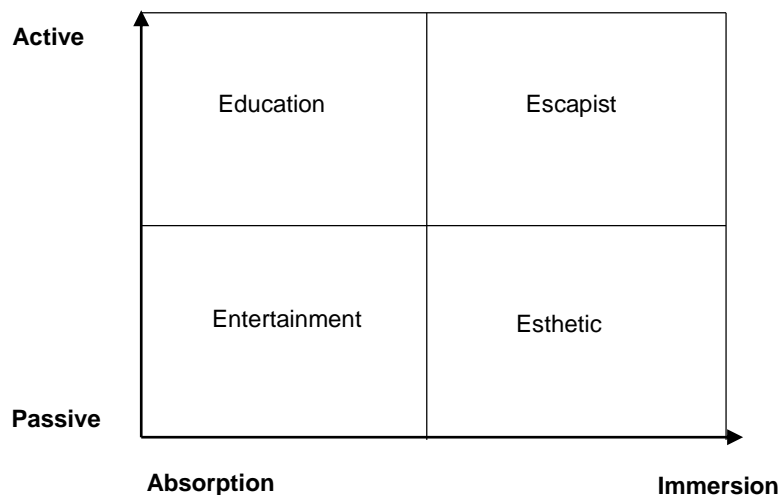


Figure 2.2. The elements of the experience economy (Pine and Gilmore, 1998)

Pine and Gilmore (1998) provided some evidence to interpret the elements of the experience economy. For instance, watching television and going to a show are the cases of entertainment experience. Because in these cases, customers are completely passive in getting different stimuli from outside and they partially involve in these experiences through watching. While enjoying a show is an example of escapist experience because individuals are completely active and they holistically involve in their activities. Otherwise, learning swimming is a case of the education

experience because individuals actively engage through practices. And the participation of the evaluation of the art exhibition is an example of the esthetic experience. Obtaining one or many experience categories depends on the kinds of activities (Pine and Gilmore, 1998). For instance, visiting the theme park could be regarded as achieving the four categories of experience.

2.2. Experiential marketing

The philosophies of marketing management have advanced from “production concept”, “product concept”, “selling concept”, “marketing concept”, “social marketing” and “relationship marketing” to “experiential marketing philosophy” so far. The experiential marketing concept originates from the concept of “experience economy” introduced by Pine and Gilmore (1998). The literature of marketing management emphasizes experiential marketing as an emerging approach nowadays. Many enterprises have employed this philosophy to create competitive advantages in the era of global competition and market turbulence.

2.2.1. The characteristics of experiential marketing

The preceding studies revealed that consumers are the logic-based decision-makers (Oliver, 1980; Holbrook and Hirschman, 1982), yet later scholars showed that the decision process is also shaped by the affective factor (Pine and Gilmore, 1998; Maklan and Klaus, 2011). They provided evidence that consumers frequently express various emotions such as fun, excitement or disappointment during the consumption process. According to the perspective of experience economy (Pine and Gilmore, 1998), Schmitt (1999) confirmed that marketing philosophy has evolved into a new step in which the experiences are the centrality of marketing activities instead of traditional values. Customer experience is influenced by external stimuli provided by organizations, therefore controlling and manipulating experiential activities are very critical in creating marketing strategies (Schmitt, 1999).

According to Yuan and Wu (2008), organizations should consider experiential marketing as a marketing tactic in which physical surroundings and operational processes are rationally designed to bring their customers wonderful experiences. Based on the perspective of customers, Schmitt (1999) conceptualized experiential marketing as “customers’ developing recognition and purchasing goods or services of a company or a brand after they get experiences from attending activities and perceiving stimulations”. Lee et al., (2010) simply documented experiential

marketing as “unforgettable memory or experience rooted deeply in people’s mind” and the focus of consumers has been on individual experiences they obtained during the consumption process. They also indicated that in the field of experience marketing, more efforts and skills are required by staff to provide valuable experiences to customers.

Williams (2006) stated that experience marketing contributes to advancing the value of a product or a service at one side. On another side, experiential marketing also covers the utilitarian aspects of product or service such as quality and function. Further, it was shown to enhance emotion and stimulate the human senses. Yuan and Wu (2008) agreed that experience marketing combines the core nature of products and interactive experiences to add value in products or services, this increase helps customers make consumption decisions more logically and pleurably. Additionally, experiential marketing is important to enterprises in discovering the new and prospective market segments to avoid price competition (Schmitt, 1999).

2.2.2. Experiential marketing and traditional marketing

The literature of service marketing showed that there are significant differences between the experiential marketing approach and the traditional marketing approach (Schmitt, 1999; Williams, 2006; Yuan and Wu, 2008). According to Schmitt (1999), these differences are distinguished by four major issues regarding “customer characteristics”, “marketing focus”, “product categories and competition” and “research method” (Table 2.1).

In terms of customer characteristics, the traditional marketing approach views consumers as logic and ration-based decision-makers who emphasize the role of function and price (Schmitt, 1999). For the traditional approach, marketers identified the decision-making process of a customer consisting of 5 different steps from need recognition, information search, and evaluation of alternatives, purchase decision and post-purchase behavior. Conversely, the experiential marketing approach considers customers as logic and emotion-based decision-makers in which pleasure experiences are appreciated (Schmitt, 1999).

In terms of the marketing focus, the traditional marketing approach has stated that the focus of customers in the consumption process has been on the purchase process and utilitarian factors such as function, benefit, price or promotion. According to this perspective, the best solution of the customer in selecting products or services with the largest overall utility through a process of

considering and comparing the importance among products or services (Schmitt, 1999). In contrast, creating a comprehensive experience in consumption events is the largest interest of experiential marketers. Instead of the consumption process, the attention of the experiential marketing approach emphasizes the process of creating customer experience comprising from “pre-purchase, moment-of-truth to post-purchase” (Schmitt, 1999).

Table 2.1. The comparison between traditional marketing and experiential marketing

Aspects	Traditional marketing	Experiential marketing
<i>Customer characteristics</i>	Consumers are regarded as the logic and ration-based decision-makers who primarily concentrate on the utilitarian of product or service.	Consumers are considered as the logic and emotion-based decision-makers who emphasize the experiential aspect of consumption.
<i>Marketing focus</i>	Concentrates on the purchase process, utilitarian and benefits such as function, price and promotion.	Concentrates on the process of creating holistic experiences to customers comprising “pre-purchase, moment-of-truth, and post-purchase”
<i>Product categories and competition</i>	The competition primarily concentrates on differences and diversity of products and services. Help organizations succeed in the early period.	Experiential marketing is available with competitive and complicated age as nowadays. The focus has been on holistic experiences.
<i>Research method</i>	The research approach has been limited in methodologies and ways to collect data.	The research approach has not been unbounded in methodologies. All depend on research objectives.

Regarding product categories and competition, traditional marketing has been recognized as an appropriate approach in providing strategies and tools that organizations have successfully used in the early period. In this era, enterprises primarily compete in the difference of products in which appreciating the diversity and the utilitarian of categories (Schmitt, 1999). Nevertheless, the consumption behaviors in modern society are more complicated and unpredictable, the traditional marketing approach is seemingly not appropriate anymore. Therefore, the appearance of experiential marketing is evaluated as the best reasonable approach to solving the problems of consumption behaviors nowadays (Williams, 2006). McNickel (2004) indicated that the traditional marketing will be replaced by the experiential marketing to provide major tools and strategies in the near future as the concept of experience economy (Pine and Gilmore, 1998) is accepted more widely. Another role of experiential marketing is helping customers make more positive and exact consumption decisions (Craig, 2004).

For research methods, traditional marketers commonly employ analytical and quantitative methods and regression models to analyze and interpret consumption behaviors (Schmitt, 1999). And the data for analyzing models are typically collected from the interviews or the surveys of consumers. Based on analysis results, marketers attempt to make the predictions of purchase capability and frequency as well as factors substantially affecting on final decisions. In other words, research methodologies employed in experiential marketing are diverse and multifarious. Experiential marketers are not unbounded and limited in one specific method. They are likely to combine both quantitative and qualitative methodologies. The research format may be verbal or non-verbal. The way of collecting input is diverse from a focus group, an in-depth interview to a survey. The context of research may happen in the practical environment or artificial labs. In summary, the methodologies employed in research largely depend on their objectives, thus the dogma is not existed anymore (Schmitt, 1999).

2.2.3. The elements of experiential marketing

For the elements of experiential marketing, although some different perspectives have been discussed (Schmitt, 1999; Holbrook, 2000; Dube and LeBel, 2003). However, the perspective suggested by Schmitt (1999) about strategic experiential modules (SEMs) has been most frequently cited in previous studies (Tsauro, 2007; Yuan, 2008). In this section, author thus only concentrates on discussing and interpreting the aspects of strategic experiential modules. Holbrook (2000) stated that experience-based marketing will become the mainstream in the near future as consumers nowadays expect consumption activities as a pleasure and delighted journey provided by enterprises. As a result, the major elements of experiential activities have attracted much interest from scholars and marketers. Of these, Schmitt (1999) is among a few authors who suggested relatively holistic modules covering the five different categories of experiences, namely strategic experiential modules (SEMs). These modules describe the ways marketers might create different experiences through “sensory experiences” (SENSE), “affective experiences” (FEEL), “cognitive experiences” (THINK), “physical and behavior experiences” (ACT) and “social-identity experiences” (RELATE) (Schmitt, 1999).

Firstly, the SENSE module refers to the human senses including vision, audition, olfaction, taste and touch that aim to create the sensory experience. The objective of marketing activities must concentrate on stimulating the sense of humans during a consumption journey. Using this module effectively can help the business establish a discrepancy about products or services with

competitors (Schmitt, 1999). Further, it is expected to make an increase in the value of products. Meanwhile, the foremost principle of SENSE marketing is the "consistency about cognition and diversity about sensory", it must assure that the ideas are not only noticeable but also always fresh.

Secondly, the FEEL module describes how marketing tools affect the internal feelings and emotions of customers, the purpose of these tools is to create affective experiences in their consumption journey. They can enhance customers' positive moods to products or services and create great links between customers and brands such as pride or admiration when using products or services. To apply the FEEL module successfully, what marketers must understand is the effects of the given stimuli on consumer's specific emotions and the extent of their empathic willingness. The traditional advertising campaigns frequently underestimate emotional and empathic aspects because the feeling targets are not covered in consumption activities. And it is not effortless to apply FEEL marketing on the global scope due to differences in culture, economy, politics and religion.

Thirdly, the THINK module is opposite to the FEELING module which focuses on creating emotional experiences, whereas THINK marketing describes how to create the cognitive experiences and experiences of solving problems through customer's creative and positive engagement. This module may stimulate customers' creative and divergent thinks created by the surprise, excitement and enjoyment of experiences. The environment stimuli result in cognitive responses in the customer's mind. Therefore, these marketing campaigns are commonly used in the introduction of new technology products. Besides, other fields may employ this strategy such as retailing and communications.

Fourthly, the ACT module emphasizes the role of physical experiences to customers in the consumption process and shows substitute ways. Also, the ACT marketing strategy introduces a variety of theories to change customer behaviors. Of these, customer's behaviors and lifestyles may be changed due to the effects and inspirations by idols in society such as football players and actors.

Lastly, the RELATE module is a combination of SENSE, FEEL, THINK and ACT modules. This module is distinct from the rest of strategic experience modules when its focus has not been on individual cognition and emotion, it relates to higher values such as self-improvement and social connections. The RELATE module can be regarded as the most difficult experience which

companies may create for their customers. This requests very much effort in a long-term strategy. The centrality of this module is relevant to links between an individual and others or a larger social system such as a community or a nation.

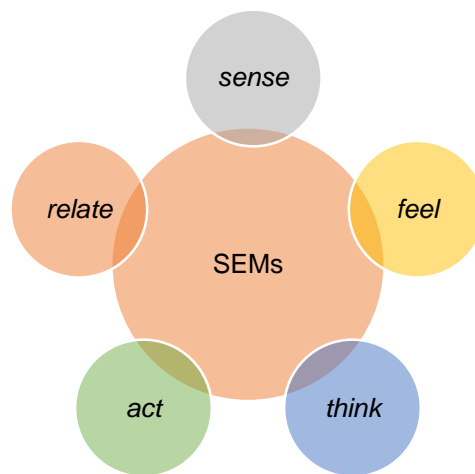


Figure 2.3. Strategic experiential modules - SEMs (Schmitt, 1999)

In reality, global experiences are the results of a combination of various experiential types. It is rare as created by only one module. Although the modules of experience are distinct from each other, yet they are not separated and they have mutual interactions and connections together. The successful combination of two or more experiential modules is recognized by many organizations in extending the experiential appeal. Nevertheless, a strategy of creating comprehensive experiences including five modules is identified and recommended to marketers in the future.

2.2.4. The role and application of experiential marketing

According to Craig (2002) and McNickel (2004), the experiential marketing will replace the traditional marketing to become a major tool in creating a marketing strategy shortly as the concept of the experience economy is more widely accepted. In the era of increasing competition, many companies have realized that the traditional marketing strategy is not appropriate anymore as customer's demands are more and more complicated and diverse. Therefore, it is particularly critical to provide customers valuable experiences in the consumption journey instead of focusing on benefits and functions as before. The experiential marketing approach is mandatory to remain firms' survival and create long-term competitive advantages (Tsauro, 2007). The origin of competitive advantage results in differences in price, distribution channels, promotion and innovation. Nevertheless, the differences in experience are not effortless to be substituted.

Williams (2006) revealed that experiential marketing will replace traditional marketing to offer solutions to modern consumption behaviors. Further, Schmitt (1999) stated that the success or failure of a firm largely depends on the extent to which a firm can provide a wonderful experience to customers. And from now, the competition of companies will concentrate on creating experiences to customers despite selling the product or providing the service, the consumer target or the organization target (Pine and Gilmore, 1998).

Recent studies showed that the experiential marketing philosophy may be applied to various fields from the motor industry (Hill, 2001) to the hospitality and tourism industry (Yuan, 2008; Quan and Wang, 2004; Klaus, 2011). In service industries like hospitality and tourism, experiences are considered as a very crucial factor since the nature of services offered by the business is intangible, customers evaluate the service via their experiential perception including feeling, emotion instead of evaluating through utilitarian aspects (Williams, 2006; Yuan, 2008). Creating a memorable experience is expected to help service providers remain old customers, attract new ones and create customer loyalty (Yelkur, 2000).

As a consequence, creating customers' unforgettable and wonderful experiences are a critical key to assure the success of a service organization (Verhoef et al., 2009). Chang (2010) agreed that the central factor of modern marketing is the experience that represents the customer's internal needs and emotions apart from the core value of products and services. For instance, tourism and hospitality organizations increasingly concern about the process of creating creative experiences for their customers (Fernandes, 2016). Concerning these services, which consumers seek is the exciting and pleasant experiences rather than purchasing a certain product or service (Oh et al., 2007).

2.3. Customer experience

The objective of this section is to offer an understanding of customer service experience in a service environment. Meanwhile, the author concentrates on discussing important concepts regarding customer service experience including customer experience, service experience, service quality and experience quality. Later, the difference between service quality and experience quality is described as well. Last but not least, the author reviews the theoretical models of customer experience and synthesizes the major dimensions of customer experience in prior studies.

2.3.1. Concepts of customer experience

Customer experience is a popular term that has been much discussed in service marketing literature from 2000 (Caru` and Cova, 2007), yet it still exists a variety of different perspectives until now. As such, it is necessary to describe the exact meaning of customer experience in the present study. There are two different streams of perspectives about how to conceptualize customer experience. The former concentrates on the components of customer experience, especially affective aspects (Berry, 2002; Mossberg, 2007; Oh et al., 2007). The latter refers to customer experience as a process (Lemke, 2011; Gentile et al., 2007; Meyer, 2007).

According to the component perspective, Holbrook and Hirschman (1982) documented “experiences are a part of consumer behavior related to emotions, fantasies, and different customer perceptions”. Likewise, Pine and Gilmore (1998) referred to experiences “as a distinct economic value for consumers that are sustainable and memorable. Experiences also involve an intention to repeat and be shared with others”. Berry et al. (2002) stated that “experiences are a result of the coordination of mechanic and humanistic clues in the consumption environment”. Mossberg (2007) defined “experiences as an integrated whole that affects customers emotionally, physically, intellectually, and spiritually”. According to Oh, Fiore, and Jeoung (2007), experiences are “enjoyable, engaging, and memorable events and moments for customers consuming those events”.

Based on the process perspective, Gentile et al. (2007) stated that “the customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction”. This definition considers experience as an individual’s involvement in various types of interaction including emotion, cognition, physical or spirit. The perspective of the process also includes a definition suggested by Meyer (2007) about customer experience as “the internal and subjective response customers have to any direct or indirect contact with a company”. Meanwhile, direct contact refers to interaction happening in the consumption of products or services, and it is typically activated by customers. Conversely, indirect contact relates to unplanned interactions occurring in or after consumption behavior. For instance, some behaviors can be regarded as indirect contact consisting of word-of-mouth, approval, disapproval, promotion, and reviews.

Similarly, Sundbo and Hagedorn-Rasmussens's (2008) documented customer experience is "a mental journey that leaves the customer with memories of having performed something special, having learned something or just having fun". In this definition, they showed that the customer actively participates in experiential activities and this memory is saved in their minds. And the consequence of the experiential journey could be pleasure or un-pleasure (Sundbo, 2008). In similar to Meyer (2007), Lemke (2011) conceptualized customer experience as "the customer's subjective response to the holistic direct and indirect encounter with the firm, and customer experience quality as its perceived excellence or superiority".

In summary, despite existing different perspectives, the main focus of the above concepts has been on the outcomes of experience that emphasize affective responses such as emotional, fantastic, funny and memorable. The final objective of experience is an attempt to bring customers wonderful and unforgettable moments during the consumption process. To holistically explore the antecedents and consequences of customer experience, the author considers customer experience in the present study as a process of interaction between customer and product, service, employee, the policy that leads to memories in customer's minds (Gentile et al., 2007; Meyer, 2007; Lemke, 2011).

2.3.2. Concepts of service

According to Hill and T Peter (1977), a service is "a transaction in which no physical goods are transferred from the seller to the buyer". The service providers employ a variety of resources and skills to deliver a service to their customers. And a quality service is demonstrated upon customer's consumption willingness. Service is intangible in nature.

Characteristics of service

The extent to which service differ from goods is distinguished through four major characteristics including "intangibility", "heterogeneity", "inseparability of production and consumption", "perishability" (Lewis and Entwistle, 1990).

Intangibility is defined as the impossibility of seeing, feel, hear, taste or touch the service before using it (Kotler and Keller, 2006). It was revealed that intangibility is the foremost factor to determine whether the offer is for a service or a product (Zeithaml and Bitner, 1996). However,

there is no clear borderline of the intangible element between services and products. In some cases, the service is the extension of the product such as the after-sales service (installation, repair, return) or the tangible product is one part of the service such as foods or water offered in the flights. To evaluate the service quality, some tangibles aspects are frequently employed as indicators to measure by consumers such as the physical environment and the uniforms of employees (Lewis, 1990). In contrast, some intangible elements are the basis to evaluate perceived quality to a certain product such as the brand or the symbolic value the marketers build for its owner (Gummesson, 2007). Some scholars believed that the intangible characteristics of service make assessment more complicated as it is intangible, it is not effortless to appreciate or quantify (Anaba Ebanda, 2010). According to Zeithmal et al. (1981), the intangible characteristic also makes a sense of uncertainly about service, thus increasing the perceived risk and resulting in difficulties to build customer loyalty. Therefore, the appearance of tangible elements in the service context contributes to a guarantee of providers and creates a safe feeling to customers (Flipo, 1988).

Heterogeneity refers to the impossible capability of standardization and quality control towards service inputs and outputs. In some cases, services might be tightly controlled and standardized like ATM operations. In this case, the service process is implemented by machines without the appearance of a human. However, the implementation of majority services always varies. According to Nefzi (2007), the quality of service is partly unpredictable due to the influence of human, psychological and situational variables. The result of services is often relevant to the presence of staff and customers in the operational system. The service offered by different individuals can result in different service quality. Besides, the involvement of different clients in the delivery of service leads to heterogeneity (Mills, 1990; Anaba-Ebanda, 2010). Moreover, the services are generally heterogeneous, vary from provider to provider and from time to time. This heterogeneity can lead the customer's commitment to a certain service provider due to the perceived risky by changing providers. Thereby, this commitment is considered as a key antecedent to create customer loyalty in the service industry (Lewis, 1990).

The inseparability of production and consumption refers that the service is produced, sold and consumed simultaneously. It means that the production, marketing and consumption of a service are carried out by the presence and participation of the client and the employee (Lewis, 1990). The presence of consumers during the production of service can lead to establishing a relationship with the provider. This relationship bases on human interaction between customers and employees

during delivering the service. Such interaction contributes to creating a customer service experience (Hartline and Ferrell, 1996; Gerrard and Cunningham, 2001). However, it is impossible to generalize inseparability to all services since many services are carried out in the absence of customers such as car repair services. Even, some special services in which customers hope that they will never have to deal with it, for instance, the services regarding the police or the court (Eiglier and Langeard, 1987).

Perishability could be understood that since the service is a performance process, it is perishable and cannot be stored for later use, resold or returned (Lewis, 1990). For instance, as a service facility does not have enough customers, a waste of physical elements, time, human resource or food is identified. Conversely, if there are too many clients, some clients are not served and this leads to lose the prospective amount of income. As a result, managers must find ways to adjust demand to the productive capacity of the service enterprise. However, Gummesson et al., (2007) disagreed that perishability characteristic is invalid since businesses might store productive capacity such as unoccupied rooms in the hotel, unused equipment in the hospital. They explained that service organizations could use them to repair, regenerate and renew in these cases. Despite the controversial perspectives, characteristic of perishability has still been considered to distinguish services from products (Lovelock and Gummesson, 2004).

Types of services

Based on various types of services, the servicescape of different organizations and industries are different too (Lovelock, 1983). Service providers, therefore, build different strategies for designing their servicescape that have to assure differences with competitors. Bitner (1992) classified service into three types based on the role of interaction and automation in the physical surrounding, which includes: “self-service” (only customer), “interpersonal services” (customer-employee interaction) and “remote service” (only employee).

Firstly, *self-service* is one of service requesting very few presences or absence of employees in the service establishment. It is the practice of serving oneself and emphasizes the high level of customer activity. The example of self-service comprises self-service fueling, buffet restaurant, ATM and so on. Secondly, *remote service* is opposite to self-service in the nature of the service. Remote service requests very few involvements of the customer in service activities, even employee’s involvement is reduced in some cases such as telephone companies. Last not but least,

interpersonal services are located in a position between self-service and remote-service. For this service type, the presence and behaviors of customers and employees are very important since these service request high human connections in the servicescape. Examples of these services can be listed such as coffee stores, hotels, restaurants, hospital and hairs salon. For this environment, the impacts of physical surroundings and social interaction quality among individuals must be specially considered.

In summary, the focus of this study has been on interpersonal services which highlight the importance of service environment attributes and social interaction quality between and among customers and employees. Therefore, of various interpersonal service forms, one kind of service will be chosen as the empirical context in the current study. It is more detailed presented in the research methodology section.

Service quality

In order to measure the service, the term “service quality” as a multidimensional concept (Parasuraman, Zeithaml, and Berry, 1985) was proposed to use. The concept of service quality suggested by Parasuraman et al. (1988) has been extensively utilized in preceding studies to assess the excellent level of a given service upon customer’s perception. They conceptualized service quality as “the customers’ overall impression of the relative inferiority/superiority of a service provider and its services and is often considered similar to the customer’s overall attitude towards the company” (Parasuraman et al., 1988). Meanwhile, Parasuraman (1988) understood quality as “a perceived judgment about an entity’s overall excellence or superiority”.

Parasuraman et al., (1988) introduced the “gap analysis model” (SERVQUAL) which refers to that customers frequently evaluate service quality through comparison between the expectations of provided services and the actual perceptions of services. In this model, service quality is considered as a meaning of different gaps between expectations and perceptions (E-P). Parasuraman et al., (1988) identified five major dimensions to assess service quality including “reliability”, “responsiveness”, “assurance”, “empathy” and “tangibles”. The SERVQUAL has been extensively employed in various services.

Meanwhile, the first dimension of service quality is *reliability* which refers to the extent of accuracy and dependability in offering the committed services to customers. This aspect covers

service organization's commitments in delivering, pricing, solving complaints and so on. Secondly, the *responsiveness* dimension is understood as an organization's readiness in helping and supporting its customers during the consumption process. Especially, it emphasizes the important role of the customer relationship department as solving customer's requirements and complaints. *Assurance* is the third dimension of service quality that describes the customer's belief and faith in service providers. Because the nature of service is intangible and heterogeneous, customers often feel risky and unsafe as using the service for the first time in some cases. Therefore, safety and trust should be noticed by organizations in providing services to customers. Fourthly, another aspect of service quality is *empathy* that regards the organization's capability in understanding and sharing the feelings of customers. The service providers must create a close relationship with their customers to respond to comments and complaints as soon as necessary. The final dimension of service quality is *tangibles* that highlight the importance of physical aspects in the service environment. The essence of service is the combination of tangible and intangible factors, the presence of tangible factors helps to increase customer's perceived safety and belief to service provided by establishments.

2.3.3. Customer service experience

This section starts with describing the important concepts of customer service experience, then discusses the construct of service experience quality. Lastly, we distinguish the differences between service quality and experience quality.

Concepts of customer service experience

According to Pine and Gilmore (1998), the experience is the central key to experience marketing. In a given service context, the organizations consider service as stage and products as props, and experience happens along with customer's involvement. Based on this perspective, Otto and Ritchie (2000) conceptualized service experience as "the subjective personal reactions and feelings that are felt by consumers when consuming or using a service". This view appreciates the role of service experiences to customers' assessment and satisfaction towards a specific service. While Edvardsson (2005) considered service experience as "the service encounter and/or service process that creates the customer's cognitive, emotional and behavioral responses which result in a mental mark, a memory". This perspective stream is confirmed by Kwak, McDaniel, and Kim (2012), they stated that "product experiences are created when consumers interact with products

or when using these products”, while “service experiences occur when a consumer interacts with a store's environment, staff, and practices”.

Likewise, Johnston and Clark (2005) described a service experience as “the customers’ direct experience of the service process, the organization, the facilities, other customers and how the customer is treated by the service firm’s representatives”. Meanwhile, direct experience refers to interaction happening in the consumption of products or services, and it is typically activated by customers (Meyer and Schwager, 2007). According to them, the output of service experience could be tangible value, emotional reactions and assessment. These consequences are partially consistent with outcomes confirmed in preceding works (Edvardsson, 2005) consisting of cognitive, affective and behavioral responses. Whereas the aspects of time, finance and individual effort are regarded as the inputs of customer experience (Johnston and Clark, 2005). Extending the definition suggested by Johnston and Clark (2005), Walter (2012) described service experience through the customer’s direct and indirect interactions with the service process, the facilities, the individuals and the organization in a given service environment. These interactions then result in the customer’s reactions in cognition, emotion and behavior and leave in their minds memories of experiences.

In summary, although various definitions have existed so far, yet we understand that the core nature of service experience is a process of interaction with different subjects including social factors and physical interfaces. Along with the interaction process, the personal reactions, in turn, occur from the cognitive and emotional responses to behavioral responses. And this leaves customers specific memories about the experience they spent in a given service context (Walter, 2010).

Service experience quality

To measure service experience, many researchers used service experience quality to replace for service quality (Wu, 2018; Alnawas, 2018; Kim, 2016; Gupta, 2016; Fernandes, 2016; Jin, 2015; Lemke et al., 2011; Verhoef et al., 2009). In a relevant concept, Zeithaml (1988) explained the quality term as “a perceived judgment about an entity’s overall excellence or superiority”. Many scholars identified that customer’s experience quality is regarded as an increasingly crucial structure in consumer behavior literature (Bitner, 1992; Verhoef, 2009; Chen and Chen, 2010).

According to Crompton and Love (1995), they posited that experiential quality involves “not only the attributes provided by a supplier but also the attributes brought to the opportunity by the visitor”. Whereas, Chan and Baum (2007) suggested that experiential quality embraces “visitors’ affective responses to their desired psychological advantages from a visiting experience”. Chang (2010) conceptualized experience quality as “representing how customers emotionally evaluate their experiences as they participate in consumption activities and interact with the service surroundings, service providers, other customers, customers’ companions, and other elements”. Customer experience quality is a psychological construct belonging to each individual. It could be understood as “the customer’s cognitive and emotional evaluation of all direct and indirect encounters with the service provider relating to his/her purchasing behavior” (Klaus and Maklan, 2013). On the other hand, Lemke et al., (2011) released the concept of customer experience quality upon the quality definition as “a holistically perceived judgment about the excellence or superiority of the overall customer experience based on an extended service period”.

In summary, service experience quality is critical to service organizations due to the intangible essence of service offered by businesses. Therefore, customers frequently evaluate experience quality via their experiential perception including feeling, emotion instead of concentrating on utilitarian and valuable aspects (Ismail, 2011). Based on a quality concept by Zeithaml (1988), we agree with how Lemke et al., (2011) conceptualized customer experience quality as a comprehensively perceived assessment about the excellence of overall customer experience which is regarded as the overall combination of subjective and objective factors that customers perceived in-service facilities.

Service experience quality and service quality

The previous studies showed that service quality is regarded as a very important concept to interpret the assessment and satisfaction of customers in the service environment, and this concept has been widely employed in a variety of service contexts in lots of research (Srivastava, 2014; Kranias, 2013; White, 2010; Brady, 2001). Meanwhile, the gap analysis model (SERVQUAL) has been commonly studied as a key standard in assessing an excellent level of service quality in various settings. Despite remaining a significant role in customer satisfaction, yet its importance to the customer has become less in the modern society, especially ever since the concept of experience economy (Pine and Gilmore, 1998) is increasingly accepted. According to the traditional approach, the focus of service quality has been on functions and the utilitarian of

service provided, whereas customers nowadays concentrate on affective and emotional factors such as happiness, excitement or pleasure (Holbrook and Hirschman, 1982; Chen and Chen, 2010). Many scholars suggested that it is necessary to consider both two aspects to interpret customer satisfaction (Zins, 2002; Lin et al., 2007).

Therefore, the definition of service quality has been modified and replaced by the definition of experiential quality which covers the cognitive and affective variables in the process of consumption (Moon et al., 2011). Using the concept of experience quality brings a deeper awareness of a holistic experience consisting of cognitive, emotional and behavioral responses by joining in service activities (Cole and Scott, 2004; Chen and Chen, 2010). As such, the service experience quality is the central key of marketing strategies due to its substantial links to post-consumption assessment such as corporate image, perceived value, satisfaction and loyalty (Kao et al., 2008; Ryu et al., 2008).

To understand customer experience quality, it is imperative to distinguish customer experience quality from service quality. Phil Klaus (2012) found that there are two different perspectives about the relationship between service quality and experiential quality. The former research stream considers experiential aspects as a critical component in a new concept of service quality which is added emotional elements of experience (Lee and Lin, 2005; Edvardsson et al., 2007). This perspective is confirmed by some researchers (Schembri, 2006; Berry et al., 2006) who demonstrated that experiential quality is the critical antecedent of perceived service quality.

Table 2.2. The differences between experience quality and service quality

Aspects	Experience quality	Service quality
<i>Definition</i>	Involving both cognitive components and emotional components in enjoying service	Focusing on cognitive and attitudinal components in the service assessment
<i>Measurement</i>	Subjective, based on emotion	Objective, based on cognition and logic
<i>Evaluation</i>	Holistically, including both internal and external evaluations (customer themselves and service environment)	Partially, concentrating on external evaluations (service environment)
<i>Scope</i>	General Hedonic and symbolic Emotional	Specific Functional and utilitarian Affective and attitudinal

The latter research stream distinguishes experiential quality and service quality as two discrepant constructs (synthesized in Table 2.2). The first point, the concept of experiential quality embraces affective and cognitive responses to the customer's desired experience (Chan and Baum, 2007). And experiential quality is shaped by both the attributes offered by a service provider and individual psychology in the consumption journey (Crompton and Love, 1995). Whereas, the focus of service quality has been on customer's cognitive and attitudinal responses to the functional and utilitarian aspects of a given service.

The second point, service quality is the objective measurement upon the logical and cognitive assessment of the customer. Conversely, the construct of experiential quality is subjectively measured since it largely depends on the customer's internal emotion responses in the experience process (Chen and Chen, 2010). Thirdly, experiential quality is based on the comprehensive assessment which concentrates on both internal and external aspects, service environment and customer. While the evaluation of service quality only concentrates on the role of particular attributes and external service environment (Choi, 2015). The final point is the difference of scope in which experiential quality is more global than certain, the nature of experience is hedonic and symbolic instead of functional and utilitarian, the psychological state is affective and emotional rather than cognitive and attitudinal (Chen and Chen, 2010).

2.3.4. Theoretical models of customer experience

In attempts to identify the determinants of customer experience quality, the four conceptual models of customer experience have been recently postulated. Firstly, Payne et al., (2008) suggested a conceptual framework that concentrates on the centrality of recognition processes in co-creation. Later, Verhoef et al., (2009) postulated a conceptual model of customer experience compositing the major factors such as social aspects, service attributes, the retailing atmosphere along with price and promotions. While Grewal (2009) indicated that customer experience in the retailing setting is shaped by macro factors and factors controlled by the company including promotional programs, pricing policies, purchase processes, supply chain management and convenience of location. Customer experience then mediates the effects of retail drivers on retail performance such as marketing and financial metrics. Lastly, Lemke (2011) postulated a relatively holistic research framework to investigate the determinants of customer experience and its outcomes. Using the repertory grid method, Lemke (2011) uncovered how customers interpret the construct of experience quality in a service environment.

Model for value co-creation (Payne et al., 2008)

Payne et al., (2008) introduced the conceptual framework that recognizing the centrality of the process in co-creation. Research findings indicated that the role of processes is more and more important in marketing and S-D logic could be regarded as a set of processes and resources to create value outcomes (Webster 2002; Vargo and Lusch 2004a). According to them, the components of a process contain “the procedures, tasks, mechanisms, activities and interactions which support the co-creation of value”. Under this perspective, the links between customers and service providers are a set of longitudinal, dynamic, interactive activities. Thereby, Payne et al., (2008) postulated a framework that describes the value co-creation process comprising three aspects: “customer value-creating process”, “supplier value-creating process” and “encounter process” (Figure 2.4).

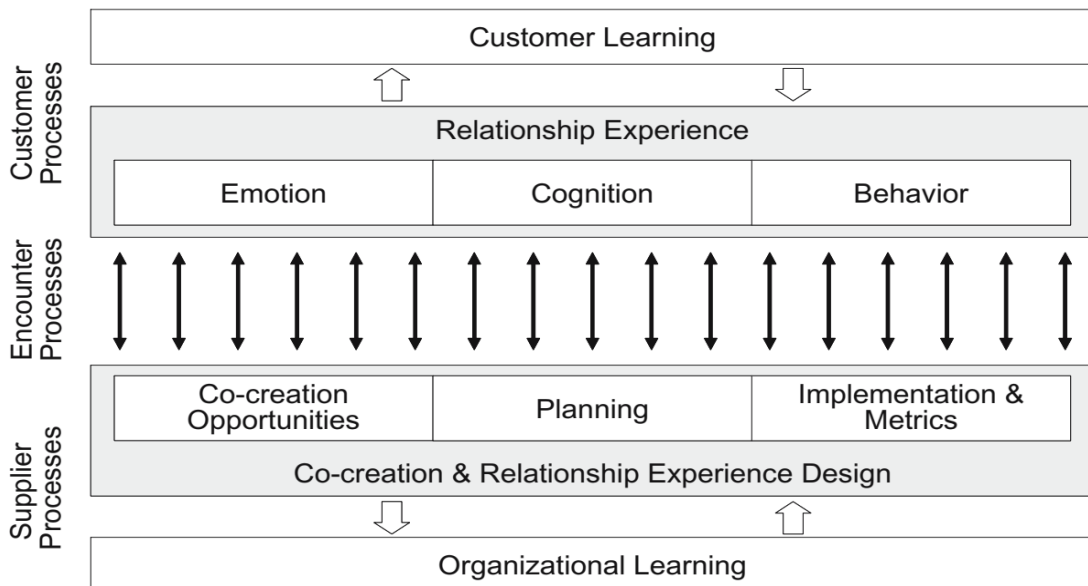


Figure 2.4. The conceptual model for value co-creation (Payne et al., 2008)

Firstly, customer processes refer to “the processes, resources and practices which customers employ to manager their activities” (Payne et al., 2008). The process of value creation can be described as “a series of activities performed by the customer to achieve a particular goal” (Normann 2001). In this process, the customer participates in the learning process through experiences that customers have during the relationship including emotional, cognitional and behavioral experiences. This learning process then influences the customer’s engagement in value co-creation activities.

Secondly, supplier processes describe “the processes, resources and practices which the supplier uses to manage its business and its relationships with customers and other relevant stakeholders” (Payne et al., 2008). The learning process of supply organizations is understood as obtaining an understanding of their customer through designing and delivering experiential activities to customers. This process consists of reviewing co-creation threats and opportunities, designing and testing these opportunities with customers, making solutions to improve and manage customer encounters, building a set of metrics to use in the evaluation of value offers.

The final one is the encounter process which describes the process and practices of interaction and interchange between customers and organizations. This process is a two-way interaction from customer to organization or from organization to customer. For instance, sometimes encounters can derive from the organization by advertising emails and consultant calls. On the other hand, some encounters can derive from customers through complaints and requirements or initiate by two sides. Furthermore, this process also involves divergent functional departments including sale, logistics, production, accounting or customer relationship management units.

In summary, the conceptual model suggested by Payne et al., (2008) emphasizes the learning process of customers and service organizations, in which they together create benefits, together with learn and share knowledge. More specifically, Payne et al., (2008) suggested a holistic model evaluating important constructs including value co-creation, customer’s learning process, and organization’s learning process, consumption experience and relationship marketing. While the research describes how customers learn knowledge through emotional, cognitive and behavioral responses in their experiential activities. And the organizations also learn knowledge through designing and offering experiential activities to customers. Moreover, it presents an encounter process between customers and supply organizations in value co-creation.

Model of creating customer experience in retailing (Verhoef, 2009)

In attempts to create a holistic strategy to manage the customer experience in the retailing environment, Verhoef et al., (2009) postulated a research framework that discusses the determinants, major outcomes and moderators of customer experience (Figure 2.5). In this model, the concept of customer experience which is holistically considered in nature relates to customer's various reactions about cognition, affection, emotion, society and physicality to the retailer. According to Verhoef et al., (2009), customer experience is determined by several major

components consisting of “the social environment”, “the service interface”, “the retail atmosphere”, “the assortment” and “the price”.

The social environment is relevant to the direct and indirect effects of encounters between customers and employees or other customers as well as interactions of the company with employees and customers. While service interface describes some major components to institute service including staff, technological applicants and customization. Whereas, retail atmosphere documents aspects of sensory marketing including scents, lighting, color, music or sound, temperature, air quality, aesthetics and so on. One another determinant of customer experience is assortment which refers to diversity and uniqueness of product portfolio and product quality delivered. The price factor is a leading determinant to customer experience, especially in a retailing environment where customers commonly spend a moderate amount of money on each product, yet purchase a large number of products on each visit. This factor attracts much interest by customers through pricing policies, promotional activities or loyalty programs.

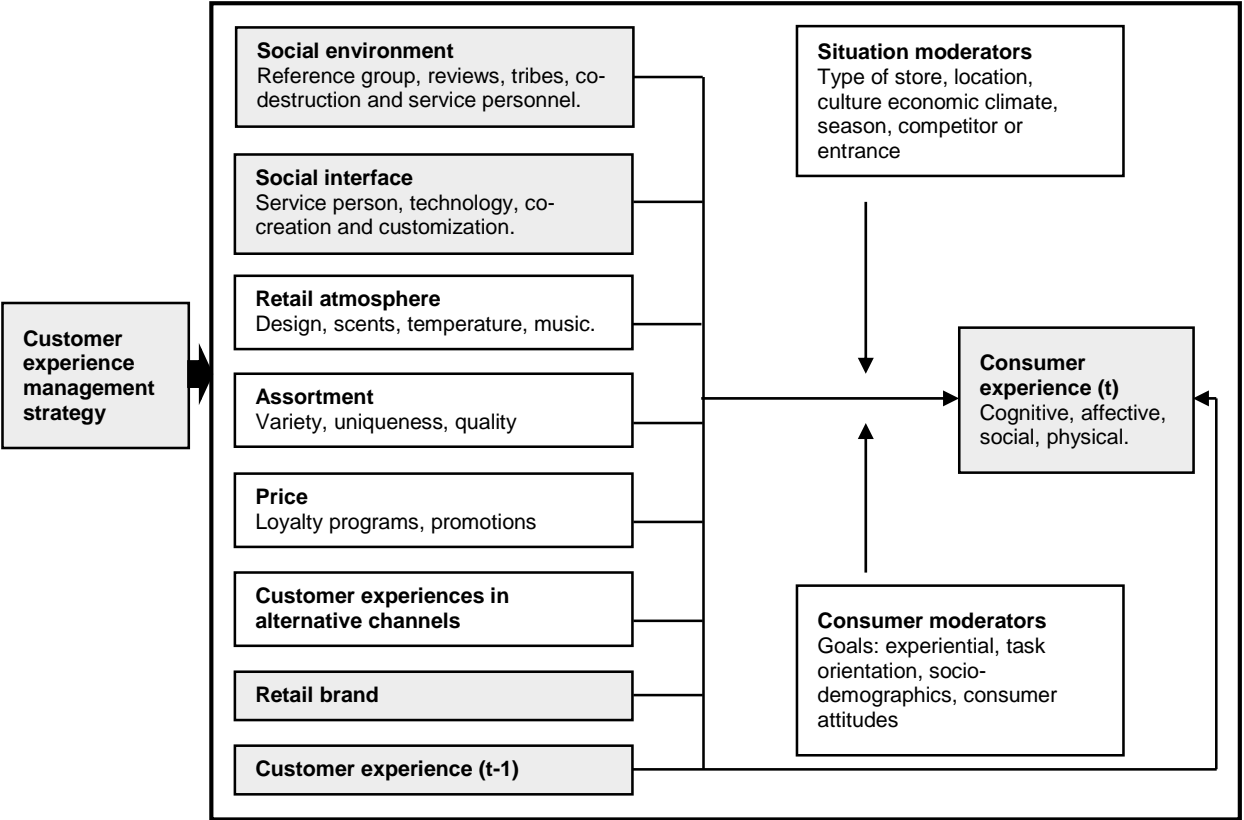


Figure 2.5. The conceptual model of customer experience in retailing (Verhoef, 2009)

Furthermore, customer experience could be shaped by various consumption channels. For instance, online shopping activities can be affected by the customer's previous experiences at a specific store. Additionally, the importance of retail brand should be considered as a key determinant of customer experience because the retail brand helps to establish the first impression in customer's minds and remains a certain effect in their experience. The final factor is customer experience in the past which is regarded as a dynamic determinant of customer experience in the present and future.

In this model, the situational factors and the individual and psychological characteristics of customers play a moderating role in the relationship between determinant factors and customer experience. With respect to the characteristics of customers, customer experience is regulated by consumer's objectives for the shopping journey, which is impacted by the features of personality, demographic factors, place and situational context. Concerning situation factors, customer experience is controlled by the existence of potential situations comprising kinds of stores, distribution channels, store position, cultural value, seasonal cycle, economic environment and competitive power.

In summary, Verhoef et al., (2009) offered a relatively comprehensive strategy to manage the customer experience in the retailing context by analyzing two major constructs, including eight determinants and two moderating factors. In this model, the management of customer experience is developed upon the strategic view concentrating on ways and extents in which a retailer could create a holistic experience for the customer.

Model of customer experience management in retailing (Grewal et al., 2009)

To compete effectively in a retailing environment as nowadays, businesses particularly pay much attention to customer experience during the shopping process (Grewal et al., 2009). And a specific strategy should be established to create and manage this experience. In similar to Verhoef et al., (2009), Grewal (2009) also developed a research framework of creating customer experience in a retailing context (Figure 2.6). In contrast to the previous model, the focus of this model has been on the importance of macro factors and their impacts on shopping experiences and consumer behavior in the retail context. In this model, the macro factors directly influence on both factors controlled by the firm and shopping experience. Later, customer experience plays a mediating role

in the relationship between controlled factors and metrics of finance and marketing. In turn, these performances oppositely influence on firm-controlled factors.

Meanwhile, the aspects of macro factors are considered in this model including gasoline costs, inflation, recession, unemployment, interest rates, and declining stock markets, economic and financial uncertainty. Although the macro factors are impossible to control, yet they could be predicted to identify opportunities and threats to retail businesses. Conversely, the organizations can control primary factors including promotional programs, pricing policies, purchase process and convenience of location. In the management model of customer experience, the business results are particularly highlighted in retail organizations. The key metrics retailers must interest include brand value, word-of-mouth activities, behavior intentions, return rate, shopping frequency, customer satisfaction, loyalty and net-profits.

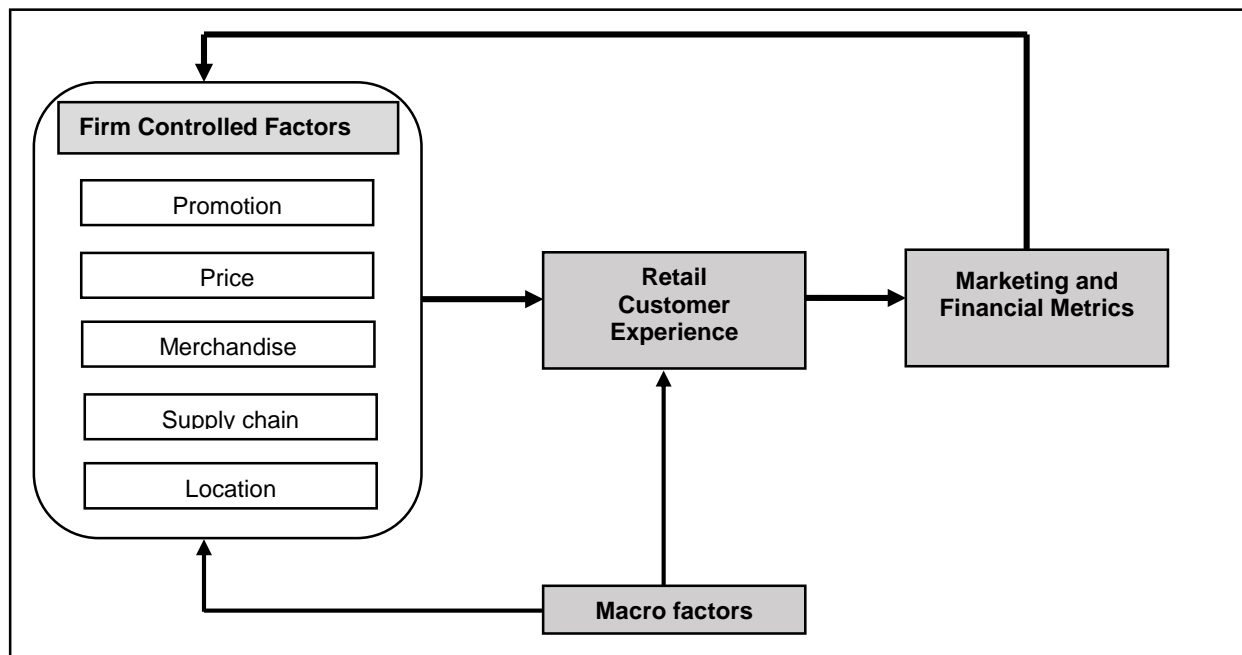


Figure 2.6. The model of customer experience management in retailing (Grewal et al., 2009)

In summary, Grewal (2009) provided a research framework for creating and managing customer experience in the retailing environment. Nevertheless, this model is distinct from the previous model suggested by Verhoef (2009), Grewal (2009) concentrates on the important role of macro factors in retailing experience. They stated that apart from factors controlled by firms such as price or promotion, the macro factors also remarkably impact on customer experience and retail drivers. Further, they also noticed links between retailing experience and business performances. Grewal

(2009) identified that creating memorable experiences in the shopping process is regarded as a long-term competitive strategy in an increasingly complicated and unpredicted environment as the retail industry.

Model of customer experience quality (Lemke, 2011)

To respond to several calls by prior studies for further investigation of customer experience (Payne et al., 2008; Grewal, 2009; Verhoef, 2009), a research framework was postulated by Lemke (2011) to examine the determinants of customer experience and its consequences in the context of business-to-business and business-to-customer (Figure 2.7). Lemke (2011) defined customer experience as “the customer’s subjective response to the holistic direct and indirect encounter with the firm, and customer experience quality as its perceived excellence or superiority”. Using the repertory grid method, Lemke (2011) uncovered how customers interpret the construct of experience quality in the service environment.

Lemke (2011) suggested that customer experience quality is shaped by three different encounters including “the communication encounter”, “the service encounter” and “the usage encounter”. The first category is *communication encounter* which refers to (1) the communicational activities between organizations and customers during the transaction journey from pre-purchase to post-purchase and (2) the long-term relationship with customers build on a long amount of time and series of transactions in the past. Of these, organizations particularly appreciate the second relationship due to customer's enduring commitments to the company. Organizations must find ways to maintain these relationships because attracting new customers is much more expensive than remaining loyal customers.

Secondly, the *service encounter* documents various characteristics of products and services provided including “variety of choice”, “value for money”, “caring”, “value for time”, “atmosphere”, “personalization” and “network quality”. Meanwhile, variety refers to the diversity in the product or service portfolio provided to customers and value for money describes customer’s perceived benefits about products or services based on paid-cost. The meaning of caring is similar to the reliability of the product or service provided by the company. While value for time relates to customer’s perceived benefits based on spent-time. Atmosphere refers to the extent of a pleasant and comfortable environment that organizations create during the transaction process. Personalization relates to the level of individualization and customization of products or

services delivered by the company. Network quality describes the connection degree between internal departments and external partners.

Lastly, the user encounter is understood through the role of links with other customers and social impact. The other customers remain a significant position by impacting customer's behavior in the consumption process and their involvement in value co-creation. The interaction among customers is a part of customer experience. While social impact refers to the influences of product or service on customer's minds about the corporate image.

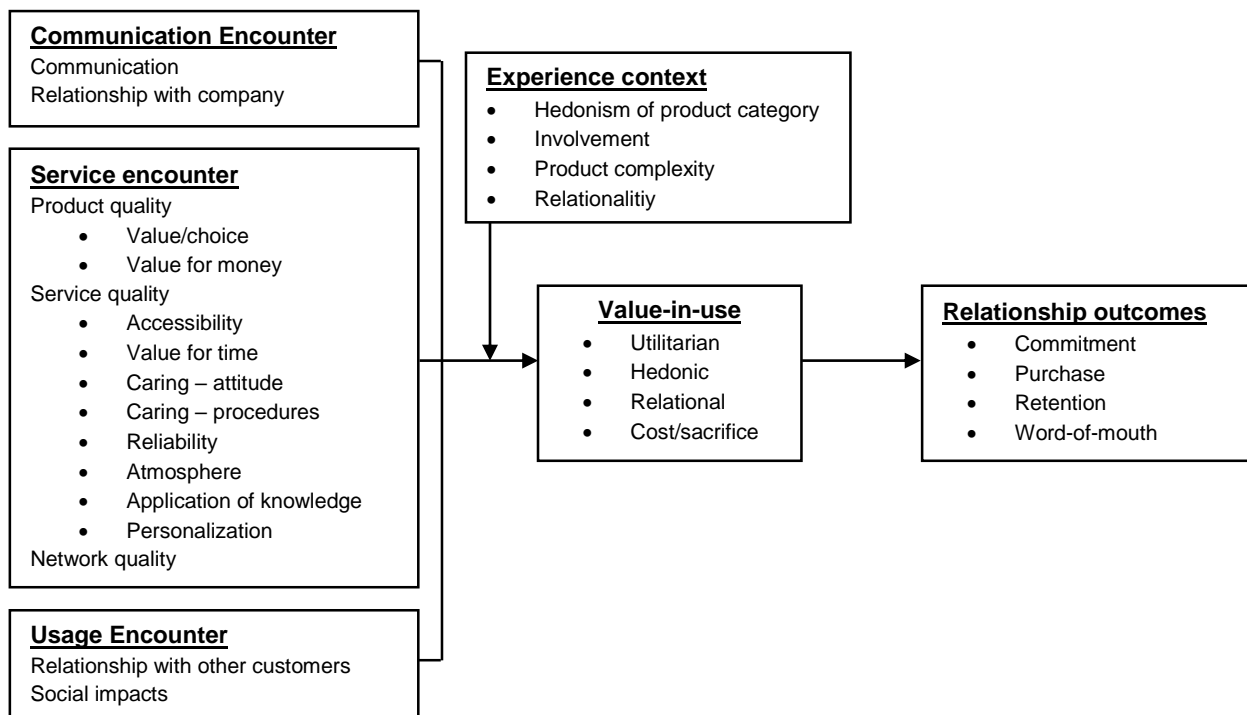


Figure 2.7. The conceptual model of customer experience quality (Lemke, 2011)

Later, these encounters significantly influence on the outcomes of value-in-use and relationship. Meanwhile, value-in-use plays a mediating role in the relationship between key encounters and relationship outcomes. Value-in-use is understood as direct objectives derived by using product or service, it could be utilitarian or enjoyment or combination of two. While the relationship outcomes are the indirect consequences via experience process, they are typically presented by some behaviors consisting of the cognitive and emotional commitments, behavioral intentions and word-of-mouth activities. The final component of this model is experience context which moderates the relationship between types of encounters and direct outcomes. It is conceptualized as characteristics of product, service, market or industry which have effects on customer experience.

In summary, Lemke (2011) showed how customers interpret the experience quality construct through three different encounters including “communication encounter, service encounter and usage encounter”. These encounters emphasize the characteristics of products or services provided, the atmosphere in the transaction process, the role of social interaction with employees and other customers and the relationship between customers and companies. The experience quality is closely associated with value-in-uses which in turn influences indirect outcomes, namely relationship outcomes. Further, the effects of encounters on value-in-uses are moderated by the experience context. Lemke (2011) also found the difference in the evaluation of experience quality in two different contexts (B2B, B2C), customers frequently concentrate on utilitarian and practical values in the case of B2C, whereas business customers tend to be interested in long-term relationship outcomes.

In conclusion

In attempts to identify the determinants of experiential quality, the four conceptual models have been recently suggested (Payne et al. 2008; Grewal et al. 2009; Verhoef et al. 2009; Lemke et al. 2011). They spent much effort to provide a holistic model of creating and managing customer experience in various contexts. However, the focus and outcomes of each study are different. The differences between these works are synthesized in Table 2.3.

Concerning the focus of models, Verhoef et al. (2009) suggested some critical drivers of experience quality in retailing including “social environment, the service interface, the retail atmosphere, the assortment, the price, the links between retail brand and customer experience, past experiences”. These components are considered as the foremost aspects to build a holistic strategy of creating and managing the customer experience. Likewise, Grewal et al. (2009) also discussed the business strategy to manage customer’s shopping experience in retailing setting. Nevertheless, it focuses on macro factors and retail drivers. They emphasized the direct effects of macro factors on retail drivers and retail customer experience. Retail drivers are factors controlled by organizations including promotional programs, pricing policies, purchase process and the convenience of location. In contrast, macro factors are impossible to control. While Lemke (2011) explored that customers interpret their consumption experience as a set of various encounters containing communication encounters, service encounters and usage encounters. These categories refer to effective communication between customer and organization, service quality and human connections within the service environment. Lemke (2011) identified three interactions as the key

drivers of customer experience instead of focusing on specific aspects like the previous two works. In contrast, Payne et al., (2008) emphasized the role of the centrality of the process in co-creation. They stated that customer experience results from the three processes including customer process, encounter process and supplier process. While customer's engagement in a learning process bases on experiences of emotion, cognition and behavior designed by service organizations.

Table 2.3. A summary of customer experience models

Articles	Focus of model	Outcomes of models	Context
Lemke (2011)	Experience quality determined by three different encounters, including communication encounter, the service encounter and usage encounter	Value-in-use Relationship outcomes	B2B, B2C
Verhoef (2009)	The retailing experience shaped by a series of factors comprising the environment, the service interface, the retail atmosphere, the assortment, the price, the links between retail brand and customer experience, past experiences.	Experiences of cognition Experiences of affection Physical experiences Experiences of society	Retailing
Grewal (2009)	The effects of macro factors on drivers of retailing experience which including promotional programs, pricing policies, purchase process and convenience of location	Experience quality Marketing and financial metrics	Retailing
Payne (2008)	Customer experience results from three processes including customer process, encounter process and supplier process	Learning and sharing knowledge	Service sector

For the outcomes of research models, Verhoef et al. (2009) described customer experience as a comprehensive construct that relates to the customer's cognitive, affective, emotional, social and physical responses to the retailer. And customer experience is regulated by situation factors and customer's shopping objectives. While Grewal et al. (2009) concentrated on behavioral outcomes including brand value, word-of-mouth activities, behavior intentions, return rate, shopping frequency, customer satisfaction, loyalty and net-profits. Payne et al. (2008) did not provide the specific outcomes of customer experience, their focus is the process of learning and sharing knowledge. Lemke (2011) presented the two major outcomes including value-in-use and relationship outcomes. The former describes the short-term and the utilitarian targets and the latter refers to the long-term targets such as the cognitive and emotional commitments, behavioral intentions and word-of-mouth activities.

2.3.5. Dimensions of customer experience

The literature of service marketing has identified various perspectives on the dimensions of customer experience in the preceding works. The different types of service vary in major dimensions of customer experience. The dimensions of customer experience in the previous studies are synthesized in Table 2.4.

Regarding the general service industry: in a discussion about the aspects of the consumption experience, Holbrook and Hirschman (1982) viewed experience as “encompassing a steady flow of fantasies, feeling, and fun”. Meanwhile, Csikszentmihalyi (1997) stated that the best experiences are a combination of various aspects consisting of “absorption, personal control, joy, values, spontaneity, and freshness of process”. With a more holistic perspective from marketing communications, Schmitt (1999) suggested five different dimensions of experiences, namely strategic experiential modules (SEMs) encompassing sense, feel, think, act, and relate. Firstly, the SENSE dimension refers to the human senses including vision, audition, olfaction, taste and touch that aims to create a sensory experience; the FEEL dimension describes how marketing tools affect the internal feelings and the emotions of customers. The THINK dimension describes how to create cognitive experiences and experiences of solving problems through customer’s creative and positive engagement; the ACT dimension emphasizes the role of physical experiences to customers in the process of consumption and shows substitute ways and interactions. Lastly, the RELATE dimension is a combination of sense, feel, think and act dimension.

Moreover, customer experience is also identified with several aspects of anticipation, progression over time and emotional involvement (Pullman and Gross, 2004). Lemke (2011) suggested that customer experience quality is determined by three different dimensions including the “communication encounter, the service encounter and the usage encounter”. Communication encounter refers to the communicational activities between organizations and customers during the transaction journey from pre-purchase to post-purchase and the long-term relationship with customers builds on a long amount of time and series of transactions in the past. Service encounter documents various characteristics of product and service provided including “variety of choice”, “value for money”, “caring”, “value for time”, “atmosphere”, “personalization” and “network quality. The usage encounter is understood through the role of links with other customers and social impact.

Concerning high interrelation services such as hotel, restaurant: Dube and LeBel (2003) revealed that customer experience construct is constituted from the physical, social, emotional and intellectual responses in the process of service experience. Meanwhile, physical experience is associated with physical activities; social experience relates to connections and interactions; the feelings from external stimuli are antecedents of emotional experiences, and intellectual experience documents the understanding of knowledge. In research about four various types of services including hotels, banks, restaurants and supermarket, Alnawas (2018) indicated that customer experiential quality includes cognitive and emotional elements. The cognitive factor consists of outcome focus and product experience. The outcome focus is relative to the service organization's capability in declining transaction costs as providing a certain service and reducing the effects of previous experiences on choosing similar service organizations. While product experiences document the degree in which a service supplier could provide a diverse portfolio of choices and permit their customers to make a comparison among them. In other words, the emotional element includes immersion and surprising attributes. Immersions refer to consumer's involvement in the experience activities by spending time and money to enjoy service. While surprise attribute is related to the newness, exclusiveness and creativeness of an experience provided, it derives from unpredicted situations in the process of service.

In the context of tourism: In research of tourism service sectors, Otto and Ritchie (1996) suggested four major aspects of experience quality scale including hedonics, peace of mind, involvement, and recognition. Meanwhile, the hedonic component is related to affective reactions such as pleasure, delight and impressiveness. Peace of mind refers to the careful and comfortable needs both physically and psychologically. While the involvement component is relevant to the extent to which customer impact on service offered from choosing to adjust a part of the service. Lastly, recognition relates to the customer's perceived importance and confidence in the process of service. Additionally, De Rojas and Camarero (2008) pointed out that perceived experiential quality in the heritage tourism experience consists of interaction quality, physical environment quality, and outcome quality.

With regard to entertainment activities: to identify the determinants of customer experience in entertainment activities of various service types including a movie theatre, bowling sports center, city tour, museum; Kim and Choi (2013) explored the major dimensions of service experience quality consisting of 3 aspects, namely service outcome, peer to peer quality, interaction quality. While outcome quality relates to the customers' perceived superiority to which they received in

the process of service interaction. Interaction quality refers to the customers' perceived superiority to social interaction between customers and employees in the service environment. Lastly, peer-to-peer quality documents customers' perceived interaction with other customers who shared the service environment.

Extending the customer experience structure by Choi and Kim (2013), Wu (2018) used the hierarchical model to investigate the interrelationships among constructs like experiential quality, experiential value, experiential satisfaction, corporate image and revisit intention in the context of theme parks. Meanwhile, the experiential quality was referred to as a multidimensional construct (sub-dimensions and primary dimensions). The key aspects consist of interaction quality, physical environment quality, outcome quality and access quality. The interaction quality describes five attributes comprising attitude, behavior, expertise, problem-solving and visitor interaction. The physical environment quality focuses on design, equipment, environment, ambiance and social factors. The outcome quality concludes waiting time, valence and tangibles. Finally, the access quality documents aspects like convenience, information, hotel and destination.

In another research on theme parks, Kao, Huang, and Wu (2008) investigated experiential quality through four aspects, including immersion, surprise, participation and fun. Immersion and surprise are employed by Alnawas (2018) as two components of emotional element. In similar to the previous studies, immersion is understood as the consumer's involvement in the consumption experience process. The surprise is related to the fresh, exclusive and creative perception of an experience provided. While the participation refers to interaction activities between customers and services; the fun is relevant to consumer's perceived delight and pleasure. Meanwhile, Cole and Scott (2004) investigated the determinants of experiential quality as visiting the zoos, they uncovered that visitor's experience quality is instituted by entertainment, education and community. In the festival context, Cole and Chancellor (2008) showed that experiential quality is shaped by programs, amenities and entertainment.

In the retailing context: Verhoef et al. (2009) postulated the eight determinants of customer experience in retail. These factors are social environment, service interface, store atmosphere, assortment, pricing policies, the interaction between consumer and retailing brand, experiences in various channels, and previous experience. Chang and Horng (2010) generated an experience quality scale including 38 items with five dimensions, namely physical environment, service providers, other customers, customer's companions and the customer themselves. While the

physical environment is shaped by atmosphere, concentration, imagination and surprise. The customer is separated into two sub-dimensions including cognitive learning and having fun.

In the special context of mortgage service: Phil Klaus (2012) built a multiple-item scale for customer experience in mortgage service with 19 items by four dimensions, including product experience, outcome focus, moments-of-truth and peace-of-mind. Meanwhile, product experience and outcome focus are also employed by Alnawas (2018) as two elements of the affective component in the banks and restaurants. Product experiences describe customer's perceived importance to a diverse portfolio of choices and the comparable ability among offerings. While outcome focus is related to the organization's capability in declining transaction costs as providing a certain service. The third dimension is moments-of-truth which refers to the extent of flexibility and exchange in solving the transactions. The last dimension is peace-of-minds which is considered as a component of experience quality scale in tourism service sectors by Otto and Ritchie (1996). Nevertheless, there is a difference of concept among these studies as Phil Klaus (2012) understood peace-of-minds as customers' perceived interactions towards service providers from pre-transaction to post-transaction, whereas Otto and Ritchie (1996) conceptualized peace-of-mind as the careful and comfortable needs both physically and psychologically in service transaction.

Other contexts: Knutson, Beck, Kim and Cha (2007) suggested Consumer Experience Index (CEI) with the 39 items to measure the critical components about consumer's economic experience in the distribution channels system, including seven dimensions: benefit, accessibility, convenience, incentive, utility, trust and environment. While, Gentile, Spiller, and Noci (2007) posited that customer experience to successful products is shaped by six dimensions, including the sensorial component, the emotional component, the cognitive component, pragmatic component, lifestyle component, and relational component.

In summary, it showed that the different dimensions are employed in various contexts to measure customer experience (Gupta, 2016). For high correlation services such as hotel and restaurant, some major dimensions are identified upon the previous works including physical, social, emotional aspects (Dube and LeBel, 2003), peer to peer quality (Chang and Horng, 2010; Kim and Choi, 2013), interaction quality (Lemke, De Rojas and Camarero, 2008; Clark and Wilson, 2011; Kim and Choi, 2013; Wu, 2018) and physical environment quality (De Rojas and Camarero, 2008; Chang and Horng, 2010; Wu, 2018). In this study, it focuses on discovering the effects of

physical service environment quality and social interaction quality (peer-to-peer interaction and customer-to-employee interaction) on customer service experience in the service environment.

Table 2.4. Dimensions of service experience

Article	Dimensions	Outcomes	Context
Wu (2018)	Interaction quality Physical environment quality Outcome quality Access quality	Emotional and functional value Theme park image Experiential satisfaction Revisit intention	Theme park
Alnawas (2018)	Cognitive elements: outcome focus, product experience Emotional elements: immersions, surprise	Social exchange variables Emotional brand attachment	Hotels, restaurants, banks and supermarkets
Kim and Choi (2013)	Service outcome Peer to peer quality Interaction quality.	Service experience quality Loyalty	Service types: movie theatre, bowling sports center, city tour, museum...
Phil Klaus (2012)	Product experience Outcome focus Moments of truth Peace of mind	Service experience quality	Mortgage service
Lemke, Clark and Wilson (2011)	Communication encounter Service encounter Usage encounter	Value-in-use Relationships outcomes	Service sector
Chang and Horng (2010)	Physical surrounding Service providers Other customers Customers companions Customers themselves	Service experience quality	Retailing
Verhoef et al., (2009)	Social environment Service interface Store atmosphere Assortment Pricing policies Experiences in various channels Previous experiences	Customer experience quality	Retailing

De Rojas and Camarero (2008)	Interaction quality Physical environment quality Outcome quality	Satisfaction Pleasure	Heritage context
Kao, Huang and Wu (2008)	Immersion Surprise Participation Fun	Experiential satisfaction Service loyalty	Theme parks
Cole and Chancellor (2008)	Programs Amenities Entertainment	Overall experience Overall satisfaction Revisit intention	Festival
Gentile, Spiller and Noci (2007)	Sensorial component Emotional component Cognitive component Pragmatic component Lifestyle component Relational component	Value perception	Successful products
Knutson, Beck, Kim and Cha (2007)	Environment Benefits Convenience Accessibility Utility Incentive Trust	Value perception Satisfaction	Distribution channels
Cole and Scott (2004)	Entertainment Education Community	Experience quality Overall satisfaction Revisit intentions	Visitors to zoos.
Pullman and Gross, (2004)	Anticipation Progression over time Emotional involvement	Emotional behaviors Loyal behaviors	Service sector
Dube and LeBel (2003)	Physical experience Social experience Emotional experience Intellectual experience	Brand experience	Service sector
Schmitt (1999)	Sense Feel Think Act Relate	Holistic experiences	Service sector

Csikszentmihalyi (1997)	Absorption Personal control Joy Values Spontaneity A newness of perception and process	Experiential quality	Service sector
Otto and Ritchie (1996)	Hedonics Peace of mind Involvement Recognition	Experiential quality	Hotels, airlines, and tours and attractions
Holbrook and Hirschman (1982)	Fantasies Feeling Fun	Experiential quality	Service sector

2.4. Employee work experience

The literature of human resource management pointed out that work experience has been long acknowledged as a very critical construct to employee's satisfaction and commitment to the organization. Nevertheless, a significant lack is identified in the research of work experience about the theoretical background and measurement method. For instance, very few research has been sufficiently discussed about the antecedents and consequences of work experience in human resources generally and in the service industry particularly.

2.4.1. Concepts of work experience

Quíñones, Ford, and Teachout (1995) symbolically described experiences like events and activities happening around the life of each individual and they remarkably influence the perception of each individual. While customer experience has been frequently discussed in the marketing literature (Cetin, 2014; Walter, 2010; Lemke, 2011; Wu, 2018), considerably less is known about employees' job experience, particularly in the service environment.

In the organizational behavior literature, Spencer and Steers (1980) documented the perceived work experience as "a worker's observations and perceptions about his or her employment at a particular company". They posited that work experience is frequently shaped by some major factors including the physical workplace, company's policy, supervisors, colleagues and so on.

They also distinguished the difference between work experience and employee engagement which often causes misunderstanding in the literature of organizational behavior. Spencer and Steers (1980) indicated that work experience relates to the employees' overall perception of their job, whereas employee engagement refers to the extent of cognitive commitment and emotional connection to their job.

While Soni, Chawla and Sengar (2016) conceptualized that work experience “is simply the kind of experience an employee has during a job in a particular organization”. More specifically, employees' work experience covers everything occurring around them in the work environment, including workspace, supervisors, colleagues, customers, job characteristics. All of them contribute to creating a work experience in the organization. They posited that work experience remains a very critical role in working environment nowadays due to its substantial word-of-mouth effects among organizations, especially the high-quality human resources are always intense competitions among companies to attract the talented people. The negative work experience in an organization could result in decreasing the employees' commitment to their job and organizations.

To measure work experience, some scholars conceptualized work experience as tenure or seniority which refers to the number of years in a certain job, position or organization (Olsen and Berger, 1983; Lance, Hedge and Alley, 1989; Ford, 1992). According to this perspective, work experience factors could be used in the case of recruitment, training and promotion (Ash and Levine, 1985; Campion, Cheraskin and Steven, 1994). Work experience plays a central position in a construct of work performance. Further, other researchers measured work experience by the amount of time and frequencies to complete a specific task (Lance, Hedge and Alley, 1989; DuBois and McKee, 1994). It showed that almost previous studies have evaluated and measured work experience concept through quantitative components. In contrast, Quíñones (1995) and Tesluk (1998) argued that work experience should be considered as a combination of qualitative and quantitative elements at different levels specification integrated over time.

In the service industry, Janet et al., (2008) conceptualized employees' perceived job experience as “the cognitive, emotional, and behavioral responses that are created during the process of performing in a service role”. They stated that employees like customers, they also have interactions with various objectives in the service environment including physical spaces, human connections, work conditions, rewards and promotional policies. If what customers interact in the

service environment is a part of their consumption experiences, the job environment employees interact with is a part of their job experiences (Janet, 2008). Therefore, the perspective of job experience in the service environment by Janet (2008) is employed in this study.

2.4.2. Theoretical models of work experience

Despite the importance of work experience to human resources management, yet relatively little research has discussed the antecedents and consequences of work experience in organizational behavior. Quiñones (1995) and Tesluk (1998) are two of a few authors attempting to postulate the conceptual models of work experience in which they identified major components and outcomes of work experience in organizations.

Model of work experience of Quiñones (1995)

Quiñones, Ford and Teachout (1995) suggested a conceptual model that describes the major components of work experience in the organization including measurement mode dimension and specificity level dimension (Figure 2.8). The first dimension is the “measurement mode” which explains how work experience is evaluated, including “amount”, “time” and “type”. Amount measure refers to the number of times to complete a specific task or the number of times to hold different assignments. While time-based measurement is often understood as the concept of tenure which describes an individual's length of working time in a job or an organization. These measures evaluate the quantitative aspects of an experience, whereas “type measure” tends to be more elusive and qualitative in the nature of experience. The latter dimension is the specificity level which relates to the specific extent in each job experience measured in the question. According to this framework, the level of specificity is presented through three levels including task, job and organization. The three levels of specificity combine with the three measurement modes to generate the nine certain cells which describe various work experience measures.

According to Quiñones et al., (1995), the level of work experience as undertaking particular tasks is different among individuals. The first case is the combination of task level and amount measure which relates to the given number of times to perform a specific task. The second case is the combination of task level and time measure which refers to the amount of time to complete a given task. Lastly, there is a difference in the types of tasks performed among individuals. The types of tasks are distinguished through characteristics such as simple or complex, effortless or difficult,

critical or non-critical. Quiñones et al., (1995) noticed that each measure of the task level only reflects a part of overall work experience among individuals. More specifically, two individuals could undertake any task with the same number of times but vary in the complexity or importance of the given task. Likewise, they have a similar amount of time to perform a task but vary in the number of times to complete.

Level of specificity	ORGANIZATION	Number of organizations	Organization tenure/seniority	Type of organization (R&D, public)
	JOB	Number of jobs or arrogate number of tasks	Job tenure/seniority	Job complexity
	TASK	Number of times performing a task	Time on task	Task difficulty complexity critically
		AMOUNT	TIME	TYPE
Measurement mode				

Figure 2.8. A conceptual framework of work experience measures (Quiñones, 1995)

Furthermore, an individual’s work experience could vary in the job specificity level. The first case is the combination of job specificity level and amount measure which refers to the total number of jobs individuals have spent. In some situations, the job level experience is evaluated by the number of tasks each individual has performed. Secondly, the individual could vary in the amount of time for a certain job or job tenure. Lastly, work experience at the job level can distinguish upon various characteristics of jobs such as importance, complexity, worthy, contribution to organizational performance.

Work experience among individuals can vary in the organizational specificity level. Firstly, individuals have different work experiences based on the number of organizations they have

worked. Secondly, the amount of time worked at an organization leads to different organizational experiences among individuals. Lastly, the characteristics of each organization result in different work experiences. The individuals spent various experiences in the context of manufacturing organizations, distribution organizations and technological companies and so on.

Model of work experience of Tesluk (1998)

Based on the work experience construct by Quiñones (1995), Tesluk and Jacobs (1998) attempted to provide a comprehensive work experience model consisting of quantitative and qualitative aspects. Tesluk (1998) measured the concept of work experience with three major aspects including the quantitative component, the qualitative component and interaction between quantitative and qualitative components, based on measurement mode (amount, time, type) and level of specificity (task, job, organization) (Figure 2.9).

According to this model, the first aspect of work experience is the *quantitative component*. This component consists of two among three measurement modes suggest by Quiñones et al. (1995). The former measurement mode is the time-based measure which refers to the length of time an individual has worked in a task, a job or an organization. It is often understood through the concept of tenure. While the latter measurement mode is the amount that reflects the number of times to complete a specific task or the number of times to hold different assignments. Be opposite to quantitative component, the second component is the *qualitative factor*. Quiñones et al. (1995) employed a "type" measure to distinguish the qualitative aspect of experiences. The type measure could be described through the diversity, complexity, difficulty, responsibility of a task or a job. The various dimensions could be used to describe this attribute of work experience. Quiñones et al. (1995) pointed out that the type of qualitative component depends on the level of specification and it will vary among levels from the task, job and workgroup to the organization. The final component in the model of work experience relates to the *interaction and the combination between the qualitative component and the quantitative component*. The result of this interaction is various kinds of work experiences upon a specific dimension of time. According to the framework, the former mode of interaction component is density which refers to the intensity of experiences offered by an event. The latter mode of interaction component is timing which relates to when a work event occurs relative to a longer sequence of successive experiences.

According to Tesluk and Jacobs (1998), contextual features and individual variables have important roles in the model of work experience. The contextual features and individual variables not only directly affect antecedents of work experience, but also significantly moderate the relationship between the components of work experience and immediate outcomes which subsequently impact on secondary outcomes. The contextual factors reflect various characteristics in the working environment from the micro level to the macro level. These factors consist of supervisions, workgroup climate, job characteristics, economy, politics and society. While the individual factors that also contribute to shaping the work experience include features such as ability, attitude, motivation to learn and self-efficacy. Both two factors directly impact the quantitative, qualitative and interaction components of work experience upon the various analysis levels. Moreover, contextual and individual factors can advance or decrease the effect level of work experience on mediate outcomes which include work motivations, necessary knowledge and skills, individual capabilities and values, attitude in work. Later, the immediate outcomes result in the secondary outcomes which describe individual performances and opportunities to develop a career in the future.

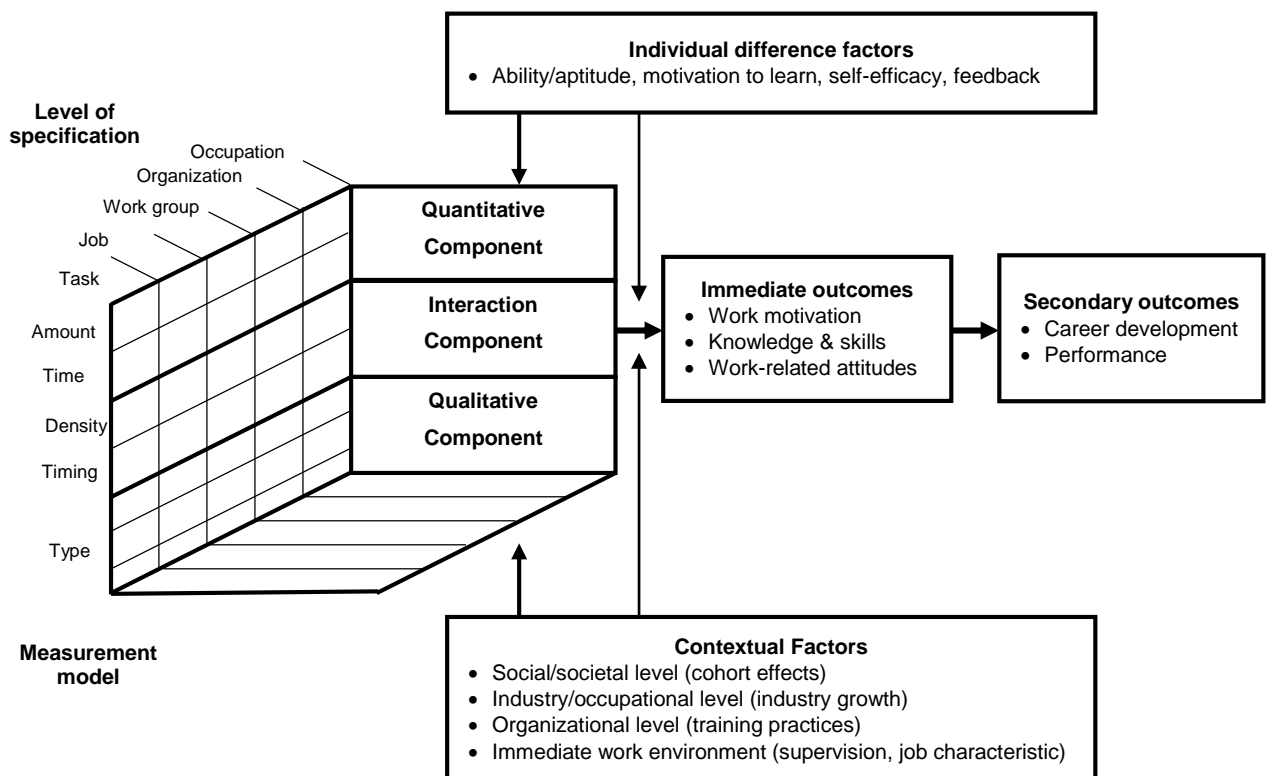


Figure 2.9. The model of work experience (Tesluk and Jacobs, 1998)

2.4.3. Work experience in the service industry

Despite the literature of human resource management has acknowledged the importance of work experience in the organization environment, yet little has been done in marketing generally and especially in the service industry. A need for further empirical research on this field has been noted by several authors (Bitner, 1992; Janet Turner, 2008). Several publications concerning work experiences in the service environment are reviewed below.

Spencer and Steers (1980) conducted a research to uncover the relationship among factors of withdrawal behavior, personal characteristics, work experiences, turnover and absenteeism. They indicated that absence is remarkably shaped by personal characteristics rather than work experiences. And the perception of organizational dependability is closely associated with a turnover rather than absence. According to research findings, they posited that turnover is considered as a significant outcome of employee work experience. Since individuals have positive work experiences, they are likely to achieve higher returns and more efficient performance. Nevertheless, they did not find that the significant link between work experience and employee absence, while absence is strongly shaped by individual characteristics. In another research, McDaniel and Schmidt (1988) investigated the effects of job experience on employee performance through the moderating role of two variables including length of experience and job complexity. Their findings revealed that job experience is substantially related to job performance regardless of different tenure and different complexity levels. In this study, two variables of experience length and job complexity are asserted about the significant mediating role in the relation between job experience and employee performance. Further, research findings discovered that the mean level of job experience is also an important moderator towards the effects of job experience on job performance despite different complexity levels.

In the field of bank brand, Hunter (2007) implemented research to investigate the effects of job stress and job experience on employee performance and their commitment to the organization. They found that employees typically feel less stress since they have higher job experience and a larger effective commitment level to the organization. While it was surprising that job stress is neutrally associated with employee performance in the case of low commitment level and job experience level. Whereas, they pointed out that job stress and employee commitment are closely relevant to employee performance with higher job experience level. Janet Turner (2008) investigated the effects of servicescape on nurses' work experience in the context of the hospital.

They indicated that the amount of time working in a specific service organization and requirements for a job position are the critical determinants of work experience. The different jobs also vary on the levels of working time and job requirements. Some jobs could be high in one and low in another one or low in both or high in both. While the perceived work environment, that is evaluated on convenience, safety and pleasantness aspects, remarkably impacts on job stress and job satisfaction. Moreover, job satisfaction leads to strengthening employee's commitment level to the organization as well as positive word-of-mouth behaviors.

In the retailing context, Kim et al., (2009) examined the work experience of employees belong to generation Y who were born between 1980 and 1994. They investigated the effects of work environment on job performance, job satisfaction and career intention through the mediating role of job characteristics. Meanwhile, the work environment is analyzed by various aspects of role conflict, role ambiguity, supervisory support, work involvement. Firstly, they discovered that job characteristics play a mediating role in the effects of the work environment on job performance. Nevertheless, they found that perceived role conflict is not significantly associated with the consequences of work experience. Moreover, job performance was shown to negatively impact career intention in the future. Lastly, they pointed out that perceived role ambiguity is negatively relevant to job characteristics and job performance. Soni, Chawla and Sengar (2016) further investigated the relationship between the employee experience and job satisfaction in the hospital industry. According to them, job satisfaction in the hospital context is often evaluated through major aspects consisting of career growth path, accordance between individual capability and job requirement, compensations, recognition and self-determination in work. While job experience refers to the working environment, promotion and support from superiors. Their findings indicated that job experience in the hospital context positively and substantially influences job satisfaction which in turn results in word-of-mouth behaviors in the organization.

In summary, several studies of work experience have been conducted in the service environment. These studies have identified the links between employee experience and individual characteristics (Kim, 2009; Spencer and Steers, 1980), turnover and absenteeism (Spencer and Steers, 1980), job satisfaction (Kim, 2009; Soni, 2016), performance, commitment and stress (Hunter, 2007). However, a significant lack of studies regarding the antecedents and consequences of job experience in the service environment is recognized. For instance, how the physical job environment impact on the job experience or the role of emotion to employees' job experience as well as the importance of human interactions to their perceived job. It requests further deeper

research to provide more understanding of job experience in the service environment. Consequently, a part of the present study attempts to fill in these gaps by exploring the links among physical workspace, social interaction, emotional reactions and job experience.

2.5. Conclusion

This chapter concentrates on discussing and researching the knowledge of experience marketing, customer experience and employee job experience in the service environment. Firstly, it begins with the introduction of the experience economy concept suggested by Pine and Gilmore (1998). They stated that the experience economy is the fourth stage in the progression of economic value from commodities, goods, services to experiences. The centrality of the experience economy is experiential consumption which refers to “a subjective state of consciousness with a variety of symbolic meanings, hedonic responses and esthetic criteria” (Maklan and Klaus, 2011). In this economic offering, the relationship between seller and buyer also transforms into the experience economy. It begins with the relationship between trader and market in the commodities period, it then upgrades to manufacturer-user relation in the goods stage, the relationship between provider and client in the service period. Finally, stager-guest relation is established in the experience stage. As entering the highly growing economy, what business provides not just products or services, the more important thing is a valuable experience. The profitable level in the experience economy is significantly greater than in the commodity economy. The distinct experiences create long-term competitive advantages to the company, which can distinguish them from rivals and dominate markets as well as charge premium costs.

Secondly, this chapter moves to the literature of experience marketing. Experiential marketing is considered as an emerging marketing management philosophy and it attracts many interests from scholars and marketers. The representative scholar of experience marketing philosophy is Bernd Schmitt (1999) who conceptualized experience marketing as “customers’ developing recognition and purchasing goods or services of a company or a brand after they get experiences from attending activities and perceiving stimulations”. Experience is the central component of experiential marketing and customer experience is often shaped by an external stimulus such as atmosphere and layouts, therefore the providing experiential stimulus is important in marketing activities. Schmitt (1999) revealed that experiential marketing differs from traditional marketing in four important aspects including customer characteristics, marketing focus, product categories and competition, the research method. And Schmitt (1999) is one of a few authors suggesting

relatively holistic modules covering five different categories of experiences, namely strategic experiential modules (SEMs). These modules describe ways the marketers could create different experiences through “sensory experiences” (SENSE), “affective experiences” (FEEL), “cognitive experiences” (THINK), “physical and behavior experiences” (ACT) and “social-identity experiences” (RELATE).

Thirdly, we subsequently discuss the important structures regarding customer experience such as experience, service, service experience and service experience quality. Meanwhile, customer experience has been defined by various perspectives upon two main streams, focusing on components or focusing on the process. In this study, customer experience is understood as a process of interaction between customer and product, service, employee, the organization that results in emotional and cognitive reactions. In this process, customers are regarded as logic and emotion-based decision-makers. Later, the characteristics of service are also discussed, including intangibility, heterogeneity, the inseparability of production and consumption, perishability. Based on service literature, the service experience is documented as a process of interaction with different subjects in the service environment comprising social factors and physical interfaces. During the interaction process, the individual responses stimuli from the environment through the reactions of cognition, emotion and behavior. To measure service experience, many researchers employed “service experience quality” which refers to holistically perceived judgment about the excellence of overall customer experience (Lemke, 2011).

Fourthly, we review and evaluate the four models of customer experience. Payne et al., (2008) suggested a conceptual framework which concentrates on recognition of the centrality of processes in co-creation, and customer spends a process of learning and sharing knowledge designed by organizations. Later, Verhoef et al., (2009) postulated a conceptual model of customer experience which compositing the major factors such as social aspects, service attributes, retailing atmosphere, price, promotions, the interaction between customer and brand, past shopping experience. While Grewal (2009) suggested that customer experience in the retailing setting is shaped by macro factors and factors controlled by the company such promotional programs, pricing policies, purchase process, supply chain management and convenience of location. Lastly, Lemke (2011) proposed a research framework for customer experience quality upon three interaction categories, including the “communication encounter, the service encounter and the usage encounter”.

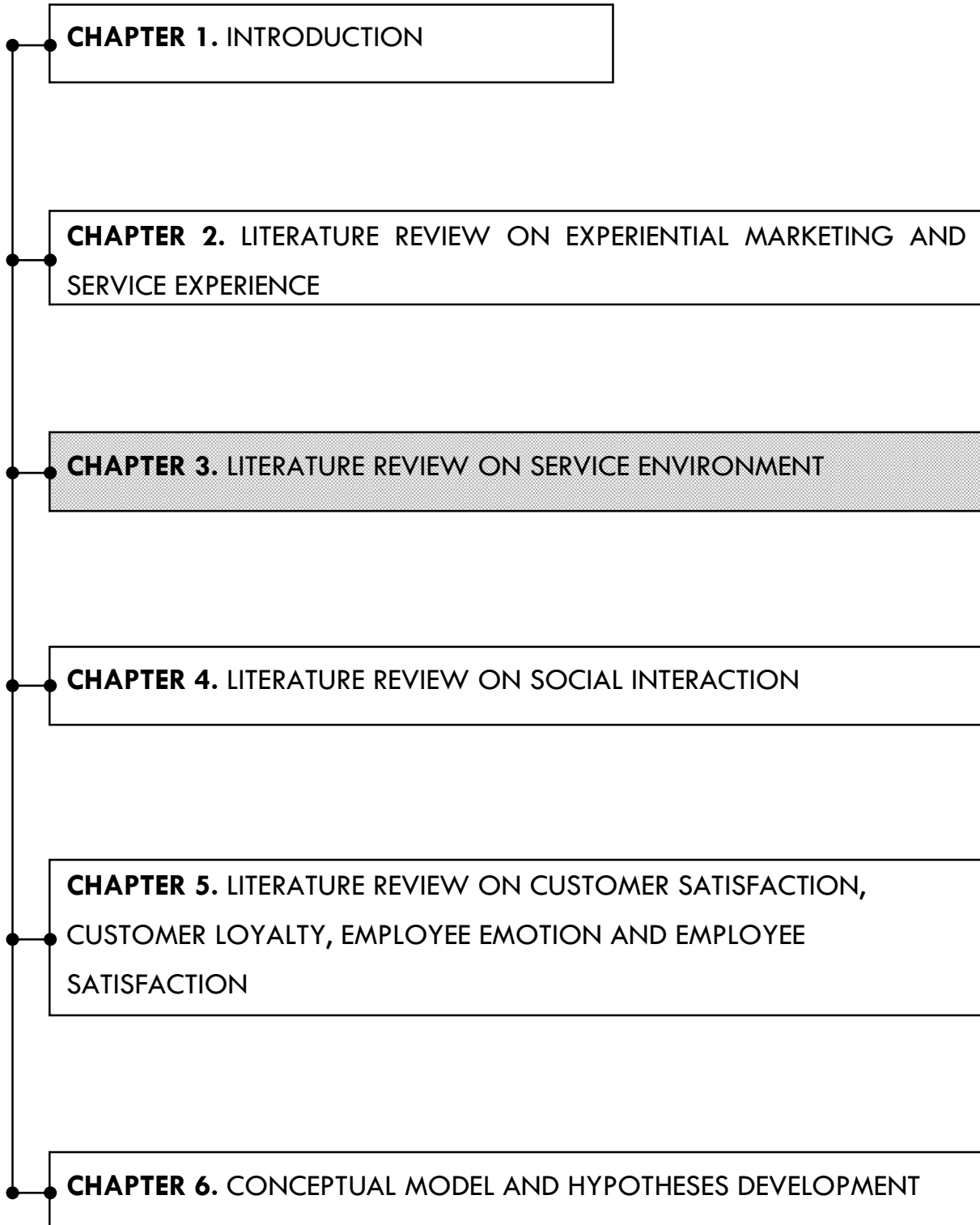
Fifthly, the dimensions of customer experience in a service environment are synthesized and discussed. It shows that the different categories of service vary in dimensions of customer experience. In the present study, we concentrate on the effects of the physical environment and social interaction quality on customer experience in the service environment.

Finally, the literature of job experience in the service environment is reviewed. While customer experience has been frequently discussed in the literature of marketing (Cetin, 2014; Walter, 2010; Lemke, 2011), considerably less is known about employees' perceived job experience, particularly in the service environment. Several definitions of job experience have been suggested by Quiñones (1995), Spencer and Steers (1980), Tesluk and Jacobs (1998), and Soni (2016). Nevertheless, we employ the definition by Janet (2008) which is conceptualized as "the cognitive, emotional, and behavioral responses that are created during the process of performing in a service role". Although work experience construct is critical to human resource and internal marketing, yet very few studies have been explored in this field. Quiñones (1995) and Tesluk (1998) are two of a few scholars suggesting the conceptual models identify the major components of work experience.

In the end, this chapter contributes to identifying two critical research gaps. The first gap is the effects of physical service environment quality and social interaction quality (peer-to-peer interaction and customer-to-employee interaction) on customer experience in the service environment. The second gap is the influencing factors on work experience and its role to employee's responses in the service organizations.

PART 1.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT



CHAPTER 3

LITERATURE REVIEW ON SERVICE ENVIRONMENT

Service organizations have been seeking the distinction to create competitive advantages in the era of global and intense competition as nowadays. The point of sale or service environment is regarded as the heart of their strategic thinking. These organizations tend to build an excellent service environment aiming to facilitate consumer experiences. Along with the development of the experiential economy concept (Pine and Gilmore, 1998), service marketing literature has reflected the growing interest of the service environment. The influences of the service environment on customer experience and employee experience have been the subject of numerous publications.

Therefore, the focus of this chapter has been on discussing the role of the service environment in customer service experience and employee job experience in the service setting. The structure of this chapter is presented as follows. The first section offers a quick overview of the principal terms and definitions of the service environment. Later we will review the major dimensions of the service environment in preceding studies and suggest some important dimensions to apply in this study. We subsequently describe the role of the service environment in the third section and present the theoretical models which are considered as a basic foundation for studies in terms of service environment in the next section. Further, the service environment is also described upon the perspective of employees in the fifth section. Finally, the effects of the service environment on both customers and employees are discussed.

3.1. Concepts of service environment

Previous studies in service marketing have been investigated the effects of the environment on customers in the service setting. These findings demonstrated that physical surroundings have significant effects on customer experience (Janet Turner, 2008; Verhoef, 2009; Ismail, 2011), sales (Donovan 1982), perceived service quality and desire to stay (Siu et al., 2012); customer's delight and satisfaction (Ali, 2016; Fowler, 2012; Xu, 2016) and customer retention (Wu, 2018), the emotional perception of dining experience (Liu and Jang, 2009) and loyalty (Kim, 2013). Therefore, it is apparent that the service environment could directly affect the business

performance and it is considered as a critical factor to make the success of service organizations (Tombs, 2003). Wu (2018) pointed out that offering a successful service experience derives from creating an appealing and delightful environment to attract and retain customers. Consequently, managers and scholars need to deeply understand the concept of the service environment. A summary of the concepts relating to the service environment is synthesized in Table 3.1.

The first concept was proposed by Kotler (1973) through the term of “atmosphere” to describe the environment at a point of sale. The atmosphere could be understood as “the conscious design of space to produce specific emotional effects in buyers that enhance their purchase probability” (Kotler, 1973). According to him, the environment is a multidimensional factor and it comprises sensory elements corresponding to consumer perceptions. Kotler (1973) claimed that in a given service environment, customers typically perceive various stimuli from store atmosphere including vision (color, lighting, aesthetics, design), audition (music and sound), olfaction (scent, odor), touch (cleanliness). Baker (1986) then described the “physical environment” in retailing as a set of three aspects including sensory factor, design factor and social factor. Of these, the design factor refers to “the aesthetic and functional aspects of furnishings and layout”. Whereas, social factor reflects the effects of social interactions on individuals in the service environment.

In 1992, Bitner extended the marketing environment to other areas including the context of service. Bitner is the author suggesting the concept of “servicescape” which is relative to the dimensions of service environment designed by service organizations aiming to increase delivered service quality to customers. According to Bitner (1992), servicescape is conceptualized 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”. Bitner (1992) identified the three aspects of servicescape including “ambient conditions”; “spatial layout and functionality”; “signs, symbols and artifacts”. The servicescape model is regarded as the basic foundation for later publications relating to the relationship between physical surroundings and customer behavior.

In addition to the above concepts, the servicescape is characterized by the term “economic environment” (Arnold, Handelman and Tigert, 1996). They described “the economic environment is where a product or service is exchanged such that organizations are rewarded for effective and efficient control of the work process”. Further, Turley and Milliman (2000) used the term “marketing environment” to investigate the determinants of retail atmospherics. While they

identified a five-factor group including “exterior, general interior, store layout, interior displays and human variables”. In a similar setting, Roy and Tai (2003) explored the effects of “store environment stimulus” on emotional responses and behavioral intentions among shoppers visiting retail stores. While Tombs and McColl-Kennedy (2003) suggested the term “social-servicescape” which comprises “contextual, physical and social elements” as considering the effects of the service environment on customer behavior. They pointed out that social-servicescape is not only interpreted by external physical stimuli but also by internal social states. Customer behavior is shaped by the tangible aspects of the service environment and the social meanings of consumption activities.

Table 3.1. Concepts of service environment

Author	Terms	Industry
Kotler (1973)	Atmosphere	Service sectors
Baker, Julie (1986)	Physical environment	Retailing
Bitner, Mary Jo (1992)	Servicescape	Service sectors
Arnold, Handelman and Tigert (1996)	Economic environment	Retailing
Turley and Milliman (2000)	Marketing environment	Retailing
Roy and Tai (2003)	Store atmosphere	Retailing
Cronin Jr (2003)	Service atmosphere	Service sectors
Tombs and McColl-Kennedy (2003)	Social-servicescape	Service sectors

Source: Harris and Ezeh (2008)

In summary, the previous studies have shown the different perspectives of service environment definition. These differences majorly derive from (1) different contexts such as in the retailing context (physical environment, store atmosphere, marketing environment) or the service context (servicescape, service atmosphere) and (2) different approaches to the components of the service environment. For instance, the concept of social-servicescape considers both physical aspects and social aspects in a service environment (Tombs and McColl-Kennedy, 2003), whereas servicescape or atmosphere concentrates on the physical characteristics of service environments from ambiance to layouts and aesthetics (Baker, 1986; Bitner, 1992). In this study, our objective is to investigate the effects of physical attributes of the service environment on social interaction and service experience. Therefore, the social factor is separated from the service environment. And due to the consistent purpose, the term “servicescape” suggested by Bitner (1992) is majorly employed for this research.

3.2. Dimensions of service environment

Drawing from the environmental psychology literature, it showed that prior researchers measured various dimensions of service environment corresponding to different contexts and perspectives. Nevertheless, they agreed that no matter which dimension was used, all of them were designed to enhance customer behavior. In this section, a brief review of studies regarding the servicescape attributes was synthesized (Table 3.2).

Firstly, Kotler (1973) described the atmosphere through the intangible features of physical surroundings such as vision (color, lighting), audition (kinds of music, sound level), touch (cleanliness) and olfaction (scent, cues). Later, Baker (1986) classified the characteristics of the physical environment into three dimensions including “design factor, environmental factor and the social factor”. The first category is represented by the design factors that correspond to the visual dimension of the external or internal environment. The second is represented by the environmental factors which refer to sensory elements (Kotler, 1973) such as olfactory, auditory and tactile factor, which are not directly perceived by individuals and influence on their subconscious. The third concerns social factors that describe the number, presence and behavior of individuals in the environment.

As a replacement for categorizing the environmental dimensions upon five human senses by Kotler (1973), Bitner (1992) postulated the new definition of service environment - servicescape - with three major dimensions including “ambient factors”, “space and function”, “signs, symbols and artifacts”. While ambiance refers to the intangible characteristics of the service environment such as lighting, temperature, music and scent. Spatial layout and functionality mention the location, arrangement of the machine, equipment and furnishings in the store space. Signs, symbols and artifacts reflect the guidance, identification system to help service providers connect with their customers (Bitner, 1992).

In research of leisure service context as major league baseball stadiums, Wakefield and Blogett (1996) considered servicescape as a notion including five dimensions: “Layout accessibility (layout of exit and entry, furnishing, equipment layout); Facility aesthetics (Architectural design, color, and interior design); Seating comfort (physical seat and space of seat); Electric equipment and displays (signs, symbols, and artifacts for leisure experience); Cleanliness (facility cleanliness as restroom and concession)”. However, the attributes of ambient conditions (Kotler, 1973; Baker,

1986; Bitner, 1992) and social factors (Baker, 1986) are not considered in this study. Yet they suggested extending Bitner's framework by adding cleanliness factor which is regarded as an important element of the physical environment. They stated that this factor is essential for services where customers could spend several hours in a place of service. In a study of customer satisfaction to the casino context, Lucas (2003) identified cleanliness as a critical dimension of the physical environment. While cleanliness is understood as “the sense of neatness, tidiness, or orderliness in the facility” (Vilnai-Yavetz and Gilboa, 2010).

Arnould, Price and Tierney (1998) referred to servicescape as “consciously designed places, calculated to produce commercially significant actions”. In another study of leisure service settings, movie theater and hockey games as examples, Wakefield and Blodgett (1999) attempted to evaluate servicescape under three aspects: “building design and décor (outside appearance, interior design, layout and seats), equipment (electric equipment) and ambiance (cleanliness, temperature, and neatness of employees' appearance)”. Hoffman and Turley (2002) suggested that servicescape emphasizes the role of means which help the customer make the subjective assessments to service provided. It includes various dimensions such as “general exterior, general interior, layout and design, point of purchase and decoration, contact personnel, other customers”. In a casino setting, Lucas (2003) illustrated that servicescape refers to the dimensions as “layout navigation (architecture, interior design, and spatial layout), cleanliness (clean slot floor), seating comfort (padding, backrests, and fabric/heat-dissipating seat, uncrowded seat), interior décor (lighting, color, floor décor) and ambiance (internal climate, music, and visual graphic)”.

In special contexts like airports, hospitals and universities; “spatial design” and “way findings” (central passageways and meeting areas) were emphasized as critical factors of service environment according to Newman (2007). Ryu and Jang (2007) further investigated the effects of servicescape dimensions in upscale restaurants by focusing on factors like “facility aesthetics (architectural design, color, and interior design), lighting (the type of lighting and illumination), ambiance (music, temperature, and scent, layout), objective (machinery, equipment, furnishings, and layouts) and dining equipment (high-quality flatware, china, glassware, and linen)”. Kwortnik (2008) argued that servicescape consists of “ambient factors, design factors and social factors”. Whereas, Rosenbaum and Massiah (2011) make a definition of servicescape as “physical, social, socially symbolic and natural stimuli that may enhance or constrain employee and customer approach/avoidance decisions and social interaction behaviors”, which are a set of “physical dimension, social dimension, socially symbolic dimension, natural dimension”. Bowie and Buttle

(2011) focused on dimensions as the external environment, internal environment, employees, and customers. Walls (2013) only considered two dimensions of service environment including the physical environment and the human interaction.

Table 3.2. Dimensions of service environment

Author	Dimensions	Attributes	Industry
Kotler (1973)	1. Visual 2. Aural 3. Tactile 4. Olfactory	Colour, lighting, proximity and visual elements Music type, sound level Cleanliness Scent, cues	Service sectors
Baker (1986)	1. Ambient factors 2. Design factors 3. Social factors	Scent, music, lighting Aesthetic and functional aspects of layouts Employees and customers	Retailing
Bitner (1992)	1. Ambient factors 2. Space/function 3. Signs, symbols and artifacts	Temperature, air quality, noise, music and odor Layout, equipment, and furnishings Signage, symbols, personal artifacts, style of décor	Service organization
Wakefield and Blodgett (1996)	1. Layout accessibility 2. Facility aesthetics 3. Seating comfort 4. Electric equipment and displays 5. Cleanliness	Layout of exit and entry, furnishing, equipment Architectural design, color, and interior design Physical seat and space of the seat Signs, symbols, and artifacts for a leisure experience Facility cleanliness (restroom, concession)	Leisure service settings(major league baseball stadiums)
Wakefield and Blodgett (1999)	1. Building design and décor 2. Equipment 3. Ambiance	Outside appearance, interior design, layout and seats Electric equipment Cleanliness, temperature, neatness of employees' appearance	Leisure service settings (hockey games, movie theater)
Hoffman and Turley (2002)	1. General exterior 2. General interior 3. Layout and design 4. Decoration 5. Contact personnel 6. Other customers	Parking, location, design, windows Interior environment as a whole Layout knowledge Shelf space, products displays, decorative style Appearance and number of employees, gender Crowding	Service sectors
Lucas (2003)	1. Layout navigation 2. Cleanliness 3. Seating comfort 4. Interior décor 5. Ambiance	Architecture, interior design, and spatial layout Clean slot floor Padding, backrests, and fabric/heat-dissipating Seat, uncrowded seat Lighting, color, floor décor: internal climate, music, and visual graphic	Casino

Kottasz (2006)	<ol style="list-style-type: none"> 1. Exterior factors 2. Interior factors 3. Layout and design 4. Decorations 5. Human factors 	<p>Size, the shape of the building, parking facilities</p> <p>Temperature, cleanliness, lighting, scents</p> <p>Object placement, traffic flow, sectional location</p> <p>Signage and cards, displays of objectives</p> <p>Employee characteristics, uniforms, crowding</p>	Museum
Newman (2007)	<ol style="list-style-type: none"> 1. Space 2. Way-findings 	<p>Spatial design.</p> <p>Legibility of internal design such as central passageways and meeting areas in airports, hospitals, and universities.</p>	Service sectors
Ryu and Jang (2007)	<ol style="list-style-type: none"> 1. Facility aesthetics 2. Lighting 3. Ambiance 4. Layout 5. Dinning equipment 	<p>Architectural design, color, and interior design.</p> <p>Type of lighting and illumination.</p> <p>Music, temperature, and scent.</p> <p>Objective (machinery, equipment, furnishings).</p> <p>High-quality flatware, china, glassware.</p>	Upscale restaurant
Kwortnik (2008)	<ol style="list-style-type: none"> 1. Ambient factors 2. Design factors 3. Social factors 	<p>Odors, sounds, lighting</p> <p>Ship layout, décor, size, facilities</p> <p>Employees, other customers</p>	Leisure cruise environment - The ship-scape
Kim and Moon (2009)	<ol style="list-style-type: none"> 1. Ambient conditions 2. Facility aesthetics 3. Layout 4. Electronic devices 5. Seating comfort 	<p>Lighting, temperature, aroma, music</p> <p>Architecture, decoration, color</p> <p>Sings, movement, the aisles between tables</p> <p>Audio/video machines</p> <p>Chairs, seats, space, movement</p>	Restaurant
Han and Ryu (2009)	<ol style="list-style-type: none"> 1. Décor and Artifacts 2. Spatial layout 3. Ambient conditions 	<p>Paintings, pictures, wall, colors, furniture</p> <p>Table/seating arrangement, the overall layout</p> <p>Lighting, music, temperature, aroma</p>	Restaurant
Rosenbaum and Massiah (2011)	<ol style="list-style-type: none"> 1. Physical dimension 2. Social dimension 3. Socially symbolic 4. Natural dimension 	<p>Ambiance, space, signs, symbols, artifacts</p> <p>Employees, customers, social density</p> <p>Ethnic signs, ethnic objectives/artifacts</p> <p>Being away, fascination, compatibility</p>	Service sectors
Walls (2013)	<ol style="list-style-type: none"> 1. Physical factors 2. Human interaction 	<p>Design, property upkeep, ambiance</p> <p>Caring, professionalism, reliability</p>	Hotel
Han (2013)	<ol style="list-style-type: none"> 1. Ambient conditions 2. Space and functions 	<p>Air quality, temperature, odor, noise</p> <p>Layout, equipment/amenity</p>	Low cost airlines
Wang and Mattila (2015)	<ol style="list-style-type: none"> 1. Physical setting 2. Service providers 3. Other customers 	<p>Lighting, colors, symbols, artifacts</p> <p>The ethnic appearance of employees</p> <p>The ethnic background of other customers</p>	Ethnic restaurant
Moon et al. (2016)	<ol style="list-style-type: none"> 1. Layout accessibility 2. Facility aesthetics 3. Functionality 4. Cleanliness 	<p>Movement, getting kinds of service</p> <p>Color, wall, floor, architecture, decoration</p> <p>Seating arrangements, electronic displays</p> <p>Restrooms, food service area, walkways, exists</p>	Airports

	1. Design	Good layout, movement, design	
	2. Equipment	Up to date, variety, usable conditions	
Wu, Li and Li (2018)	3. Environment	Aesthetics	Theme parks
	4. Ambiance	Atmosphere,	
	4. Social factors	Other visitors	

Table 3.3. List of atmospheric variables

1.External variables	2. General interior variables	3.Layout and design variables
a. Exterior signs	a. Flooring and carpeting	a. Space design and allocation
b. Entrances	b. Color schemes	b. Placement of merchandise
c. Exterior display windows	c. Lighting	c. Grouping of merchandise
d. Height of building	d. Music	d. Work station placement
e. Size of building	e. P.A usage	e. Placement of equipment
f. Color of building	f. Scents	f. Placement of cash registers
g. Surrounding stores	g. Tobacco smoke	g. Waiting areas
h. Lawns and gardens	h. Width of aisles	h. Waiting rooms
i. Address and location	i. Wall composition	i. Department locations
j. Architectural style	j. Paint and wallpaper	j. Traffic flow
k. Surrounding area	k. Ceiling composition	k. Racks and cases
l. Parking availability	l. Merchandise	l. Waiting for ques
m. Congestion and traffic	m. Temperature	m. Furniture
n. Exterior walls	n. Cleanliness	n. Dead areas
4.Point of purchase and decoration variables	5. Human variables	
a. Point of purchase displays	a. Employee characteristics	
b. Signs and cards	b. Employee uniforms	
c. Wall decorations	c. Crowding	
d. Degrees and certificates	d. Customer characteristics	
e. Pictures	e. Privacy	
f. Artwork		
g. Product displays		

Source. Turley and Milliman (2000)

In relevant research, Turley and Milliman's (2000) synthesized environmental variables investigated by previous studies into five major groups, including "external variables, general interior variables, layout and design variables, point of purchase and decoration variables, human variables". The list is relatively sufficient and holistic as covering almost the critical elements of environmental cues. It, therefore, contributes to providing deeper insights and facilitates a better understanding of the effects of the physical environment on customer behavior (Table 3.3). Based on Turley and Milliman's (2000), it is important to consider the service organization's target market and their strategic perspectives in designing the service environment.

In conclusion

According to the previous analysis, it could be concluded that customer behavior is impacted by different environmental cues depending on various service settings. After reviewing relevant studies to the aspects of servicescape, some major dimensions should be taken into considerations including "ambience"; "signs, symbols and artifacts"; "space and function" (Bitner, 1992) and "cleanliness" (Wakefield and Blodgett, 1996). While the servicescape model (Bitner, 1992) is regarded as a basic foundation for the present study. Because the concept of servicescape covers the most critical aspects of physical surroundings in the service industry, and this model has been widely studied by numerous scholars (Fowler, 2012). Besides, the cleanliness factor is recommended to add in the dimensions of servicescape due to its important nature to traditional services when customers typically spend a moderate amount of time in service facilities (Wakefield and Blodgett, 1996).

Relating to the attributes of servicescape, Bitner (1992) excluded social cues in human elements (employees and other customers) and only concentrated on the interfaces of physical surroundings. Otherwise, some researchers considered social elements as one part of servicescape (Baker 1996, 2002), this is likely to make difficulties to distinguish the effects between service quality and servicescape. It was revealed that the effects of servicescape should be focused on the effects of physical surroundings than the effects of social aspects (Liu and Jang, 2009). Consequently, based on the servicescape framework (Bitner, 1992), the present study conceptualizes servicescape as a multi-dimensional structure including "ambient conditions"; "space and function"; "signs, symbols and artifacts"; and "cleanliness". In this study, signs, symbols and artifacts are separated into two attributes consisting of signs and symbols, and facility aesthetics.

The first factor of the servicescape that has been attracted many interests from scholars is *ambient conditions*. This factor mainly comprises temperature, lighting, color, sound (music, noise), odor and air quality that are associated with five senses of humans such as vision, audition, olfaction, touch and taste (Kotler, 1973). According to Verhoef et al. (2009), a retail atmosphere consisting of scents, temperature and music are the key components of customer experience in a retailing setting along with social factors, price and promotional operations. Wu, Li and Li (2018) stated that ambience, one of five physical environment features, is associated with visitors' experiential quality in a theme park context. Lighting was recognized as an important driver of personal

emotion and also influenced how humans address problems, the probability of recalling memories in the short or long term (Knez and Kers, 2000). The perceived service atmosphere and product quality are impacted by various colors, customers often more positively perceived as interacting with warm colors rather than cool colors (Chebat and Michon, 2003). Regarding air quality, which is deeply relative to customers' satisfaction level in hotel context, strongly influenced hotel guest's behaviors (Kuo, Chiang, and Chiang, 2008).

The second factor of the servicescape is *space and function*. Spatial layout refers to “how machinery, equipment, and furnishings are arranged, the size and shape of those items, and the spatial relationships among them” (Bitner, 1992). Functionality is understood as the possibility of the effective operation of physical objectives within service establishments aiming to deliver a great experience to customers (Han and Ryu, 2009). Space and function are recognized as the determinants of service experience quality of visitors in the theme park (Wu et al., 2018). Bitner (1992) also agreed that space and function influence on customers' pleasant experiences. Siu et al., (2012) revealed that a good layout must assure appropriately accessing entry, exit and another facility in the service environment. Such good designs are likely to boost customer's professional and effective perception of a service facility as well as improve the quality of entire service experiences. Regarding exhibition literature, exhibit space was evaluated as the most crucial criterion for an attractive and appealing facility (DiPietro et al., 2008). Whereas, the functionality and comfort of facilities are considerably associated with customer's physical surrounding experience (Wakefield and Blodgett, 1996). According to Arneill and Devlin (2002), customers commonly assess overall service quality based on their interpretation of specific equipment functions within a given service setting. Furthermore, Clift, Grace and Weber (2005) later illustrated that comfortable seating, well-prepared equipment and sufficient restrooms are foremost components employed to assess the overall quality of convention facility by participants.

Signs and symbols are important attributes towards designing physical surroundings but they have been less investigated by scholars. Signs and symbols are items in the physical surroundings employed to convey information and instructions for customers more efficiently (Carlsson, Nilsson, Becker and Östman, 1997). These are typically observed through the directions of entering or exit, the guidance of rest-rooms, the notices of careful caution such as wet floors, specific signs such as no smoking, dressing room and so forth (Rosenbaum and Massiah, 2011). Choi and Kim (2015) stated that a traveler may have a horrible experience at the airport because she or he finds it difficult to follow the signs of directions to the assigned gate. According to Kirk

(1996), electronic equipment and displays that are signs or symbols may be employed to improve pleasure experience and advance the main service offering in the context of football stadium and casino. Furthermore, Nguyen and Leblanc (2002) illustrated that visual symbols being a part of servicescape influence on customer's emotional and behavioral outcomes. Research findings showed that location signs, fire exits and routes in convention have seemed as considerable interest from conference participants (Robinson and Callan, 2005). Also, Siu (2012) revealed that the desirable moods of customers are relevant to the pleasant impressions of signs and symbols in a service facility that then positively influences their overall perceived service experience.

Facility aesthetics are referred to as “a function of architectural designs as well as interior designs and décor, both of which contribute to the attractiveness of the servicescape” (Kirk and Jeffrey, 1996). Kirk (1996) pointed out that both the exterior and interior features of the service facility attracted the evaluation of customers. As approaching outside, the exterior designs encourage customers to enter inside and create the first impressions in their minds. Once inside, more time was spent to observe and enjoy the interior designs of the service facility. These evaluations thus remain an important role in customer's attitude, emotion and perception towards service organization (Kerin, Jain, and Howard, 1992). Research findings revealed that the color schemes of facility walls, ceiling designing, floor coverings, artwork, pictures/painting, plants/flowers and so forth are one critical part in providing an impressive image of service facility and evaluating customer's overall service experiences (Han and Ryu, 2009).

Cleanliness is one factor excluded in the servicescape framework (Bitner, 1992). However, many scholars have been confirmed its role to create customer service experience. Cleanliness has been attracted much attention in recent periods as proving its effects on customer's emotions and feeling during interacting with service establishments. Cleanliness is understood as “the sense of neatness, tidiness, or orderliness in the facility” (Vilnai-Yavetz and Gilboa, 2010). This is thought to be particularly important to leisure facilities and commercial settings where customers often must spend several hours inside, cleanliness aspect is recommended as a mandatory requirement since it strongly and directly influences on guest's emotional states and perceived service quality which then result in enhancing their approaching behaviors (Siu, 2012). Vilnai-Yavetz and Gilboa (2010) also confirmed that customers typically have a larger belief with a service provider and have higher approach behaviors with a clean establishment rather than a dirty one.

3.3. The role of the service environment

Service marketing literature has been recognized by various perspectives on the role of the service environment. Its importance varies corresponding to the different approaches and types of service (Bitner, 1992; Wakefield and Blodgett, 1994). For instance, in the context of hedonic consumption like restaurants or spa, customers tend to be more sensitive to service environment characteristics (Wakefield and Blodgett; 1994). Moreover, the role of the service environment also depends on the length of staying in service establishments. The length of staying is longer, more possibility of being affected by the service environment is stronger (Baker, 1987). Despite existing various perspectives, the service environment has been identified with four important roles in the marketing literature as following: the functional role, the informational and cognitive role, the differentiator role and the social role. These roles could be used separately or simultaneously by service organizations based on their objectives.

The functional role of the service environment

According to the functional aspect, the service environment is a supportive part of the service. It supports service activities delivered more efficiently (Mencarelli, 2008). The characteristic of service is intangible and heterogeneous, customers thus perceive unsafe and risky in the first time of consuming a specific service (Lewis and Entwistle, 1990). While service environment frequently emphasizes the critical role of physical aspects such as layouts, aesthetics, signs and symbols (Bitner, 1992). Consequently, the service environment contributes to increasing more tangible and reducing the uncertain nature of service offered.

Moreover, the servicescape can play a role as a facilitator in the individual's activities in the service environment. The designing of physical surroundings could increase or hinder the efficiency of performances in service establishments. More specifically, it contributes to making advantages or difficulties for customers and employees. A well-designed service environment is likely to bring an interesting service experience to customers as well as provide a pleasant working environment to employees. In contrast, customers and employees feel disappointed and unpleasant to interact with a poor and inefficient service environment (Dechamp, 2001).

The informational role of the service environment.

The stimulus from the service environment is likely to improve and strengthen the customer's positive perceptions of service organizations before they have the opportunity to interact with employees. In a given service environment, customers typically perceive various stimuli from store atmosphere including vision (color, lighting, aesthetics, design), audition (music and sound), olfaction (scent, odor), touch (cleanliness) (Kotler, 1973). These stimuli then influence customer's beliefs, attitude and expectations towards a service provider. Ordem and Darden (1983) posited that customers' belief about the service environment is closely correlated to behavioral intentions rather than quality or price in some cases. According to Baker (1998), some consumers use environmental elements as a critical criterion in the evaluation and choosing services. Likewise, Lin (2004) stated that the service environment is not only an important component of creating good impressions to customers but also an aspect to generate the overall evaluation of service establishments. The characteristics of the service environment are one of the factors customers typically look for and compare to make the final choice-decisions (Berry and Clark 1986).

Moreover, the atmosphere characteristics could contribute to creating a corporate image and brand value (Nguyen, 2006). For example, the decor of offices and the quality of furniture can represent the service quality of a travel agency or the color of the service environment aims to spread the idea of service speed. Boom and Bitner (1982) supported the idea that a service company can also create a new image by renovating the design of servicescape.

The social role of the service environment

The social role of the service environment refers to its ability to improving or declining social interactions among individuals in service establishments. Fischer (1981) stated that any social interactions always occur in a given space. According to the environmental psychology theory, individuals are looking for a level of optimal social interaction across the space they occupy. For instance, Haggard and Werner (1990) pointed out the negative impact of the service environment on crowd behaviors such as stress or resistance behaviors.

Cova and Cova (2004) revealed that the role of the environment is not only to produce a meaning or an affective experience to the consumer but also to organize, support and nurture the sense of community between the different actors. The environment is not just about encouraging or discouraging social interactions between consumers and staff; it also influences the duration and progression of these interactions. As a result, managers can control interactions and satisfy

consumers' social expectations by manipulating the environmental elements of their business. Moreover, Goodwin (1996) argued that the unstructured and nonlinear service environment facilitates the possibility of developing social links among individuals within this environment. He added that the level of social link in a given service environment is likely to influence the customer's perceived service quality.

In addition to the role of a motivating factor for social interactions, the service environment is the place where individuals could express their social positions. Because the different types of service attract various clients and each service represents a specific characteristic of a customer group (March, 2008). Therefore, the characteristics of the service environment could provide information about the social positions of individuals.

The differentiator role of service environment

According to Bolton et al., (2007), many organizations consider the characteristics of the atmosphere as one competitive strategy in the service industry. They showed that good designing of service surroundings can create wonderful and unforgettable memories in customer's minds which improves their perceived experience quality. A well-designed service environment can distinguish a service organization from other competitors and segment the market. Some changes in the physical surroundings can be employed to reposition a corporate image or attract new customers.

Further, the different designs of the physical environment are also used to differentiate among areas in service facilities. For instance, the hotels make different pricing policies based on the differences in facilities and services provided or differences of seat classes on an airplane. Consequently, understanding the specific effects of service environment attributes on customer's psychology and behavior is particularly important in the process of creating competitive strategies for service organizations.

3.4. Theoretical models of service environment

The effects of the service environment on individuals have been attracted much interest by scholars for a long time. The first attempt to modeling this effect derives from the works of Kotler (1973) and Mehrabian and Russel (1974). While Kotler (1973) developed it in the marketing field,

Mehrabian and Russel (1974) build the model in the psychological area, these works together constitute the underlying theories for the majority of following studies regarding the influence of commercial environments on individuals. Subsequently, Bitner (1992) was inspired by these works and was the first author to look at the effect of the service environment on employees and customers. Bitner (1992) also extended the understanding of the service environment by considering the important role of mediating and moderating variables in the research framework.

3.4.1. The model of Kotler (1973)

Inspired by research in environmental psychology during the 1960s, Kotler (1973) proposed a model of the physical environment with the “atmosphere” concept (Figure 3.1), which is defined as "the conscious construction of a space to create certain effects on the buyer ". Kotler (1973) considered that the environment is the construct of sensory quality designed by companies to change consumer emotion. The business environment is characterized by four dimensions: “the visual dimension (color, brightness, size and shapes)”, “the olfactory dimension (smell and freshness)”, “the tactile dimension (temperature and softness)” and “the auditory dimension (volume and tone)”, whereas the fifth sense (taste) is not recognized with direct effects on the atmosphere. This model shows that the consumer reacts to environmental stimuli through three types of responses including emotional response, cognitive response and behavioral response. In this model, Kotler (1973) integrated the emotional and cognitive reactions as the mediators of environmental stimuli responses.

According to this model, each shopping space is described by some specific sensory qualities. These stimuli could be intrinsic or could be provided by organizations. As entering these spaces, the consumer will perceive the qualities of a certain environment. It should be kept in mind that the perception will be subject to “selective attention”, “distortion” and “retention”. The perceived qualities of atmosphere then impact on affective states and person’s information. Finally, the positive emotion and cognition reactions of customers to environmental quality result in enhancing the purchase probability (Kotler 1973).

Kotler (1973) posited that atmosphere quality is likely to influence purchase behavior in three ways. Firstly, the atmosphere could be “*an attention-creating medium*”. In this case, some cues such as colors, sound or motion can be employed by a service organization to make their facilities stand out with other competitors. Secondly, the atmosphere could be “*a message-creating*

medium” which refers that the organizations convey a variety of messages about their organization to prospective and present customers. The atmosphere contributes to providing distinct cues to customers which enables them to distinguish the organization from other competitors. Lastly, the atmosphere can act as an “*affect-creating medium*”. The factors of the atmosphere such as color, sound and lighting may directly stimulate the internal emotional states of customers which increases the purchase probability. In this regard, the atmosphere has a critical role in converting behavioral intentions into actual buying behavior.

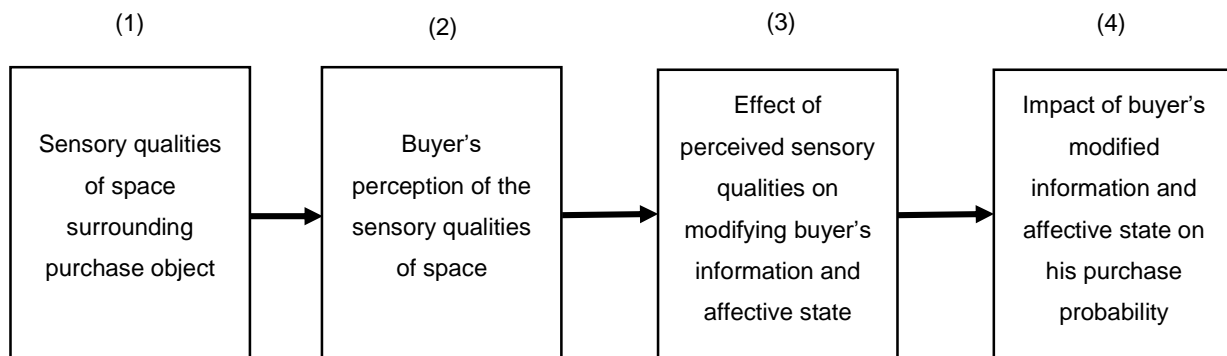


Figure 3.1. The model of the causal chain connecting atmosphere and purchase probability (Kotler, 1973)

3.4.2. The model of Mehrabian and Russell (1974)

In literature about the effects of service environment factors on customer behavior, the model by Mehrabian and Russell (1974) was evaluated as a solid foundation for almost studies regarding the role of atmospheric stimulus on customer’s affective and behavioral reactions. Although this model was not developed in the context of consumption, yet its relevance has been verified to explain the effect of environmental conditions on consumer behavior in different contexts (Baker and Cameron, 1996; Turley and Milliman, 2000; Ryu and Jang, 2007). Mehrabian and Russell (1974) suggested the stimulus-organism-response (S-O-R) paradigm which assumes that the environmental stimulus (S) causes changes to people’s internal emotion states (O), which then result in approach or avoidance response (R) (Figure 3.2).

According to Mehrabian and Russell (1974), the environmental stimulus refers to two components including “sense modalities variables” and “information rate”. While the important aspects of sense modalities to feelings include color, temperature, lighting, sound, taste and odor. The concept of information rate documents “the spatial and temporal relationships among the stimulus

components of an environment”. Mehrabian and Russell (1974) interpreted that most interactions in the environment are a complex and simultaneous combination of numerous sense modalities as well as several stimulus dimensions within each modality. And these interactions also change over time. Further, the combination of various components leads to different patterns which then create different information levels. The information rate is related to several concepts such as “complex, random, intense, jarring, heterogeneous, dissonant, intermittent, rare, novel, surprising, meaningless, asymmetrical, close, crowded, or dense”.

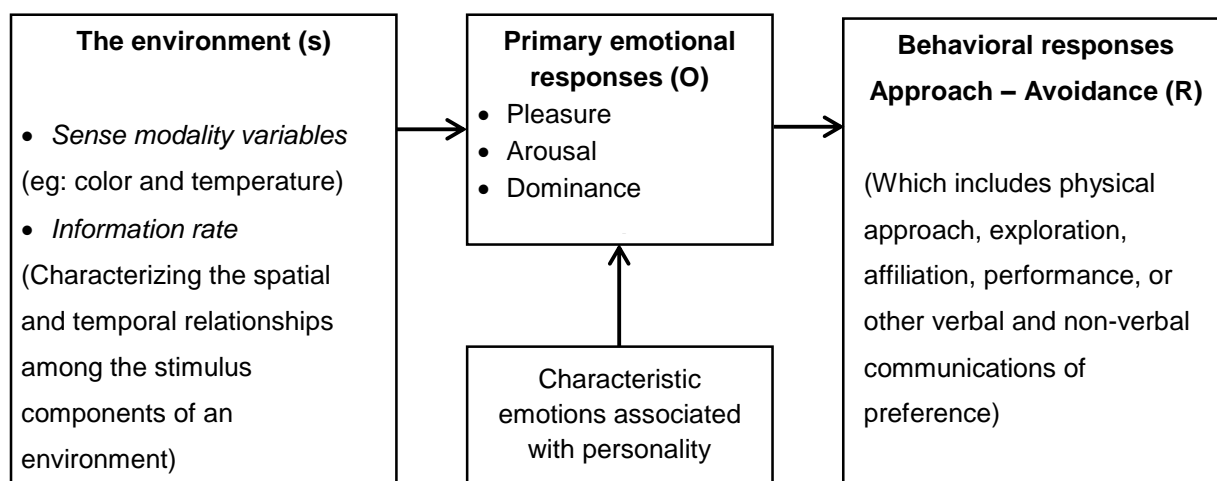


Figure 3.2. The S-O-R framework (Mehrabian and Russell, 1974)

In the original S-O-R model, Mehrabian and Russel (1974) postulated that the environment influences the behavioral responses of individuals through emotional states. This proposal has been empirically tested by some researchers (Nyer, 1997; Frankel and Ray, 2000). According to them, emotions play a mediating role between the environment and the behavior of individuals and emotions can be characterized through three dimensions consisting of “pleasure, arousal and dominance” (PAD). Pleasure relates to “the degree to which a person feels good, happy or satisfied in a situation”. Arousal describes “the degree to which a person feels excited, stimulated, or active in a situation”. And dominance interprets “the degree to which a person feels that he/she has control over the situation”.

The final component is the behavioral responses which include “approach” or “avoidance” response (R). Approach responses consist of all positive reactions comprising a demand to discover the environment or stay in a specific atmosphere or demand of affiliating with others and the increase of the satisfaction of the tasks at accomplish or performance within the environment.

Conversely, avoidance responses refer to attempts to escape staying or exploring environment, the tendency to avoid this communication or to ignore contact attempts initiated by others, a decrease of the satisfaction of the tasks at accomplish or performance within the environment.

3.4.3. The model of Bitner (1992)

Based on stimulus-organism-responses (S-O-R) paradigm (Mehrabian and Russell, 1974), Bitner (1992) proposed a servicescape model that assumed that servicescape attributes affect the perceptions of customers and employees that then cause to their emotional, cognitive and physiological reactions to the store environment. Such internal reactions, in turn, influence social interactions between and among customers and service providers and lead to changes in behavioral responses including “approach and avoidance” (Mehrabian and Russell, 1974) (Figure 3.3).

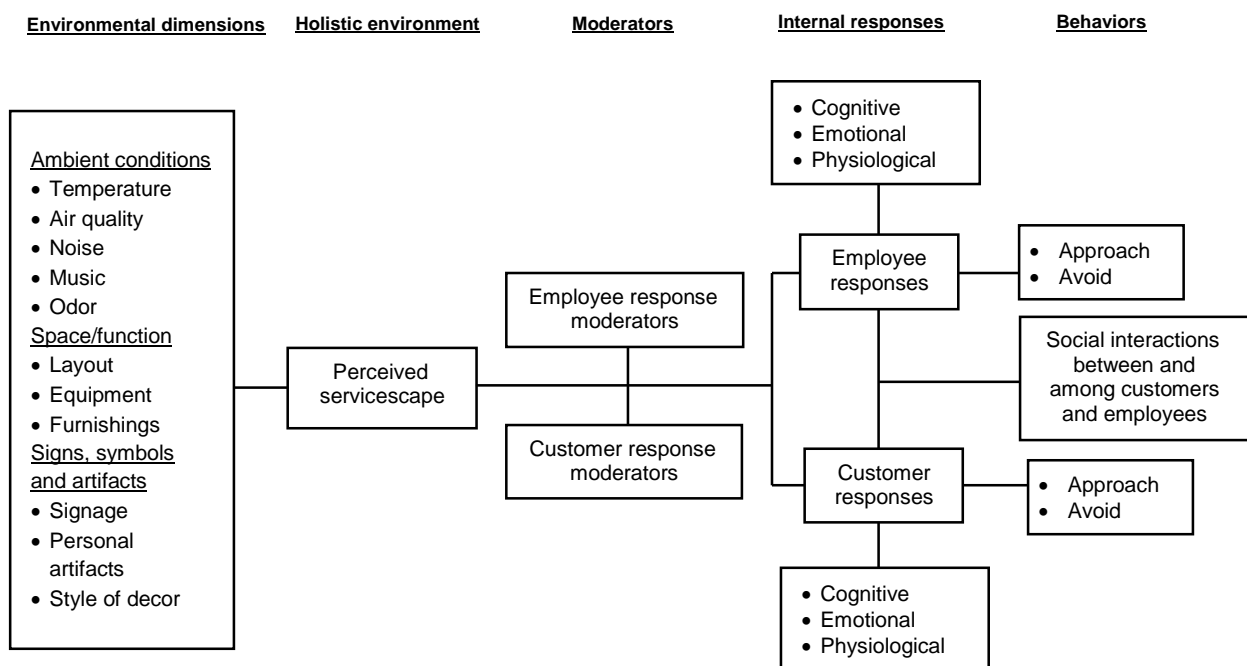


Figure 3.3. The servicescape framework (Bitner, 1992)

In the servicescape model, Bitner (1992) identified three major aspects of servicescape including “ambient conditions”; “spatial layout and functionality”; “signs, symbols and artifacts”. Ambience refers to the intangible characteristics of the service environment such as lighting, temperature, music and scent. Spatial layout and functionality mention the location, arrangement of the machine, equipment and furnishings in the store space. Signs, symbols and artifacts reflect

guidance, identification system to help service providers connect with their customers (Bitner, 1992).

After receiving the stimulation from the service environment, individuals respond to environments stimuli through their “cognitive, emotional, and physiological responses”. While the cognitive responses relate to the individual’s beliefs about products, services and places. And the perceived servicescape helps customers to identify an organization through its categorization which is defined as "the process by which people assign a label to an object". Further, in some situations, consumers and employees tend to use extrinsic and symbolic cues to infer quality. Whereas, the emotional responses document an individual’s mood and attitude upon two dimensions including pleasure and arousal. Finally, the physiological responses refer to physical pain, physical comfort or discomfort, movement and physical fit. Nevertheless, the intensity and trend of the relationship between environmental cues and individual reactions are regulated by “personal and situational factors” which documents “arousal-seeking tendencies, ability to screen environmental stimuli, expectations, momentary mood, plans and purposes for being in the servicescape”.

In the final stage of the model, Bitner (1992) suggested that the internal reactions to the environmental cues then influence the behavior of customers and employees in the servicescape and impact on social interactions between and among customers and employees. Meanwhile, individual behavior exists upon the two forms: approach and avoidance. In the service environment, approach responses consist of all positive reactions comprising a demand to discover the environment or stay in a specific atmosphere or demand of affiliating with others. In contrast, avoidance responses refer to attempts to escape staying or exploring the environment or ignoring interacting with others (Mehrabian and Russell, 1974). According to Bitner, apart from its effects on individual behaviors, the servicescape also impacts on the interaction quality between customers and employees. The forms of social interaction in a service environment comprise the customer-to-employee interaction, customer-to-customer interaction and employee-to-employee interaction.

In conclusion: the model developed by Bitner (1992) constitutes a major conceptual contribution to research about the influence of the physical environment on consumers and staff in the service context. The dimensions of servicescape have been frequently used to investigate the impacts of various physical surroundings on customer behavior. Furthermore, Bitner (1992) emphasized the effects of the environment on the social relations that may ensue between the occupants of the

service place. In this regard, Sundstrom and Sundstrom (1986) already pointed out the influences of environmental stimuli on the interactive nature and the quality of response behaviors such as participation, friendship or aggression. Bitner (1992) called further empirical studies to explore social interactions among individuals in the service context. Another contribution by Bitner to the environmental psychology literature relates to interpreting the moderating role of individual and situational variables. According to the servicescape model (Bitner, 1992), the relationship between perceived environmental cues and the behavioral outcomes of individuals is not direct but mediated by internal responses including physiology, cognition or affection. These types of responses are interactive and interdependent.

3.5. The physical work environment in the service industry

According to the organizational behavior literature, the physical work environment is very important because employees typically spend a large amount of time interacting with various elements of the work environment (McCoy and Evans, 2005). Prior studies indicated that physical workspace substantially influences employee's concentration, absence, job satisfaction, productivity and behaviors (Wineman, 1982; Davis, 1984; Robbins, 2013; McCoy and Evans, 2005). Nevertheless, this subject has not been sufficiently investigated by previous studies. Especially, the role of the physical workspace towards employee responses in service contexts has attracted very few interests from researchers. It is identified as a remarkable lack of service marketing literature. Therefore, the focus of this section has been on discussing the concepts and dimensions of the physical workspace in service settings.

3.5.1. Concepts of physical work environment

Although the subjects regarding the physical environment at work are the focus of numerous publications in the recent period, the physical setting has been one of the vaguest subjects in the organizational behavior and management literature (McCoy and Evans, 2005; Robbins, 2013). According to Payne and Pugh (1976), the internal environment is frequently explained by some scholars through several terms such as the "climate" or "structure". However, the physical aspects of organizations are not considered in these notions. While the climate focuses on the "psychological environment of the organization - the level of warmth, support, openness, and so on", whereas the structure describes "the features as size, the span of control, specialization, formalization, and centralization" (Blackburn, 1982). Understanding the work environment as this

way leads to ignoring the important role of physical elements in organizations. As such, it is necessary to exactly conceptualize what the physical work environment is.

Almost no research has conceptualized the physical work environment holistically. Nevertheless, according to the environmental psychology literature suggested by Steele (1973), Davis (1984) and Bitner (1992), it could be understood that the physical work environment in an organization refers to “the components of the tangible workplace environment that comprise employee’s working conditions such as clean indoor air, safe drinking water, ergonomic workstation designs, violence and aggression-free work environment, available technologies, disability management practices, workplace policies and procedures, design and construction of the workplace”. In a relevant definition, Robbins (2013) revealed that the work environment relates to “all the factors that are related about the job such as all the facilities for doing the job, comfort with the workplace, safety in the workplace, and the degree of noise. Meanwhile, the elements of the physical work environment include temperature, noise, hygiene, ventilation, and working hours”.

Based on the knowledge regarding the organizational behavior and the service environment, the physical workspace should be described as the tangible characteristics of service facilities including ambience, workspace, functionality, layout, cleanliness and aesthetics designed by service organizations to provide a pleasant work environment to their employee. This concept is similar to previous studies about the concept of service environment (Baker, 1986; Bitner, 1992), yet they vary on targets, one from the customer and another one from the employee.

3.5.2. Dimensions of physical work environment

The role of servicescape attributes has been sufficiently discussed about effects on customers in the preceding literature (Alnawas, 2018; Ali, 2018; Ren and Lianping, 2016; Fernandes, 2016; Jin and Lee, 2015; Walter, 2010). Nevertheless, considerably less is known about the dimensions of the physical working environment, especially in the service industry. The focus of most research in the physical workspace has been on organizational behavior literature (Steele 1973; Davis, 1984). In service contexts, several studies have preliminarily presented several dimensions of workspace through the employee perspective (Bitner, 1992; Lin and Lin, 2008; Janet Turner, 2008; Kearny, 2013).

In the organizational behavior, Steele et al., (1973) investigated the effects of the physical work environment on the health and happiness of employees in the organization. In which they identified five critical aspects of physical workspace including “physical comfort”, “task instrumentality”, “privacy”, “social interaction” and “symbolic identification”. The first dimension is the *physical comfort* factor which refers to “several aspects of the ambient conditions includes heating, ventilation, and air conditioning”. While the *task instrumentality* concentrates on “body dimensions and the physical capabilities of the workers including space/function of the furnishings, layout and size of the workplace, as well as the adequacy and arrangement of workgroups and support services”. Thirdly, the *privacy* dimension relates to “the design and management of the physical environment which influences workers’ communication and their abilities to obtain visual and acoustical privacy”. While “visual privacy” is relative to the private level upon the perspective of others; “acoustical privacy” documents “a separation from annoying noises, such as nearby and audible telephone conversations and social talking, the sound level, and the level of background sound”. The fourth dimension is *social interaction* which consists of “relationships with peers, supervisors, and subordinates in supportive social relationships that can reduce the severity of perceived workloads”. Lastly, *symbolic identification* relates to “status markers, which reflects an occupant’s status; these include the space size, the amount of enclosure provided by walls, partitions, and doors; the location of an office; and the amount and quality of furnishings”.

Additionally, Davis (1984) suggested a conceptual framework to study the aspects of the physical environment in organizations including “physical structure”, “physical stimuli” and “symbolic artifacts”. Firstly, the *physical structure* is understood as “the architectural design and physical placement of furnishings in a building that influences or regulate social interaction”. While *physical stimulus* refers to “aspects of the physical setting that intrude into the manager's or organization member's awareness and influence an individual’s behavior”. For instance, these cues can be observed through the smell of coffee, telephone ringing or messages on the telephone. The final dimension is *symbolic artifacts* that are relevant to “aspects of the physical setting that individually or collectively guide the interpretation of the social setting”. The aesthetics of the building or the appearance of pictures are several examples of this factor.

In the context of service, Bitner (1992) is one of the first scholars suggesting a servicescape model to investigate the impacts of workspace stimuli on both customers and employees. Bitner (1992) conceptualized the servicescape as a multi-dimensional structure including “ambience”, “space

and function” and “signs, symbols and artifacts”. According to Bitner, both customers and employees receive a variety of environmental stimuli designed by organizations aiming to enhance customers' service experience quality and improve employees' pleasant work environment. The servicescape literature is the basic foundation for numerous studies regarding the role of the service environment towards customer behavior. However, a surprising lack of works relating to the relationship between the physical work environment and employee behavior in the service context has been identified despite of the calls from Bitner (1992).

In the hospital pharmacists' workspace, Lin and Lin (2008) evaluated the perceived physical workspace with four major areas including “dispensing areas”, “pharmaceutical areas”, “storage areas” and “administrative offices”. Concerning each type of area, a variety of aspects in the physical workspace are investigated such as “temperature, air quality, sound, odors, lighting, textures, space, and functions”. Likewise, Janet Turner (2008) also investigated the hospital nurses' perceived work environment through three aspects comprising “convenience”, “safety” and “pleasantness”. While the convenience of the work environment refers to “convenient access to needed supplies and equipment and a floor plan that facilitates the work”. According to Janet (2008), this aspect is in accordance with the concept of functionality in the servicescape framework (Bitner, 1992). The second dimension is safety which relates to “the degree of hazard present in a workspace”. The safety aspect is frequently used to evaluate the workspace quality in a dangerous context such as the hospital. Finally, the pleasantness of the work environment is relevant to “overall evaluation of the ambiance of a facility's design and is related to specific design features such as natural light, views of nature and off-stage areas”. Although Janet Turner (2008) used the new dimensions with previous studies, yet the nature of these dimensions is still relative to the aspects of the servicescape model (Bitner, 1992). Furthermore, Kearny (2013) considered the physical workspace in the grocery retail context as a four-factor structure after performing the exploratory factor analysis. The first factor was ambiance including some aspects of color, olfaction and material. The second is the music factor. The third is cleanliness and the final one is the workspace. Meanwhile, the concept of the layout was replaced by the term of workspace to describe the servicescape under the view of the employee.

In summary

Based on the above analysis, it is suggested that servicescape influences not only on customer behavior but also employee behavior. Under the eyes of employees, the servicescape could be

considered as the physical work environment in service facilities. As such, the physical work environment also includes dimensions similar to the servicescape (Bitner, 1992). This is an agreement with many previous works (Janet Turner, 2008; Lin, 2008; Fowler, 2012; Nguyen 2002, 2006), the physical work environment should be evaluated through major five dimensions as follows:

The first dimension is the *ambient condition* which is referred to as an element of the physical stimulus (Davis, 1984) and the physical comfort aspect (Steele, 1973). In the present study, we use the perspective suggested by Bitner (1992) to describe ambience. According to this perspective, ambience in the physical workspace refers to the intangible characteristics of physical setting including temperature, air quality, lighting, sounds, odors and so forth. These cues from the work environment impact the employees' emotion, cognition and physiology which then influences their behaviors.

In similar to customers, the second factor of servicescape affecting employee behavior is *workspace and functionality*. This factor is in accordance with the task instrumentality factor suggested by (Steele, 1973). While "workspace" is employed to replace "layout term" in employee's perception towards the dimensions of servicescape since it sounds more appropriate to describe the impacts of the physical working environment on employee's attitudes and behavior (Kearney, 2013). The workspace is conceptualized as "employees' workspace and the design of their workplace, whilst the layout factor for customers relates to the design of the store layout" (Kearney, 2013). In the organizational behavior, McCoy and Evans (2005) conceptualized workspace as "the level of enclosure, adjacencies, density, and territoriality in an office. The organization of space encompasses the size, shape, allocation, and division of space, including furniture configuration and circulation routes". Whereas, functionality in the physical working environment is defined as "the ability of arranged machinery, equipment, and furnishings to facilitate and accomplishment of goals" (Bitner, 1992).

The third factor is *signs and symbols*. According to the customer perspective, signs and symbols are items such as pictures, words employed in servicescape to convey information or instructions for customers (Becker, 1997; Davis, 1984). Likewise, from the view of employees, signs and symbols are understood as the physical signals supporting for tasks of employees during the process of delivering service to customers.

The fourth dimension is the *aesthetic aspect*. This dimension is regarded as a part of the symbolic artifacts factor (Davis, 1984) which refers to the aesthetics of the building, the presence of pictures and the color of walls and so forth. Facility aesthetics are understood as “a function of architectural design, as well as interior design and décor, both of which contribute to the attractiveness of the servicescape” (Kirk and Jeffrey, 1996). Examples of aesthetic elements are color, architecture, style, materials, scale and décor (Ezeh and Harris, 2007). The architectural design does not only impact customer experience but also employee experience who spend a large amount of time in the service facility (Bitner, 1992).

The final dimension is the *cleanliness* factor which has been ignored by numerous scholars in the literature of organizational behavior, yet it has been attracted many interests in service marketing (Lucas, 2003; Kearny, 2013). The cleanliness factor is very critical to service facilities due to its significant role in the leisure service context where customers typically spend several hours enjoying (Wakefield and Blodgett, 1996). Research findings have been shown cleanliness’s importance to guest’s attitudes, emotions and behavior in the leisure service environment such as restaurants, fast-food stores, commercial centers (Moon, Park, and Kim, 2015; Vilnai-Yavetz and Gilboa, 2010). Likewise, cleanliness remained as a critical role in employee job experience and satisfaction (Kearney et al., 2013), what customers experience is a part of employee job experience. Even, service providers typically spend a large amount of time in servicescape due to their tasks relating to encountering everything in the work environment. In contrast, customers often leave after completing their conversation, yet employee must keep their attendance during a work shift (Janet Turner et al., 2008).

3.6. Effects of the service environment on customers and employees

According to the servicescape framework (Bitner, 1992), the environmental stimuli impact the cognition, emotion and psychology of both customers and employees who share the physical surroundings. In the service environment, Janet (2008) and Kearny (2013) suggested that employees even spend a large amount of time in the physical workspace, whereas customers often leave after service transactions. It is particularly important for service organizations to realize the significant effects of the physical workspace on employees because the service staff is the representation of service organizations and they are substantially associated with the service quality provided. Therefore, this section concentrates on discussing the effects of the service environment on both customers and employees in the previous studies.

3.6.1. Service environment, service experience and customer behavior

In literature about the effects of the service environment, the model suggested by Mehrabian and Russell (1974) has been evaluated as a solid foundation for almost research regarding the role of atmospheric stimulus on consumer's emotional and behavioral responses. With respect to the interfaces of servicescape, aspects relating to ambiance, design and layout have been attracted much interest from scholars about their effects on customer's in-store experiences and behaviors. Ambient factors are commonly used to refer to the intangible aspects of the service environment consisting of lighting, color, scent, music that are relative to five human senses (Kotler, 1973).

Lighting is shown to significantly impact on the emotional states of young females and older males groups rather than other groups in research investigated by Knez and Kers (2000). They also explored that lighting is relevant to the ways humans solve problems, recall memories in the short or long term. Further, the effects of lighting on individual behaviors are remarkably moderated by the different gender and age groups (Knez and Kers, 2000). According to Summers and Hebert, (2001), the lighting in a service environment is likely to strengthen a variety of positive behaviors including seeking the products, exploring the service environment or interacting with other people. Also, Park, Nam-Kyu and Harriss (2007) confirmed that the specific lighting quality influences customer's pleasure and arousal in a retail context and these relations are regulated by the cultural differences of customer groups.

The role of *colors* is shown to significantly influence the customer's perceived product quality in research conducted by Chebat and Michon (2003). They also found that perceived colors vary in different cultural groups. According to Babin et al., (2003), colors are closely related to customer's perceived price fairness and salespeople which then positively improve their behavioral outcomes. In contrast, some authors pointed out that colors are not associated with the customer's emotion and behavior (Chebat and Morrin, 2007; Ariffin et al., 2012). Mehrabian and Russell (1974) argued that colors of the environment are correlated with individual emotion, while the color of red, orange create a warm feeling and whereas blue and green express the cool feeling.

For the servicescape attributes, *scent/odor* has been attracted very much attention from scholars and marketers. It has been acknowledged the positive effects on customer's attitudes and behaviors in numerous studies. The pleasant odors were found to positively affect customer's emotion and mood (Knasko, 1992; Chebat and Michon, 2003) and decline the number of health

symptoms (Knasko, 1992). In a casino context, Hirsch (1995) explored that using appreciate ambient odors contributes to increasing the amount of money spent in the slot machines. The ambiance scent was recognized to impact on customer's product assessment and perceived time spent in a given store (Spangenberg, Crowley and Henderson, 1996). Ellen and Bone (1998) found that ambient scent in advertisement encourages customer's positive attitude towards advertisement and company brands. In relevant research of brand, the ambiance scent was recognized to influence on recall and recognition of brands as well as attention to brands (Morrin and Ratneshwar, 2000, 2003). Lehrner (2005) indicated that using odors of orange and lavender helps to reduce anxiety and improve mood in patients waiting for dental treatment. In the retailing context, the presence of pleasant scent in a retail store is closely relevant to the customer's amount of money spent in stores (Spangenberg, Sprott, Grohmann, and Tracy, 2006).

Furthermore, Guéguen and Petr (2006) explored that some specific odors such as lemon or lavender aromas improve the length of stay and amount of money spent in the restaurant context. Bosmans (2006) posited that the congruence of scent with a certain product helps to positively increase customer's product evaluation. Vinitzky and Mazursky (2011) investigated the relationship between using scents in reality and customer's behavior online. They uncovered that the chocolate scent has a significant effect on online behaviors such as seeking the information and accessing the websites. While Schifferstein, Talke and Oudshoorn (2011) revealed that ambient scent in the dance club is likely to strengthen customer's positive experiences. In a fashion store context, a pleasant scent is positively recognized to impact on customer's affection, evaluation and behaviors (Doucé and Janssens, 2013). Furthermore, Gagarina and Pikturnienė (2015) explored that the different types of ambient scent lead to the different kinds of risk perceived by customers including "aversion, anchoring and affect heuristic". Regarding the role of scent intensity, Leenders, Smidts, and Haji, (2016) pointed that the different intensity of scent used in the store has a significant effect on store evaluation, time spent and sale level.

Another element also attracts relatively many interests from scholars is the *music factor*. Sweeney and Wyber (2002) found that the characteristics of music substantially influence customer's emotional and cognitive responses as well as their behavior intentions in a specialty store. In a relevant study, the different types of music such as classical or pop music are significantly associated with turnover and behavior intentions in the cafeteria (North and Hargreaves, 1998). According to Morrison et al., (2011), customer's perceived pleasure is partially shaped by the music stimulus in stores, but it is not significant in the larger context. They also found that there

is no significant relation between music volume and the amount of time and money spent in the store setting. Besides, the music cues were found to influence the customer's overall satisfaction (Mattila and Wirtz, 2001). Spangenberg (2005) investigated the role of scent and music to the customer's assessment of the store environment and provided products. More specifically, they found that the presence of music in store leads to improve consumer's positive evaluations. Likewise, McDonnell (2007) also confirmed the effects of music and scent on customer's evaluation of valuable time in numerous financial services. They demonstrated that using pleasant music and appropriate odor in servicescape helps to improve customer satisfaction and reduce stress as waiting for the service.

While ambient factors are typically used to describe the intangible aspects of servicescape, layout and design are normally applied to signify tangible elements in the service environment. The service marketing literature has long been confirmed the significant effects of spatial layout on customer's emotional, cognitive and behavioral responses. Research findings showed that customers tend to re-visit in the future or have positive word-of-mouth behaviors towards the well-designed stores (Ariffin et al., 2012). According to Liu and Jang (2009), a good design substantially influences customer emotion which then encourages approach behaviors such as purchase and word-of-mouth. Sharma and Stafford (2000) indicated that characteristics of spatial layout in a service environment are closely relevant to customer's perception of salespeople and persuasion capabilities in retailers. Furthermore, a good layout contributes to increasing the seeking behaviors among customers (Mohan et al., 2012).

To evaluate the impact of servicescape in a better holistic way, instead of focusing each dimension separately such as scent, music or lighting, many studies have been investigated servicescape as a multi-dimensional structure. Kirl and Wakefield (1996) found that satisfaction with servicescape leads to improve re-patronage intentions and a desire to stay. Research findings revealed that physical surroundings considerably impact on customers' perceived meal in the restaurant (Hersleth, Ueland, Allain, and Næs, 2005). In the retail context, the store environment was shown to positively impact on retail performances (Kumar, Vipin and Karande, 2000). Moreover, Kim and Woo (2009) stated that the servicescape of restaurants is relative to pleasant feeling, perceived service quality which in turn boosts the revisit intention behavior of customers. The emotional state of clients (positive or negative feeling) in the dinner-experience at a restaurant was impacted by dining atmospherics (Liu and Jang, 2009). Besides, Siu, Wan and Dong (2012) supported that the attributes of servicescape including ambience, layout, functionally, signs and symbols are

positively associated with customer's perceived service quality, satisfaction and desire to stay in the exhibition setting. Walter and Edvardsson (2012) confirmed that the physical environment as drivers aiming to form the service experiences of customers by using their own words.

3.6.2. Service environment, job experience and employee behavior

Interaction with the service environment customers have is a part of their consumption experience. Similarly, interaction with the job environment employees have is a part of their job experience (Janet Turner et al., 2008). However, the focus of previous studies has been on the relation between servicescape and customer behavior, relatively little research concerning the role of servicescape to employee behavior. Leonard and Heskett James (1991) indicated that satisfying and meeting employee job experience contributes to improving customer service experience and customer satisfaction since employees are the first people of enterprises to interact with customers. What employees experience is a part of customer experience. In this section, we thus concentrate on discussing the role of physical workspace in organizational behavior generally and in the service industry particularly.

The role of the physical working environment in organizational behavior

The majority of works in the environmental psychology literature have been investigated the effects of physical surroundings on customer's emotions, affection and behavior (Kotler, 1973; Wakefield, 1986; Wall and Berry, 2007). Yet, a few attention to the relationship between physical environment and employees and their focus is almost distributed on the field of organizational behavior. For instance, Sundstrom and Sundstrom (1986) found evidence that the physical environment influences employee performance and satisfaction in the content of the office and factory. Wineman (1982) demonstrated that the characteristics of physical workspace including temperature, lighting or functionality are closely associated with employee job satisfaction and performance. Further, Leaman (1995) indicated the significant links between employee's displeasure with physical workspace and their losing of concentration in work. Research findings showed that the poor working conditions in the hotel typically cause employees' dissatisfaction in performing jobs and tasks which then reduces job productivity and negatively influences their commitment and loyalty to the service organizations (George and Jones, 1999). Conversely, a good physical setting at work can increase employees' commitment and make them feel valuable in the structure of the organization (Ramlall, 2003). Some researchers have shown the influence

of the environmental function on job satisfaction (B. Y.-J. Lin, Leu, Breen, and Lin, 2008), employee's emotional states (Rafaeli and Vilnai-Yavetz, 2004) and behavioral responses such as interpersonal interaction (Davis, 1984). Likewise, Robbins (2013) agreed that satisfying employees' physical workspace conditions enhance their job satisfaction and produce better performances. Research findings revealed that improving the quality of the physical working environment will contribute to enhance employee's performances and reduce their absence (Ryan and Deci, 2000; Roelofs, 2002).

McCoy and Evans (2005) posited that the components of the physical work environment including temperature, space, equipment, colors, music should be reasonably designed to help the employee feel comfortable and not stress during their work. Additionally, research findings found that brightness and lighting are relative to employee's mood and alertness and it is likely to influence task performance (Mills, Tomkins and Schlangen, 2007; Peter, Susannah and Luc, 2007). According to Emmanuella et al., (2012), they indicated that the low lighting is available to use the computer in the office, whereas the high lighting should be assured to the cases of reading or writing documents. They also suggested that the lighting level could be changed to satisfy the various tasks in the organization. Meanwhile, Badekale (2012) emphasized the safe component in the physical work environment. They highlighted that ensuring a safe and healthy work environment is an important duty of every organization to its employees. Especially in the special works requiring high pressure and risky such as the hospital industry, providing a safe and healthy workspace can increase employees' productivity and performance as well as their commitment to the organization (Badekale, 2012).

In the field of organizational behavior, it was proven that the features of functionality and workspace are relevant to attitudinal and behavioral outcomes of employees in a given work environment (Kearney et al., 2013). Further, workspace characteristics were found that are associated with employee reactions including performance and satisfaction (Oldham and Fried, 1987). Regarding workspace density, Fried et al., (2001) revealed that larger workspace density could lead to a negative influence on employee's attitudes and behaviors as well as cause their uncontrollable behaviors in the organization. Furthermore, workspace density is remarkably relative to employee job experience and their capability in concentrating and completing their jobs (Oldham and Fried, 1987). According to Soni (2016), employee's experiences include all of the things they observed, interacted and happened to them in the work environment. Almost aspects of work environment from the workspace, job features, relations with superiors and subordinates,

machine and equipment supporting their work to salary and relating problems, all of them would contribute to establishing employee's specific experience in the organization (Soni, Chawla, and Sengar, 2016).

In conclusion, the organization behavior literature has shown that the prior studies have been widely investigated a variety of dimensions of physical working environment including temperature, space, equipment, color, music, brightness, lighting and so on. These studies have been also identified some major outcomes of the physical working environment stimulation consisting of employee performance, job satisfaction, productivity, employee commitment, intention to stay, emotional states, the number of absences, attitude responses and job experience.

The role of the physical working environment in service industries

In contrast to the organizational behavior literature, relatively little research concerning the relation between service environment and employees has been examined in the marketing service literature. Bitner (1992) is one of the first authors suggesting the impacts of environmental stimuli on the internal and behavioral response of both customers and employees in the service context. Customers and employees, who are present in the shared environment, are affected by the dimensions of servicescape including ambient conditions, layout and design which induce internal states and subsequently results in avoidance and approach behaviors (Bitner, 1992). Bitner called many more studies to shed light on the effects of servicescape on employee's job experiences. In the hospital context, Tausky (1980) indicated that the spatial layout of the workspace is closely associated with nurses' behaviors in the work hours. More specifically, the elimination of chairs in a nursing office helps to reduce chatting among nurses.

According to Lin and Lin (2008), they found that the positive perceptions of hospital pharmacy workplaces are significantly relevant to pharmacist's overall job satisfaction and it contributes to enhancing pharmacist's commitment to the organization. In a relevant context, Janet (2008) investigated the effects of hospital workspace characteristics on nurses' job stress and job satisfaction as well as their commitment to service organization. In this study, Janet (2008) evaluated the hospital workspace upon three elements including "pleasantness, safety and convenience". The research findings showed that convenience and safety negatively influence nurses' job stress, while safety and pleasantness are positively associated with their job satisfaction which results in increasing commitment to the organization. Kearny et al., (2013) also

pointed out the critical role of lighting aspects to employee behavior in the service work environment. They stated that well-designed lighting can help employees increase their concentration and reduce errors in the works which result in improving job performance and productivity in the service organization.

In the field of retailing, Fowler (2012) indicated that using an appropriate ambient scent in retail stores is likely to improve employee's positive attitudes to customers during the process of delivering services. They explored that customers feel more courteous and friendly from employees with the presence of odors in a given retailing context. Further, Fowler (2012) stated that the characteristics of servicescape remarkably influence employee's perceived stress and job satisfaction which result in word-of-mouth activities with other employees or other customers as well as relevant behavioral outcomes. Likewise, Namasivayam and Mattila (2007) also agreed that characteristics of servicescape (pleasant or unpleasant environment) have effects on employee's mood states and behaviors such as interaction. Idris (2017) emphasized that a favorable physical workspace can increase employee job satisfaction and job productivity in the hotel context.

In conclusion, although the importance of the physical working environment has been acknowledged in organizational behavior literature as well as the service industry. Nevertheless, the number of studies regarding the relation between servicescape and employees in the field of service is not expected. Some works have been performed to investigate the role of space (Tausky, 1980); scent (Fowler, 2012); lighting (Janet Turner, 2008); pleasantness, safety, convenience (Janet, 2012); pleasant or unpleasant (Namasivayam, 2007) to job satisfaction, employee emotion, performance (Lin et al, 2008; Rafaeli, 2004; Janet, 2012); employee attitude, stress, commitment (Fowler, 2012; Janet, 2008); productivity, performance (Janet, 2008; Idris, 2017); mood states and behaviors (Namasivayam, 2007). To the best of our knowledge, a few research has been sufficiently evaluated on the effects of working environment characteristics on the employee in the service context. Therefore, the present study attempts to more efficiently discover the effects of servicescape attributes on employee emotion, job experience and job satisfaction.

3.7. Conclusion

This chapter focuses on the concepts and dimensions of service environment as well as their effects on customer behavior and employee behavior in the service context. Firstly, it begins with

the introduction of service environment concepts. In the service marketing literature, there are various terms regarding service environment concept including atmosphere (Kotler, 1973), physical environment (Baker, 1986), servicescape (Bitner, 1992), economic environment (Arnold, et al., 1996), service atmosphere (Cronin Jr, 2003), store atmosphere (Roy and Tai, 2003). The different definitions of service environment derive from various contexts and different approaches to the components of the service environment. Meanwhile, the perspective suggested by Bitner (1992) has been extensively cited in exploring the effects of the service environment on customer behavior. Therefore, this study uses the servicescape perspective (Bitner, 1992) to investigate its effects on customer experience and job experience in the service setting.

Secondly, we analyze and synthesize the dimensions of the service environment which were investigated in the previous works. The literature showed that according to various service contexts, customers' perceived service experience is shaped by different servicescape dimensions. After reviewing relative studies, we suggest four major dimensions of servicescape including ambient factors; signs, symbols and artifacts; space and function; and cleanliness. Meanwhile, the first three factors are cited from the servicescape model (Bitner, 1992) because the concept of servicescape covers the foremost aspects of physical surroundings in the service industry. Besides, the servicescape model is one of the most widely accepted works in this area (Fowler, 2012). Moreover, the cleanliness factor is recommended to add in the interfaces of servicescape due to its important nature to traditional service as customers typically spend several hours in the service facility (Wakefield and Blogett, 1996).

We subsequently discuss the role of the service environment in the third section and reviewed the theoretical models in the fourth section. Despite various perspectives, the importance of servicescape is characterized through four roles including functional role, informational role, social role and differentiator role. While the most prevalent three models about the effects of the service environment on individuals, which have been attracted much attention by many researchers for a long time, are discussed including Kotler (1973), Mehrabian and Russel (1974) and Bitner (1992).

Fifthly, we move to discuss the concepts and dimensions of the physical working environment. The internal physical environment within organizations has been given very little attention and it was almost ignored in the context of service. While Davis (1984), Bitner (1992) and Robbins (2013) are among the few authors discussed and provided a concept of the physical environment.

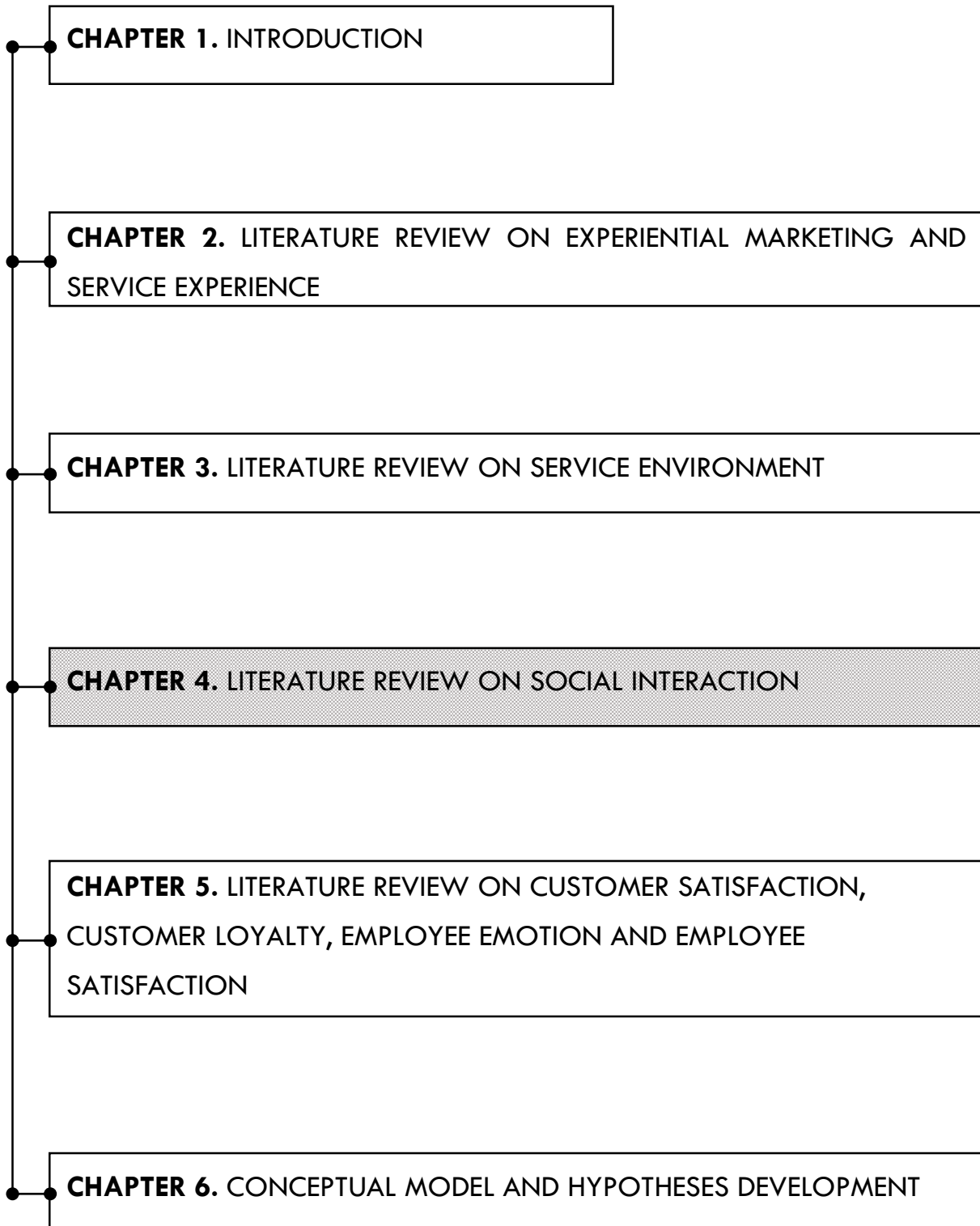
In this study, we consider that the working physical environment in the service context is similar to the concept of servicescape. This refers to the tangible characteristics of service establishments including ambience, workspace, functionality, cleanliness, and aesthetics on employee's cognition, emotion and psychology during the work process.

Finally, we concentrate on discussing the effects of servicescape on customer service experience and employee job experience. While the previous studies have been sufficiently investigated the effects of servicescape attributes on customer behavior. For instance, the role of lighting to customer mood and problem-solving; the effects of colors on perceived service quality and behavioral intention; the importance of scent to emotion, mood and social interaction; effects of music on emotion, customer satisfaction and shopping budget; spatial layout to emotion, cognition and behavior and so forth. In contrast, very few studies have been conducted to investigate the effects of servicescape to the employee in the service setting.

In summary, this chapter aims to provide deeper knowledge about the role of servicescape to both customers and employees in the service context. More importantly, it contributes to identifying an important research gap which refers to the effects of physical workspace on employee responses in the service environment.

PART 1.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT



CHAPTER 4.

LITERATURE REVIEW ON SOCIAL INTERACTION

The object of this chapter is to provide an understanding of how social interactions impact the cognition, affection and psychology of both customers and employees in the service setting. This chapter is structured into five sections. Firstly, we discuss the concepts of social interaction in the marketing literature generally and in the service industry particularly. Later, the major dimensions of social interaction are reviewed in the second section. Next, the effects of social interaction on the behaviors of customers and employees are described in the third and fourth sections. Finally, we discuss the relationship between servicescape attributes and social interaction; and identify the research gaps in this field.

4.1. Concepts of social interaction

In the service environment, social interaction frequently occurs among individuals including customers and employees, especially in the high social-connection environment. According to Sommers (1989) and Echeverri (1999), social interaction is “a verbal and non-verbal social process” occurring among customers and staff to share knowledge, experience, and thoughts. Mehrabian and Russell (1974) 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, aggression, withdraw and helping”. Likewise, Sundstrom and Sundstrom (1986) conceptualized social interaction through various behaviors such as “communication patterns, group cohesion and the formation of friendships and small groups”. As such, social interactions in the service environment should be understood as human-to-human interactions happening in the process of delivering service including employee-to-employee interaction, customer-to-employee interaction and customer-to-customer interaction (Lin and Mattila, 2010).

In other words, “service encounter” is a prevalent concept used in the relevant research of customer interaction in the service environment. According to Bateson (1985), service is a complex combination of interaction and exchange between and among customers and employees, thus Langeard et al. (1981) captured the system of customer interactions by term “service

encounter”. 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”. Likewise, Wu (2008) pointed that in the service environment, customer service experience is shaped by three interactions including “interactions with service personnel”, “interactions with internal and external physical surroundings” and “interactions with other customers”. They are three major components of the service encounter. Meanwhile, the interaction between customer and service environment does not take consideration into social interaction in the service environment (Figure 4.1).

Consequently, there is a significant difference between social interaction and service encounters in the service environment based on two major arguments. Firstly, social interactions only concentrate on all forms of interaction among humans, excluding interaction with the physical factor. As such, customers and employees are the two main targets of these interactions. Secondly, the focus of service encounters has been on customer’s interactions with the surrounding objectives including employees, other customers and the physical environment. As a result, this study rejects the perspective that social interaction is one part of a service encounter or conversely. In the present study, our focus has been on customer-to-employee interaction and customer-to-customer interaction.

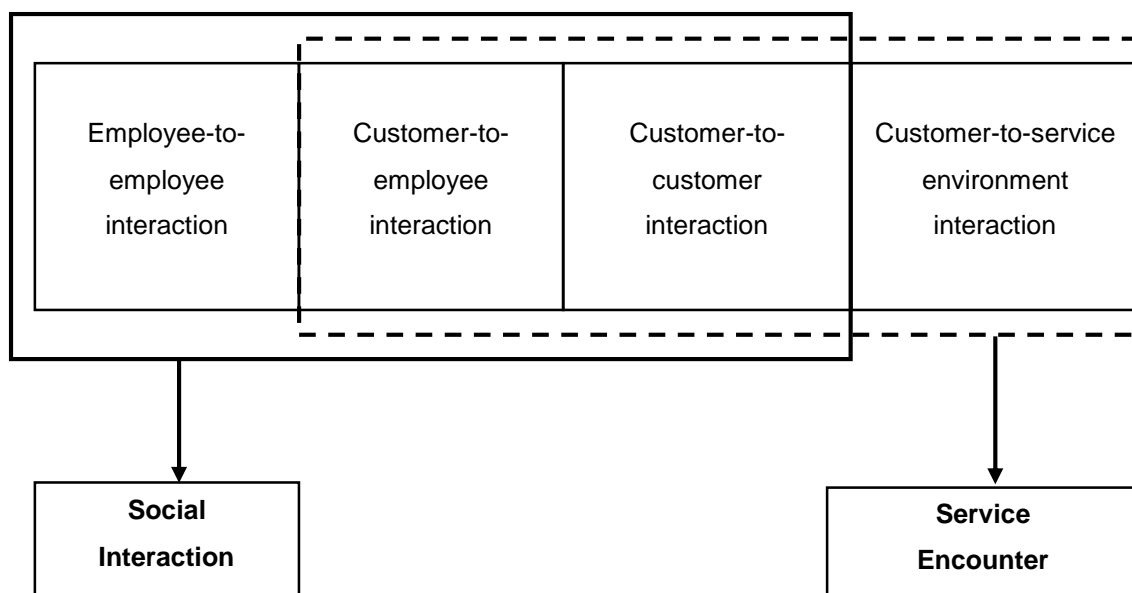


Figure 4.1. The difference between social interaction and service encounter.

4.2. Dimensions of social interaction

According to the service marketing literature, social interaction in the service environment refers to social connections between customers and employees or among customers or employees. However, interactions among employees are not considered in this study. The object of this section is to facilitate a better understanding of two major interactions in service context including customer-to-employee interaction and customer-to-customer interaction.

4.2.1. Customer-to-employee interaction

For interpersonal services, the human connection between customers and contact employees plays an important role to service experience and it has been considered as the central subject of numerous service quality studies (Surprenant and Solomon 1987; Bitner 1992; Michael and Ferrell, 1996; Nha Nguyen, 2002; Gremler, 2008). This interaction has been typically defined as “personal interaction happening between customers and service staff during the service delivery process and was considered as one part of service encounters” (Lin and Mattila, 2010).

According to Moore et al., (2005), the customer-to-employee interaction was discussed upon the two different perspectives. Meanwhile, the first perspective presents that the customer plays as the co-producer of service encounters along with the employee, especially for personalized services. Meanwhile, individuals (customers and employees) in the service establishment could understand their role and contribution to the service process. Moore (2005) indicated that with the role of co-producer, the information offered by customers remarkably influences on service quality, satisfaction or dissatisfaction with employees and service facilities generally. While the second perspective states that service employees are regarded as a mediating instrument in creating a positive connection between customers and service organizations (Parasuraman et al., 1985). Based on this viewpoint, the importance of contact personnel is emphasized in the long-term relationship between customers and firms. More specifically, customer satisfaction with the service employee is the critical antecedent of satisfaction with the organization, loyalty with the organization as well as positive word-of-mouth behaviors about the organization (Beatty et al., 1996; Reynolds and Beatty, 1999).

In service marketing, the concept of interaction quality is employed to assess the interaction between customers and service providers (employees, staff, etc.) in various studies (Ekinci, 2009;

Fowler, 2012; Joon Choi, 2013; Choi, 2015; Alhelalat, 2017). According to Lemke et al., (2011), interaction quality is conceptualized as “the customers’ perception of superiority of how the service is delivered during service encounters”. Customers often evaluate the interaction quality of service employees from initial contacts to ending the service such as asking the information, requesting help or getting a service (Moore, 2005). The good expression of employees during this interaction process including politeness, friendliness and helpfulness results in customer’s positive assessment of interaction quality which then enhances customer experience quality and customer satisfaction (Kim, 2013; Choi, 2015; Alhelalat, 2017; Wu, 2018). Similarly, Surprenant and Solomon (1987) and Bitner (1994) revealed that the interpersonal interactions were shown to critically impact on customers’ service experience quality. Gerrard and Cunningham (2001) even demonstrated that employees who directly provide the service remain a critical part of making the customer satisfied because they are the first representation of service organizations to interact and communicate with customers during the service process. Employee’s efforts and personal interactions contribute to enhancing customers’ experiential quality which is considered as a determinant of satisfaction and loyalty (Jamal and Naser, 2002).

4.2.2. Customer-to-customer interaction

According to the process of service delivery, social interactions in the service environment happen between customers and service providers or other customers (Langeard et al., 1981). Of these, the first interaction has been widely studied with its impacts on service quality, satisfaction or loyalty (Bitner, 1992; Surprenant and Solomon, 1987; Lin and Mattila, 2010), while the second interaction attracts very little interest from researchers (Lemke, 2011). This is not surprising as the customer-to-employee interaction is a controllable factor in service facilities, while the interaction between customer and customer is impossible to control completely during the service process (Martin and Pranter, 1989). Even though such interaction has been highlighted in the service marketing theory as a critical aspect of service experience, service quality, satisfaction and loyalty (Moura, 2017; Kim, 2016; Joon Choi, 2013; Yoo, 2012). Consequently, there is a consideration to achieve a better understanding of interaction among customers in the service environment (Fakharyan, 2014).

Little has been done to investigate the role of peer-to-peer interaction until the first article of Martin and Pranter (1989) was published, this research stated the importance of peer-to-peer interaction in a service context and it has later become a critical research stream. Indeed, Grove

and Fisk (1997) specifically encouraged further studies regarding the impacts of customer-to-customer interaction on customer behavior in the service environment. Customer-to-customer interaction or 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 customers (Lemke, 2011). Martin and Clark (1996) understood the interaction between customer and customer as “individual and group interactions and impressions between customers encountered in the acquisition and consumption of goods and services”.

According to Venkat et al., (2007), customer-to-customer interaction could be active or passive between two or more customers inside or outside the service environment. Such interaction may include verbal or non-verbal communication. They indicated that the customer-to-employee interaction only happens during the service process, while the customer-to-customer interaction could occur in any stage of the service process, pre-consumption, during consumption or post-consumption. It is very difficult to foresee and interpret. Further, Huang (2008) pointed out that the nature of peer-to-peer interaction is a combination of indirect and direct interactions between customers and through a shared service environment. Through interactions between customers, the information about service organization is spread by word-of-mouth behaviors among customers, at this time customers play a role as the internal employee of firms to introduce and promote the service (Gummesson, 1991).

According to Kim and Choi (2016), the customer-to-customer interaction comprises “friend/family interaction, neighboring customer interaction and audience interaction”. Internal interaction reflects customers’ perceived interaction with friends, family or relatives who have special social connections (Nicholls, 2010). While neighboring customer interaction explains customers’ perceived interaction with stranger surroundings, meanwhile the interactive activities may be observed (Nicholls, 2010; Parker and Ward, 2000). Finally, audience interaction is understood as customers’ perception of the implicit interaction others that happens without observation (Nicholls, 2010). Nevertheless, the focus of present study has been on the internal interaction among customers (friend/family interaction) since in the context of this research (coffee stores), consumers typically gather into small groups or private couples in which they have the intimate social relations and ignore the interactions with strangers. Therefore, this research has been different from the majority of prior papers about customer-to-customer interaction which highlighted interaction with strangers in the service setting.

4.3. Social interaction, service experience and customer behavior

In the service environment, customers' service experience and their behaviors are shaped by individual interactions with employees and with other customers during the service transaction. While the customer-to-employee interaction is a company-controlled factor and it has been attracted much interest from scholars in service marketing, the customer-to-customer interaction is a company-uncontrolled factor and it is very difficult to predict. Relatively little research concerning this interaction has been investigated. Therefore, this section focuses on discussing the effects of two interactions on customers' experience and their behavior in the context of service.

4.3.1. The role of customer-to-employee interaction

The majority of works regarding the outcomes of customer-to-employee interaction are summarized and synthesized in Table 4.1. Customer-to-employee interaction has significant effects on service quality perception, customer satisfaction or dissatisfaction and their behavioral outcomes.

Firstly, this interaction has been identified as the key element in the evaluation of service quality perception. In the hotel industry, Hartline and Ferrell (1996) found that employees' social behaviors during the process of offering service are closely associated with customers' perceived service quality and their word-of-mouth behaviors. In terms of bank, Gerrard and Cunningham (2001) indicated that customers often have high expectations from the contact personnel. The customers are interested in employee's appearance, politeness and knowledge during the interaction process. Due to the risky nature of this service, the contact employees have a critical role in creating customer's beliefs about the service offered by a specific bank. The employees with better skills in the interaction process are likely to enhance customers' perceived service quality. Extending the research of service encounters, Lin, Chiu and Hsieh (2001) explored that the personal traits of service providers such as openness, conscientiousness, extraversion, agreeableness and neuroticism are remarkably relevant to customer's service quality perception. Kattara and Weheba (2008) demonstrated that social connection can be regarded as a key antecedent of perceived service quality and customer satisfaction in the hospitality industry. When they have good communication with the service staff, the drawbacks of service can be ignored. Further, Nha Nguyen (2002) also concluded that customer's perception to contact personnel and

physical surroundings as well as their interaction significantly impact customer's perceived corporate image in the cases of hotels and insurance services.

Secondly, the previous studies have identified the interaction quality between customers and employees as a source of satisfaction or dissatisfaction in service settings (Bitner, 1992, 1994). Jones and Dent (1994) explored that appearance with a smile on employee's faces engenders significant effects on customer satisfaction. Moreover, Sparks (1994) pointed out that numerous positive behaviors of employees such as politeness, friendliness or usefulness contribute to strengthening the long-term relationship between customers and service organizations. In a relevant study, Lemmink and Mattsson (1998) stated that the extent of individual warmth presented by employees during the service process is substantially related to customer satisfaction and service quality assessment. Besides, Duboff and Heaton (1999) revealed that customer's overall satisfaction is shaped by satisfaction with the contact personnel, therefore losing these employees leads to declining a part of customer satisfaction. Gerrard and Cunningham (2001) even revealed that staffs or contact employees who directly provide services remain an important role in making the customer satisfied because they are the first people and they have frequent interacts with customers. Employee's efforts and personal interactions contribute to enhancing customers' experiential quality which is considered as a determinant of satisfaction and loyalty (Jamal and Naser, 2002).

Emery and Fredendall (2002) also argued that customer satisfaction can be regard as an important outcome of customer-to-employee interaction in the service context. In addition, Armando (2005) showed that one service organization can become a successful firm as it can meet almost the demands of customers from the physical aspect to the social aspect including the individual interaction with the service staff. According to Kong and Jogaratnam (2007), they suggested that employee's positive behaviors during the service transaction could be considered as the significant predictors of customer satisfaction. Similarly, the good expression of employees such as politeness and pleasantness was shown to considerably affect customer satisfaction in the foodservice industry (Medeiros and Salay, 2013). Regarding the special services such as medical treatments, Lin et al., (2001) stated that the relationship between patients and nurses is closely associated with the patients' perceived service quality and their satisfaction. They showed that clients, in this case, meet difficulties to evaluate the outcome quality, they frequently thus consider the nurses' attitude and behavior as key antecedents of service satisfaction. In similar, Gaur et al.,

(2011) agreed that the patients who receive good care from the nurses have high service satisfaction to the hospital establishment.

Thirdly, customer-to-employee interaction is a significant factor of behavioral outcomes. According to Gremler et al. (2001), they found that the interpersonal bonds between customers and employees remarkably influence customer's word-of-mouth activities. More specifically, they analyzed the interpersonal bonds upon four aspects including "trust, care, rapport and familiarity". Meanwhile, they demonstrated that customer's belief in the organization is the outcome of the other three aspects comprising the individual interaction between customers and employees, employee's carefulness and employee's familiarity. Tsai and Huang (2002) investigated the effects of employee emotional labor on customer emotion and behavior. Their report indicated that employee displayed emotion has direct effects on customer emotion and has indirect effects on willingness to return and word-of-mouth through the mediating role of customer emotion. In another study, Hansen et al., (2003) pointed out the significant link between customer commitment to the contact personnel and customer commitment to the service organization. Therefore, it supports the notion that customer loyalty to a service establishment is substantially dependent on employee behavior.

As discussing the role of customer-to-employee interaction towards service quality and customer satisfaction, the centrality of this interaction is on the role of service employees. Under the eyes of customers, service employees have a critical role in the service organization since they are first people to provide information for customers and they also remain frequent interactions with customers during the service process (Nguyen, 2006). The expressions of employees such as appearance, attitude and behavior are closely related to customer's perceived service quality and customer satisfaction (Hartline and Farrell, 1996; Nguyen, 2006; Wu and Liang, 2009). Some scholars have considered service employees as a social factor of service environment (Baker 1996, 2002; Tombs and McColl-Kennedy, 2003). They showed that employees' attitudes and behavior are regarded as the environmental stimulus that affects cognition, emotion and behavior of customers as other tangibles. Based on this perspective, Hildebrandt (1988) viewed a "good staff" as a factor of service environment and it is also a critical aspect of corporate image. Customers frequently assess interaction quality through employees' performances during the service process (Specht, Fitchel, and Meyer, 2007).

Table 4.1. Studies on customer-to-employee interaction

Study	Sector	Purpose
Surprenant and Solomon, (1987)	Bank	Evaluate service encounters in various degree and type of personalization employed
Bitner et al., (1994)	Hotel, Restaurant, Airline industries	Investigate the effects of the customer-to-employee interaction quality on customer satisfaction
Jones and Dent (1994)	Hotel and restaurant	Explore the relationship between customer attitudes as waiting and service quality
Hartline and Jones (1996)	Hotel	Investigate the effects of employee performance on service quality perception and word-of-mouth behaviors
Lemmink and Mattsson (1998)	Retailing	Examine the relationship between warmth perception of the service encounter, service quality, customer loyalty.
Michael and Ferrell (1996)	Hotel	Test a research framework of employee management in the service environment through three dimensions including manager-employee, employee role, and employee-customer.
Dwayne and Kevin (2000)	Bank, dentistry	Examine one specific aspect of customer-to-employee relationships (rapport)
Gremler et al. (2001)	Service sector	Investigates the effects of the customer-to-employee relationship on positive word-of-mouth behaviors.
Gerrard and Cunningham (2001)	Bank	Investigate the effects of staff skills in serving customers on perceived service quality
Jap and Sandy D (2001)	Manufacturer of chemical products	Test the impact of a trustworthy sales-rep on customer satisfaction
Lin, Chiu and Hsieh (2001)	Life insurance, real-estate agencies, information services and securities.	Examine the relationship between the personality of the service providers and the service quality performance they provide
Jamel and Naser (2002)	Bank	Investigate the relationship between aspects of service quality and customer satisfaction
Tsai and Huang (2002)	Retail shoe stores	Investigate the relation between employee affective delivery and customer reactions
Nha Nguyen (2002)	Hotel, Insurance	Assess the role of contact employees and physical surroundings to the perceived corporate image.

Van Dolen (2004)	Furniture shops	Investigate the relationship between employee performance in the service encounter, customer emotion and customer satisfaction
Armando (2005)	Service context	Investigate the effects of interpersonal characteristics on the success of service firms.
Kong and Jogaratnam (2007)	Restaurant	Investigate the effects of underlying behavioral aspects on customer satisfaction and compare the perceived service encounter of customers in two nations including USA and the Republic of Korea.
Kattara and Weheba (2008)	Hotel	Investigate relationship among employee behaviors, customer's perceived service quality and satisfaction
Lin and Ingrid (2010)	Restaurant	Examine the impact of physical surroundings and service interaction on customer's emotion and satisfaction
Gaur et al., (2011).	Healthcare	Investigate the relationship between doctor's interaction behavior and patients' loyalty and belief in their doctors.
Chen and Chien Min (2013)	Kinmen's bed and breakfast industry	Explore the links among factors including the physical surroundings, personal interaction, customer satisfaction and customer loyalty
Medeiros and Salay (2013)	Food	Explore the factors affecting customer's decisions of choosing a food service
Pantouvakis (2013)	Transport	Explore the links among two service features (physical and interact), job satisfaction and customer satisfaction
Idris and Aida (2017)	Hotel	Explore the factors influence the relation between frontline employee behaviors and guest satisfaction
Alhelalat and Jebiril (2017)	Restaurant	Investigate the impact of restaurant employee behavior on customer satisfaction

4.3.2. The role of customer-to-customer interaction

Regarding social interactions in the service marketing literature, most scholars pay much attention to customer-to-employee interaction, but ignoring a critical aspect of social interaction is customer-to-customer interaction or peer-to-peer interaction. Very few studies were examined in this field until the first article by Martin and Pranter (1989) was published. In this article, they presented the important meanings of customer-to-customer interaction to customer behavior and called further empirical studies to extend the understanding of this interaction. Although the prediction of behaviors of other customers seemed impossible and this factor is uncontrolled by

companies, yet it was shown to significantly impact on customer experience (Solomon et al., 1985; Surprenant and Solomon, 1987), service quality (Yoo et al. 2012), customer satisfaction and customer loyalty (Moore et al., 2005; Gruen et al. 2007). The majority of research regarding the outcomes of customer-to-customer interaction is presented in Table 4.2.

The literature of service marketing has identified customer-to-customer interaction as an important component of customer experience in the service environment. Surprenant and Solomon (1987) indicated that although other customer behaviors cannot be predicted, yet these behaviors were shown to significantly impact customer experiences. Other customers have been viewed as a characteristic of social factors in servicescapes such as crowding effects (Eroglu and Machleit, 1990) or an independent part of customer service experience (Grove and Fisk, 1997). In the retailing context, Davies et al., (1999) explored that the positive interaction between customer and customer which happens as waiting for the service has a substantial effect on customer service experience. In one another study, Lebaron and Jones (2002) found evidence that communications and interactions among customers in a beauty salon contribute to customer's total experience. Therefore, such interaction is regarded as an important part of service experience and it also influences other outcomes including satisfaction and loyalty. Moore et al. (2005) confirmed that interaction between customers is an essential element of customer service experience, they thus suggested that it should be viewed as a mandatory component of service offered by a service establishment.

Moreover, Kim, Hyun Sik and Choi (2016) investigated the effects of interaction quality between customers on customer experience quality. Meanwhile, they classified the customer-to-customer interaction into three types including "friend-interaction, neighboring customer-interaction and audience-interaction". Their results indicated that the perceived interaction quality of two types (friend and audience) is considerably associated with customer experience, while the effect of neighboring interaction on experience quality is moderated by communication quality. Zgolli (2017) acknowledged that the positive perception of interaction between customers in the service process contributes to enhancing customer's total experience quality. And the customer-to-customer interaction has still been a critical subject attracting much attention from marketers and scholars.

In additional to impacts on service experience, the preceding works have been clearly discussed about the effects of customer-to-customer interaction on satisfaction and loyalty in various

settings. McGrath and Otnes (1995) explored 11 different interaction types resulting from the customer-to-customer interaction behavior in the marketplace. Meanwhile, they identified some interactions which are essential to customer experience and organization, whereas they also found several interactions that cause the negative experience of customers and restrict the consumption behavior. Based on this result, they made several suggestions for employee staffs aiming to intervene in these interactions as necessary. Bougie, Pieters and Zeelenberg (2003) showed that the incompatibility of interaction with other customers could make customer dissatisfaction and engender avoidance behaviors including criticism and replacing the service providers. In the high-contact service environment, Moore (2005) highlighted that the positive perception in interaction with other customers is likely to strengthen satisfaction and loyalty to the organization as well as induce positive word-of-mouth behaviors.

Moreover, Gruen et al. (2007) indicated that the interaction between customers contributes to creating value and increasing the perceived benefits of service provided as well as customer loyalty. When exploring the impact of customer-to-customer interaction on customer reaction in the context of traveling to foreign areas, Wu and Cedric His-Ju (2008) found that the perception of this interaction could be extracted into six factors and their effects vary towards satisfaction and loyalty. More specifically, they saw that “protocol and sociability incidents” lead to increased customer satisfaction, “malcontent incidents” cause the negative effects on customer satisfaction, while “crude incidents” and “malcontent incidents” negatively influence on customer loyalty. Meanwhile, the effects of “protocol and sociability incidents” on customer satisfaction are moderated by the various roles of customers.

In research on cruise experience, Huang, Jue and Hsu (2010) explored the direct and positive relationship between the quality of interaction with other customers and the cruise experience. While this interaction is recognized to indirectly influence on vacation satisfaction through the mediating role of the cruise experience. Furthermore, Joon Choi, Beom and Sik Kim (2013) also confirmed that the peer-to-peer quality can be regarded as a determinant in generating customer satisfaction and customer loyalty in the hospital environment. Fakharyan and Meysam (2014) illustrated that personal interaction quality has a significant impact on customer satisfaction and customer loyalty to the hotel. Moreover, they also found that the customer-to-customer interaction quality is significantly associated with loyalty and word-of-mouth.

Especially in the online environment, Gruen et al., (2006) explored the critical role of online interaction between customers to their behavioral intentions. In the online platforms such as Facebook and Twitter, the effects of word-of-mouth through interaction among customers on the cognition, emotion and behavior of customers are particularly considerable. Nowadays, customers are effortless to access various sources of information to make the final decision. Based on this perspective, it supported the notion that customer service assessment is determined by interactions with other customers in both face-to-face environments and online platforms. In a relevant study about extending the application of customer-to-customer interaction in the social networking sites context, Hu, Kai-Chieh and Lu (2017) also explored that customer-to-customer interaction on the online platform significantly influences satisfaction and commitment which affect customer voluntary performance concluding loyalty, cooperation and participation. They also suggested that positive customer-to-customer interaction is likely to enhance commitment and satisfaction.

Table 4.2. Studies on customer-to-customer interaction

Study	Sector	Purpose
Surprenant and Solomon (1987)	Bank	Evaluate service encounters in various degree and type of personalization employed
Martin and Pranter (1989)	Service sector	Explore the effects of customer-to-customer relationships in the service environment
Eroglu and Machleit, (1990)	Retailing	Investigate some of the determinants and outcomes of retail crowding
McGrath and Otnes (1995)	Retailing	Explore the phenomenon of influence between unacquainted consumers in the market setting
Grove and Fisk (1997)	Tourism	Investigate the positive or negative effects of other customers on customer's service experiences
Davies et al. (1999)	Service sector	Test effects of content and process elements (ex. customer-to-customer interaction) on service experiences
Lebaron and Jones (2002)	Beauty salon	Analyze naturally occurring communication within a beauty salon
Bougie, Pieters, and Zeelenberg (2003)	Transportation, stores, restaurants, education, banking and insurance, travel agencies, local government	Explore the relationship between the experience of anger, the experience of dissatisfaction and behavioral reactions to failed service encounter in a variety of industry

Guenzi and Paolo (2004)	Medium-sized fitness center	Investigate the effects of customer-to-employee interaction and customer-to-customer interaction on customer satisfaction and customer loyalty to the service organization
Moore and Robert (2005)	Hair salons	Investigate the effects of service environment and customer-to-customer interaction on satisfaction and loyalty as well as word-of-mouth behavior to the service organization
Gruen et al. (2006)	Products of software	Examine the relationship among factors including electronic word-of-mouth, online customer-to-customer interaction, customer's perceived value and customer loyalty to the brand products
Gruen et al., (2007)	Service context	Explore the determinants and consequences of customer-to-customer interaction in the online platform at professional association meetings
Wu and Cedric His-Ju (2008)	Foreign travel service	Test the effects of interaction between customers and role typology on customer's behavioral responses
Huang, Jue and Hsu (2010)	Tourism/cruise vacations	Investigate the relationship among factors including interaction among tourists, cruise experience, cruise vacations and vacation satisfaction
Yoo and Jaewon Jay (2012)	Hospital	Examine the effects of customer-to-customer on the perceived environment, willingness to participate in service processes, perceived quality and satisfaction
Kim, Namin and Lee (2012)	Restaurant	Investigate the effects of the presence of other customers on customer's evaluation to restaurant services
Joon Choi, Beom and Sik Kim (2013)	Hospital	Test relationships among interaction quality, peer-to-peer quality and customer satisfaction
Fakharyan and Meysam (2014)	Hotel	Explore the effects of customer-to-customer interaction on satisfaction, loyalty and word-of-mouth in the hospitality industry.
Kim, Hyun Sik and Choi (2016)	Retail stores, movie theaters	Test relations among three types of customer-to-customer interaction quality and experience quality
Zgolli, Samar and Zaiem (2017)	Tourism	Examine effects customer-to-customer interaction on tourist's reactions
Jung and Yoo (2017)	Leisure classes: fitness, yoga, aerobics, dance sports	Examine the effects of customer-to-customer interactions on customer citizenship behavior
Hu, Kai-Chieh and Lu (2017)	Social networking sites	Investigate the impacts of online interaction between customers on customer voluntary performance in the social platform

4.4. Social interaction, job experience and employee behavior

In similar to social interactions customers have with service environment, employees also have interactions with the work environment including interacting with customers, with other employees and with the organization (Moore, 2005). However, the focus of the study is the effects of social interaction employees have with customers on their behaviors and job experiences. It is almost rare to be investigated in past literature. The previous studies seemed to ignore the role of social interaction activities to employee reactions including cognition, emotion and behavior in marketing generally and in the service marketing particularly. Although the literature of internal marketing considers employees as internal customers of each organization (Andrew, 2000).

Bitner (1994) is one of very few scholars who discussed the relationship between social interaction and employee responses in the service environment. She reported that the majority of previous studies in the service environment regarding the human interaction between customers and employees have been evaluated upon the viewpoint of customers. Whereas, from a perspective of service providers, frontline personnel is regarded as a critical source of providing information about customers via the interaction process in delivering service (Bitner, 1994). This information source is employed in order to improve service quality based on two ways.

Firstly, employees use the information to change their behaviors more positively. Based on the comments and feedback provided by customers during the interaction process, employees have tendencies to change or improve their performance to make customers satisfied. Due to the special nature of service occupation, employees who work in this field are willing to deliver their customers the best service quality (Schneider, 1980). More specifically, the service employee typically perceives the different stimuli from customer's responses which reflects the quality of service offered. The employee's accurate perception towards customer's responses contributes to adjust their behavior in a better way aiming to enhance customer satisfaction.

Secondly, the enterprise can use the information provided by employees to make their decisions because employees can collect useful information through the interaction and feedbacks of customers. As a consequence, service employees are often considered as a source of important information about understanding customer's needs and problems in comparison to employees in other departments of the organization. Recognizing this role, studies suggested that the close relationship between managers and their employees is significant to improving service quality

offered by the organization. As a result, it is particularly important to highlight the relation between customer and employee as well as between employee and manager (Zeithaml, Berry and Parasuraman 1988). According to Schneider and Bowen (1984), they suggested that the information provided by service employees should be employed in creating the strategy relating to improvement and development of service. In summary, it is recommended that the human interaction between customer and employee contributes to improve employee performance in particular and enhance service quality, business performance in general.

Additionally, Hanna, Backhouse and Burns (2004) illustrated that encountering guests is one of the typical behaviors employees must perform within the service organization and their behaviors are regarded as a critical component to guest evaluations (Hartline, Maxham and McKee, 2000). As a consequence, employee's positive behaviors referring to the constructive actions on behalf of the service organization are expected to express usually in service encounters because these activities contribute to promoting and enhancing the reputation of service providers (Arnett, Laverie and McLane, 2002). Such activities are deemed as a part of responsibilities and duties which employees must undertake in the organization (Nguyen and Leblanc, 2002). Thereby, the interaction behaviors employees have with customers are a part of their job (Janet Turner et al., 2008), because every role that is implemented well is likely to increase job experience and job satisfaction (Soni et al., 2016).

In the end, it is apparent that the works regarding the discussion about the effects of social interaction on employee reactions have been ignored in service marketing. This is considered as a substantial research gap to explore further. Therefore, one of the major objectives of this study is an attempt to provide a better understanding of the relationship between employees' perceived social interaction and their responses.

4.5. Service environment and social interaction

Research findings showed that in the interpersonal service environment such as restaurant context, service experiences are remarkably shaped by various determinants such as core services, physical surroundings and social interaction (Verhoef et al., 2009; Walter et al., 2010; Lemke et al., 2011; Ali and Omar, 2014; Kim and Choi, 2016). While the importance of core services has long been confirmed in the service marketing literature (Han and Ryu, 2009; Moon et al., 2015; Kaura et al., 2015; Namin, 2017), further investigations on social interaction and servicescape have been

encouraged (Turley and Milliman, 2000). Although numerous studies explore the effects of service environment and social interaction on customer experience, service quality, satisfaction and loyalty (Ali et al., 2016a, 2016b; Siu et al., 2012; Choi and Kim, 2015; Kim and Choi, 2013; Liu and Jang, 2009), yet scant research has been implemented to investigate how servicescape dimensions influence social interaction experiences towards 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 the physical environment is strongly related to social interaction since almost all social interactions happen in the physical environment of the service setting.

According to Bennett and Bennett (1970), they showed that along with the direct impacts of servicescape on individual behaviors, it also influences on the social interaction quality between customers and employees who shared the same service environment. They concluded that “all social interactions are affected by the physical container in which it occurs”. Furthermore, the physical environment was found to affect human interactions during interaction and the actual progression of events. In addition, research findings showed that the physical surroundings elements including seating arrangement, size, proximity, and flexibility contribute to advancing or restricting interacted possibilities between customers and service providers (Forgas, 1979).

Bitner (1992) is one of the first scholars presenting the servicescape framework which concentrates on how perceived atmospheric stimulus influences interactions between and among customers and service providers. Bitner proposed that the positive perception towards the environmental stimulus may enhance the social interaction quality between and among customers and employees in the interpersonal service environment. Zemke and Shoemaker (2007) found evidence that odors have remarkable influences on the number of customer’s social interaction behaviors in the casino context. Fowler and Bridges (2012) demonstrated the impacts of the service environment on customer-to-employee interaction through an ambient scent sprayed out in a given service setting. In his research series, Walter (2010, 2012) suggested that the physical environment composites of functional aspects and social aspects as social interaction and they are recognized as the important drivers of customer service experiences in restaurants setting. In the hospitality industry, Fakharyan et al., (2014) indicated that the design features of service atmospherics contribute to improving the customer-to-customer interaction quality and customer’s satisfaction in a hotel setting.

Although further studies were carried out to investigate the relationship between physical facilities characteristics and social interactions in the service environment, yet they still existed many limitations. Zemke et al., (2007) tested empirical research about the role of scents to the number of social interaction behaviors in the casino, but they did not interpret the relation between scents and the kinds of behaviors, positively or negatively. And they also investigated one aspect of ambient conditions, namely odors without taking other dimensions such as music and lighting into consideration. Likewise, Fowler and Bridges (2012) employed scents to test the effects on customer-employee interaction. Walter (2010, 2012) utilized the qualitative research method to collect data through a critical incident study. In spite of the remarkable contribution in terms of the academic research methodology, yet it finds difficult to generalize the findings due to the qualitative method limitations. Fakharyan et al., (2014) conducted to investigate the relationship between service atmospherics and customer-to-customer interaction in the hospitality setting. However, the items employed to measure service atmospherics are relatively meager and not enough to cover aspects of servicescape.

In summary, although Bitner (1992) called more empirical studies that investigate the effects of service environment stimulus on both customers and employees, yet later papers have not been fully investigated the effects of servicescape or physical environment on social interaction in the service setting. To the best author's knowledge, almost no studies have been evaluated the impacts of physical surroundings on social interaction experiences from both customers and employees. Therefore, this study focuses on discovering the role of servicescape stimulus such as ambient conditions, space or layout, cleanliness on creating social interaction experiences between and among customers and employees in the hospitality context. The social interaction is investigated upon two forms including the interaction between customers and employee, the internal interaction among customers. While the customer-to-employee interaction is considered upon two viewpoints from customers and service employees.

4.6. Conclusion

This chapter concentrates on discussing the concept and dimensions of social interactions as well as their impact on customers and employees in the service environment. Firstly, we introduced several concepts of social interactions in previous studies (Sommers, 1989; Bitner, 1992; Sundstrom and Sundstrom, 1986; Lin and Mattila, 2010). Meanwhile, we conceptualized the social interaction as the human-to-human interactions happening in the process of delivering

service including employee-to-employee interaction, customer-to-employee interaction and customer-to-customer interaction (Lin and Mattila, 2010). Besides, we also distinguished the difference between social interaction and service encounter in the service environment.

Secondly, we concentrate on describing two aspects of social interaction including customer-to-employee interaction and customer-to-customer interaction. While the customer-to-employee interaction is personal interaction between customers and employees in the service environment (Lin and Mattila, 2010). To evaluate this interaction, interaction quality is frequently employed in previous studies. Whereas the customer-to-customer interaction is understood as the perceived assessment of customers' interaction with other customers (Lemke, 2011). The interaction between customer-to-customer is classified into friends and family interactions, neighboring stranger customers, the audience (Kim and Choi, 2016). Meanwhile, we highlight the role of friends and family interactions in the present study.

Thirdly, we discuss the effects of social interaction on service experience and customer behavior in the service context. Concerning the customer-to-employee interaction, its effects have been recognized in relation to the perceived service quality, satisfaction or dissatisfaction, and behavioral outcomes. While the role of customer-to-customer interaction on customer experience, customer satisfaction, customer loyalty, and other outcomes is also discussed later.

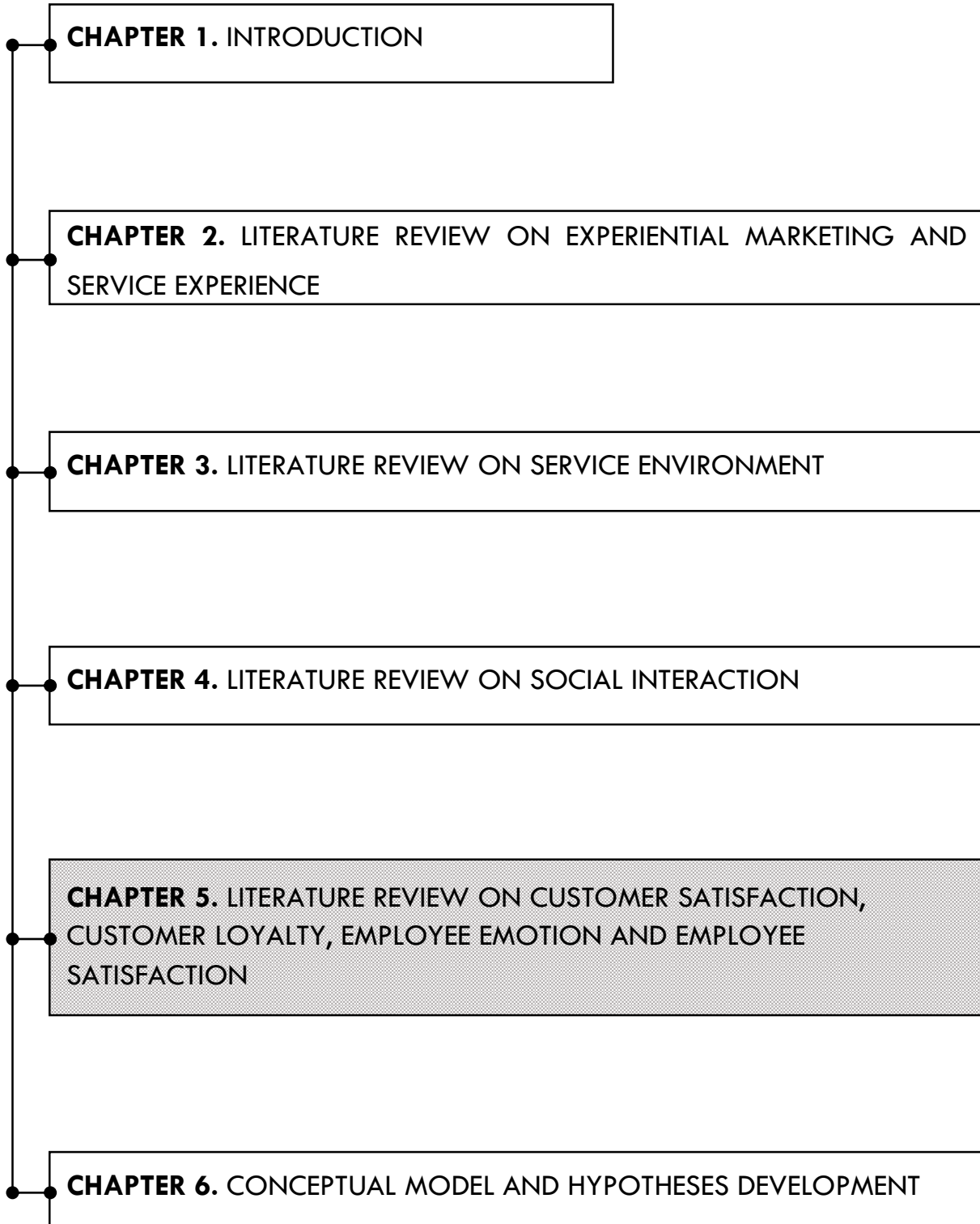
We subsequently describe the effects of social interaction on the job experience and employee behavior in the service context. The role of social interaction with employees has been less investigated in the prior works. Only a few studies have been performed to discuss the impact of social interaction through the perspective of employees (Arnett, Laverie and McLane, 2002; Hanna, Backhouse and Burns, 2004; Soni, 2006). Nevertheless, further empirical research on the relation between social interaction and employee behavior has been encouraged.

Lastly, we focus on understanding the relation between service environment and social interaction and identified the research gap. While the role of service environment and social interaction towards service experience, satisfaction, loyalty have been confirmed; the link between service environment and social interaction has been ignored in the service marketing literature. Although, several authors have been explored the effects of servicescape attributes on customer behavior (Bitner, 1992; Zemke and Shoemaker, 2007; Fowler and Bridges, 2012; Walter, 2010, 2012; Fakharyan et al., 2014). Yet a substantial lack has been identified in this field.

In conclusion, this chapter contributes to identifying three research gaps. The first gap is the role of customer-to-customer interaction to customer responses in the service environment. Secondly, this research explores the role of social interaction under the perspective of service employees. Lastly, the present study attempts to examine the effects of servicescape attributes on the social interaction experiences of both customers and employees.

PART 1.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT



CHAPTER 5

LITERATURE REVIEW ON CUSTOMER SATISFACTION, CUSTOMER LOYALTY, EMPLOYEE EMOTION AND EMPLOYEE SATISFACTION

The major purpose of this chapter is to describe the outcomes of interactions between servicescape and social interactions in the service environment including customer satisfaction, customer loyalty, employee emotion and job satisfaction. Its structure is organized as follows. Firstly, we offer the knowledge of customer satisfaction in the service environment. Meanwhile, we review some major concepts and identify various types of customer satisfaction as well as describe the antecedents and consequences of customer satisfaction. Secondly, we discuss literature relating to customer loyalty. In this section, we present major concepts and distinguish various levels of customer loyalty. Also, the antecedents and consequences of customer loyalty are presented. Further, we discuss the relationship between satisfaction and loyalty as well. Thirdly, the literature on employee emotion is presented. In this regard, we review some important concepts relating to emotion in marketing research. We subsequently provide the definitions of employee emotion in the service environment. Besides, the theories of emotion are also discussed in this section. Later, we discuss the role of employee emotion to customer behavior and employee behavior in the service industry. In the final section, we present major concepts and identify the antecedents and determinants of work satisfaction in the service industry.

5.1. Customer satisfaction

Customer satisfaction has been long recognized as a particularly important subject to researchers and practitioners. It has been attracted much interest from scholars in a variety of fields. In the era of increasing competition, customer satisfaction is the key to the success of enterprises. Customer satisfaction is an important outcome of almost marketing activities, especially for customer-oriented organizations. Customer satisfaction contributes to improving positive word-of-mouth communication, strengthening repeat consumption behaviors and boosting the profitability of the organization.

5.1.1. Concepts of satisfaction

The importance of customer satisfaction has been acknowledged by researchers and marketers from the 1970s (Jones, 2000). Customer satisfaction and relevant concepts have been received much attention during the next decades because of the growing competition and the appearance of relationship marketing (Babin and Griffin, 1998). Customer satisfaction is one of the major constructs in the marketing literature from philosophy, theory to practice (Walker, 1993). It has been the subject of numerous publications relating to conceptualizing, measuring and identifying determinants and outcomes of customer satisfaction in a variety of fields. Therefore, it exists various perspectives on the concept of customer satisfaction. According to Yi (1990), there are two major research streams that conceptualize customer satisfaction as a consequence or as a process.

The first viewpoint interprets that customer satisfaction is considered as a consequence of consumption experience. This perspective comprises the notion suggested by Howard and Sheth (1969) when understanding customer satisfaction as “the buyer’s cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone”, or “an emotional response to the experiences provided by, associated with particular products or services purchased, retail outlets, or even molar patterns of behavior such as shopping and buyer behavior, as well as the overall marketplace” (Westbrook and Reilly, 1983), and “the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer’s prior feelings about the consumption experience” (Oliver, 1981).

In other words, satisfaction is also defined as a process in abundant studies. Consumer satisfaction is conceptualized as “an evaluation rendered that the consumption experience was at least as good as it was supposed to be” (Hunt, 1977) or as “an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative” (Engel and Blackwell, 1982), and as “the consumer’s response to the evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the products as perceived after its consumption” (Tse and Wiltion, 1988). In a relevant perspective, Oliver (1980) documented satisfaction as “an evaluation about the perceived discrepancy between prior expectation and perceived performance after consumption-when performance differs from expectation, dissatisfaction occurs”. On the basis of these concepts, it showed that the evaluation process is a critical factor to constitute customer satisfaction. And this perspective tends to be

more efficient as focusing on the entire consumption experience and emphasizing components of each stage (Yi, 1990). It also combines various processes including perception, evaluation and psychology to create customer satisfaction. The process-based definition has been frequently employed by numerous studies rather than the outcome-based definition due to its holistic evaluation (Day, 1984 and Oliver, 1980).

According to Yi (1990), the concepts of customer satisfaction vary at different levels of specificity. They include customer satisfaction with a product, with a service, with an employee, with an organization, with a store or with experience or with a shopping decision. In summary, it has been existed many concepts of customer satisfaction based on various approaches and different levels of specificity. In this study, customer satisfaction with service is understood as “an evaluation about the perceived discrepancy between prior expectation and perceived performance after service experience” (according to Oliver, 1980).

5.1.2. Levels of satisfaction

In previous studies relating to customer satisfaction (Johnson, 2001; Olsen and Johnson, 2003; Bodet, 2008), two levels of customer satisfaction have most commonly been investigated, including specific satisfaction and overall satisfaction. In the 1990s, researchers frequently measured and assessed customer satisfaction based on a specific product or service. Customer satisfaction in this period was understood as “post-choice evaluative judgments concerning specific purchase decisions” (Oliver, 1980). Later, another perspective of customer satisfaction appeared as numerous researchers considered customer satisfaction to all customer’s consumption experiences during the process of interaction with the product, the service and the organization (Anderson et al., 1994; Garbarino and Johnson, 1999).

For specific satisfaction, it mainly concentrates on customer’s emotional responses to a particular aspect of the product or the service (Olsen and Johnson, 2003). Meanwhile, each component of the consumption process is linked to a certain psychological reaction of the customer. According to Bitner and Hubbert (1994), they conceptualized the specific satisfaction as “the consumer’s satisfaction or dissatisfaction with a discrete service encounter”. The specific satisfaction is based on a certain assessment of event and behavior which happens during a sole and separate interaction. This definition-based approach points out that specific transactions should be measured directly after each consumption experience during a process of interaction (Ekinci,

2008). For example, it is necessary to capture various satisfaction with service employees, with service quality, with foods and drinks and so forth. The empirical research findings revealed that customers construe two concepts according to two different perspectives. Customers commonly evaluate specific satisfaction through their perception of specific activities of the consumption process such as the appearance of employees or store features (Jones, 2000).

In other words, customers assess overall satisfaction through their perception of general impressions and broad experiences during the consumption process. Overall satisfaction is understood as “the consumer’s overall satisfaction or dissatisfaction with the organization based on all encounters and experiences with that particular organization” (Bitner and Hubbert, 1994). According to Anderson and Sullivan (1993), overall satisfaction is relevant to all attributes of consumption experience with a product or a service or a firm. And this approach is according to information of all previous experiences with the service organization, thus overall satisfaction could be regarded as a combination of all previous particular satisfaction (Parasuraman et al., 1994; Teas, 1993). Based on using a specific product or service, overall satisfaction could be measured through numerous interactions or just a few interactions. Overall satisfaction is constituted by all previous particular assessments of customers to a service or a product and it is integrated over time. Therefore, overall satisfaction is revised after each change of particular satisfaction (Boulding et al., 1993).

According to Anderson and Fornell (1994), they emphasized that almost studies concerning customer satisfaction have been used the overall satisfaction to measure and evaluate because it tends to be more essential and holistic than the specific satisfaction in making the predictions of behavioral intentions and organizational performances in the future. In a relevant perspective, Olsen and Johnson (2003) agreed that overall satisfaction could be regarded as an effective predictor of customer intentions and behaviors since it bases on a comprehensive evaluation of the entire consumption experience. In contrast, Oliver (1980) demonstrated that this approach is not always available to measure the extent of satisfaction to a product or a service due to several principal reasons: (1) it is difficult to distinguish the difference between overall satisfaction and overall attitude to a specific service in some cases; (2) since the overall satisfaction is an aggregation of all previous specific assessment, it thus causes customers difficulty to remember and evaluate all relevant experiences with a certain service or a product; (3) the overall customer is based on various interactions, yet customers don’t have many opportunities of enjoying services as necessary to make general evaluation due to different limitations. Nevertheless, despite existing

various drawbacks as using overall satisfaction, this definition-based approach has been acknowledged as an available notion to measure customer satisfaction in a variety of contexts so far (Ekinci, 2008). Thus customer satisfaction is characterized as an overall evaluation in the present study.

5.1.3. Antecedents and consequences of customer satisfaction

Customer satisfaction is the central subject of marketing theory and practice. Therefore, understanding the antecedents and consequences of customer satisfaction is an important theme for researchers and marketers. Also, it is particularly significant to building a successful marketing strategy. Based on previous studies, some determinants of customer satisfaction have been recognized as expectations, disconfirmation, perceived performance and desires. While word-of-mouth, repurchase or complaint behavior are regarded as the critical consequences of customer satisfaction.

Antecedents of customer satisfaction

According to Yi (1990), some studies have examined demographic characteristics of customers as the determinants of customer satisfaction such as age, personality traits, education, income, race and marital status. However, the effects of these variables on customer satisfaction are relatively weak. In other words, numerous studies have explored the determinants of customer satisfaction through the cognitive processes (Anderson 1973; Oliver 1976, 1977; Olson and Dover 1976; Jamal 2002). Research findings found that expectation and confirmation/disconfirmation are regarded as critical antecedents of customer satisfaction. This approach has been substantiated more efficiently and promisingly than interpreting customer satisfaction via demographic variables (Yi, 1990). Meanwhile, the model of expectation confirmatory theory suggested by Oliver (1977, 1980) has been long acknowledged as an underlying foundation in interpreting major antecedents of customer satisfaction. This theory considers “expectations”, “perceived performance” and “disconfirmation of beliefs” as a meaning to construe the “customer’s post-purchase satisfaction” (Figure 5.1).

The first determinant of this model is *expectations* that relate to “the attributes or characteristics that a person anticipates or predicts will be associated with an entity such as a product, service, or technology artifact” (Oliver, 1980). In this model, expectations are shown to directly impact on

perceived performance and disconfirmation of beliefs. While expectations indirectly influence on post-purchase satisfaction through a mediating role of disconfirmation factor. According to Oliver (1980), expectations of product or service are established before consumption and are the basis for the ultimate comparison process after consumption. The second determinant of this model is *perceived performance* which describes “a person’s perceptions of the actual performance of a product, service, or technology artifact”. In the model of expectation confirmation theory, customer’s perceived performance is directly shaped by pre-purchase expectations and it then directly affects both disconfirmations of beliefs and post-purchase satisfaction. Besides, this model presents an indirect effect of perceived performance on post-purchase satisfaction through a mediating role of disconfirmation factor.

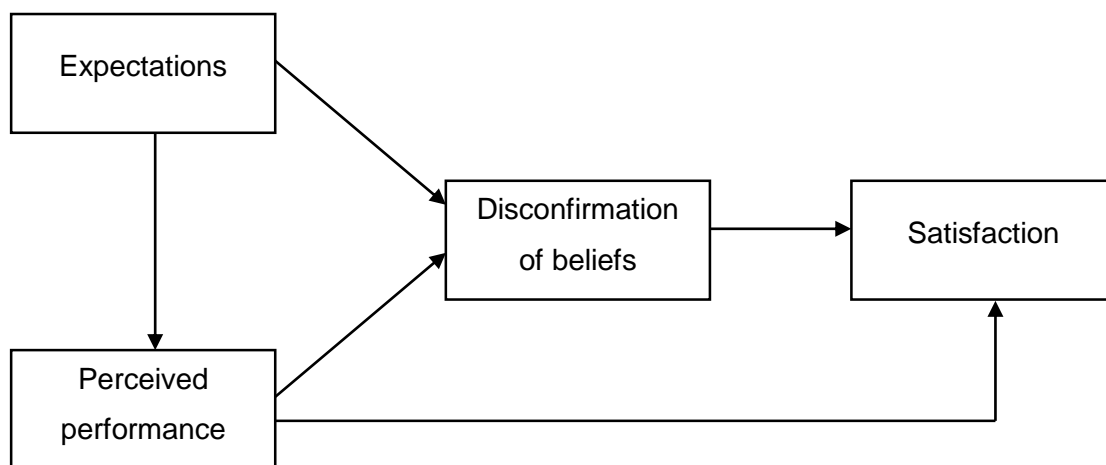


Figure 5.1. A model of expectation confirmation theory (Oliver 1977, 1980)

The third factor of the model is *disconfirmation of beliefs* which is associated with “the judgments or evaluations that a person makes with respect to a product, service, or technology artifact”. These assessments are performed to compare with the customer’s initial expectations. According to Oliver (1980), when the perception of performance to a product or a service exceeds a customer’s initial expectations, it results in a positive disconfirmation of beliefs which then improves customer’s post-purchase satisfaction. In contrast, when the perceived performance to a product or a service underperforms a customer’s initial expectations, it leads to a negative disconfirmation of beliefs which then reduces customer’s post-purchase satisfaction or engenders customer dissatisfaction. The final factor is *post-purchase satisfaction* which is relevant to “the extent to which a person is pleased or contented with a product, service, or technology artifact after having gained direct experience with the product, service, or artifact”. Based on the perspective suggested by Oliver (1980), post-purchase satisfaction is directly shaped by two determinants including the

perception of performance and disconfirmation of beliefs. Moreover, this factor is also indirectly impacted by expectations and perception of performance through a mediating role of the disconfirmation factor.

Consequences of customer satisfaction

According to Yi (1990), numerous research has been performed to identify key consequences of customer satisfaction. Meanwhile, they mainly concentrate on customer reactions to dissatisfaction including “talking no action”, “switching brands or curtailing patronage”, “making a complaint to the seller or a third party” and “telling others about the unsatisfactory product”. In this section, we thus focus on the consequences of dissatisfaction rather than satisfaction.

In some cases, customers *don't have any actions and responses* to the brand although they dissatisfy with the provided-product or service. This consequence does not make negative effects on the brand, yet it neither delivers any benefit to the organization (Andreasen, 1985). In other words, customer dissatisfaction could lead to *switching brands*. This consequence can be considered as a serious problem when customers leave the firm's brand and use the competitor's brand. In this situation, customers changed their consumption habits and chose a relevant brand instead of their usual brand (Anderson, 1993).

Another consequence of customer dissatisfaction is *complaint behaviors*. It is the consequence that has been the most popularly studied in previous works relating to the outcomes of dissatisfaction. According to Yi (1990), complaint behavior is “an attempt to remedy and reduce the dissatisfaction”. Research findings found that the extent of dissatisfaction is significantly associated with the intensity of this behavior (Day, 1984; Oliver, 1997). Nevertheless, they also indicated that complaint behavior also depends on various factors including personal traits, customers' perceived dissatisfaction or the features of product and service.

The fourth consequence of dissatisfaction is *the word of mouth behavior*. They relate to telling other people about customer's perceptions and evaluations towards a specific product or service provided by an organization. According to Yi (1990), the word of mouth effect plays a critical role in customer responses due to some major reasons. Firstly, the word of mouth behavior considerably influences on other customers through direct interactions by online or offline. These interactions tend to be more efficient than traditional promotion activities. Besides, the specific

information upon the individual experiences can be spread by the word of mouth communication. Secondly, the information provided by the word of mouth behavior could make the customer feel more reliable than marketing activities performed by the organization. Thirdly, the word-of-mouth behavior seems to be more dangerous than the complaint behavior since information spread by word of mouth is very difficult to control in comparison to the complaint behavior which happens between organizations and customers.

One of the most important consequences of customer satisfaction is *repeat purchase behavior*. According to Newman and Werbel (1973), dissatisfied consumers are less likely to repurchase the brand than satisfied consumers. Research findings posited that customer satisfaction has a positive effect on attitudes which then increase the capability of repurchase behavior and reduce switching brand (Oliver, 1980; Bearden and Teel, 1983). Besides, customer satisfaction is closely relevant to customer loyalty (Yi, 1990; Anderson et al., 1994; Oliver, 1997).

5.2. Customer loyalty

Customer loyalty has been long acknowledged as a major theme in marketing theory and practice. Customer loyalty is the leading concern of organizations aiming to create loyal customers. As the increasing competition, customer loyalty is one of the most important objectives in marketing strategies. Especially, researchers recognized that the cost of attracting new customers is more five times than the cost of retaining an existing customer (Reichheld, 1996). Further, creating a loyal customer helps organizations achieve benefits in the long-term. Loyal customers tend to remain their commitments to a specific organization and they less change their behaviors (Pan et al., 2012; So et al., 2013). Moreover, customer loyalty commonly leads to an increasing capability of consumption and purchase intentions (Evanschitzky et al., 2012).

5.2.1. Concepts of loyalty

The concept of customer loyalty is a central subject to scholars and marketers (Toufaily et al., 2013). There are various definitions of customer loyalty from a specific level to a general level. The specific level includes loyalty to brand or store (Engel, Kollat and Blackwell, 1982; Beatty and Kahle 1988; Evanschitzky et al. 2006), loyalty to program (Evanschitzky et al., 2012), loyalty to channel intermediary (Dick 1994), loyalty to employee (Oliver, 1997; Bove 2006) and loyalty to service (Gremler, 1996; Bloemer, 1999).

Meanwhile, customer loyalty is frequently defined upon the general perspective 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 and Sabol, 2002). According to this perspective, several definitions of customer loyalty include “a relationship between relative attitude towards an entity and repeat patronage behavior” (Dick and Basu, 1994), or “a situation when repeat purchase behavior is accompanied by a psychological bond” (Jarvis and Wilcox, 1977).

On the other hand, brand loyalty has been commonly employed in past studies. Engel, Kollat, and Blackwell (1982) conceptualized brand loyalty as “the preferential, attitudinal and behavioral response toward one or more brands in a product category expressed over a period of time by a consumer.” It is also conceptualized as “a favorable attitude toward a brand resulting in the consistent purchase of the brand over time” (Assael, 1992; Keller, 1993). They showed that customers are considered as loyalty when customers have positive attitudes and repeat consumption behavior towards a certain brand.

The definition of customer loyalty is also applied in the service industry which emphasizes the intangible characteristics and consumption experience. Gremler (1996) documented “service loyalty is the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises”. This concept points out that the nature of service loyalty is presented through a loyal degree of customer towards a particular service, classifying from the absolute loyalty to seldom using the service. According to Gremler (1996), absolute loyalty is expressed through frequently using a service establishment, having positive attitudes towards the service organization and never considering the relevant services. In contrast, an absolute “non-loyalty” is characterized by never using the service again, holding negative evaluations towards service organizations and always willing to try other services.

No matter what the objective of customer loyalty is, Piotr (2004) revealed that a loyal customer typically expresses four major characteristics as following: (1) spending a large part of consumption wallet to the product or the service of a firm; (2) spreading positive information about the brand of a firm; (3) believing in their consumption behavior towards the product or the service of a firm; (4) remaining a long-term relationship with a firm providing the service or the

product. In summary, there are various perspectives to conceptualize customer loyalty based on the different objectives and specificity levels. Nevertheless, the focus of this study is service loyalty that is regarded as the extent to which a customer expresses repeating consumption behavior towards a certain service organization and providing positive information of brand to others as well as having no idea to use the relevant services (Gremler, 1996).

5.2.2. Types of customer loyalty

Based on the different degree of specificity, customer loyalty can be classified into loyalty to brand or store (Keller, 1993), loyalty program (Evanschitzky et al., 2012; Uncles and Dowling, 2003), loyalty to channel intermediary (Verhoef et al. 2007), or loyalty to the employee (Bove and Liliana, 2006) and service loyalty (Bodet, 2008; Sahin, 2014). Of these, loyalty to brand and service loyalty have been attracted much interest by numerous researchers in a variety of fields. While loyalty to program and loyalty to the employee are emerging constructs in recent periods. And loyalty to channel intermediates is only examined in the distribution industry.

Loyalty to a brand (store, company)

Brand loyalty is the concept of being the most frequently investigated in previous studies. According to Assael (1992) and Keller (1993), brand loyalty is established as “customers have a positive attitude toward the company brand”. Brand loyalty is mainly based on the customer's positive emotion that describes the affective connection between customers and companies (Kumar et al. 1995). Company loyalty is typically determined by “customer commitment”, “customer trust” and “customer satisfaction” (Evanschitzky et al., 2012). Meanwhile, commitment has been long considered as a key determinant of company loyalty and being a principal factor in human behavior theories (Morgan and Hunt, 1994). The commitment is conceptualized as “an enduring desire to maintain a valued relationship” (Moorman, 1992). The second antecedent of loyalty to a company is customer trust which refers to “a willingness to rely on an exchange partner in whom one has confidence” (Moorman et al., 1992). Lastly, customer satisfaction is understood as “an overall evaluation based on the total purchase and consumption experience with a good or service over time” (Anderson et al., 1994). Customer satisfaction and customer loyalty are two particularly important concepts in marketing literature.

Loyalty to program

In contrast to brand loyalty, program loyalty refers to customers' pleasure attitude toward the benefits of a loyal program provided by the company and it mainly bases on economic considerations (Yi and Jeon, 2003). In this case, customers could not have a pleasant evaluation of a company, yet they remain purchasing from the company upon the benefits of programs (Evanschitzky et al., 2012). According to this approach, Uncles et al., (2003) indicated that "when the program is attractive, customers may come to build a relationship with the program rather than the brand". Evanschitzky et al., (2012) showed that loyal customers are built on beneficial programs, their purchase behaviors are likely to repeat. Nevertheless, this commitment to a company is not sustainable since customers could change their providers when one another company appears and provides a similar product or service with the same loyalty program. In this regard, customers remain their commitment to the loyal program but they are not likely to purchase from the previous provider anymore. Therefore, the loyalty built on economic benefits causes threatens to the company as replaced by other competitors which provide the same program.

The loyalty to a program is determined by some factors including "social benefits of the program", "special treatment offered by the program" and "perceived value of the program". The first factor is social benefits which emphasize "the relationship itself rather than on the outcome (or result) of transactions" (Gwinner et al., 1998). According to Goodwin and Gremler (1996), they pointed out that constructs of social correlation including loving, tolerance and respecting are showed to remarkably affecting customer loyalty. Another determinant of program loyalty is "the special treatment offered by the program". Instead of emphasizing the economic benefits of the program, as usual, companies provide special benefits that are not related to economic offers including awards and gifts.

The final determinant of program loyalty is "perceived value of the program" which is conceptualized as "an offer as the consumer's overall assessment of the utility of a product (or service) based on the perceptions of what is received and what is given" (Zeithaml, 1988). Based on the viewpoint of the customer, the perception of costs comprises "monetary payments, the expenditure of time, and any feelings of stress". Conversely, perceived value is associated with "customer's evaluation of these costs and sacrifices against what they obtained" (Yang and Peterson 2004). In essence, customers typically compare and evaluate the perceived value of the

product provided by a company and other competitors before making a final decision. And the perception of value has been recognized as an essential way to build customer loyalty and it has also been a principal antecedent to purchase intentions (Parasuraman and Grewal 2000).

Loyalty to channel intermediaries

Not similar to other types of loyalty, the loyalty to channel intermediaries has been attracted to very few interests by scholars. This is not surprising as loyalty to channel intermediaries is only investigated in the field of distribution and supply. According to Jackson (1987), loyalty to channel intermediaries, which is different from brand loyalty or service loyalty, refers to “evolving pair of commitments by two parties over time”. This commitment focuses on various attributes of the relationship between customers and vendors. In the relation of this loyalty, customers commonly invest in a large budget for a transaction between two parties, therefore it results in large switching costs (Dick 1994). Especially as the provided products are only generated by a certain supplier.

With respect to the loyalty to a certain vendor, some factors can be regarded as the determinants of loyalty and purchase intentions including evaluation of price, product quality, delivery conditions and so forth (Verhoef et al. 2007). Furthermore, customers’ belief in the ability of the vendor in providing an excellent product or service is significantly associated with their loyalty to a vendor. While the relation between customer belief and loyalty could be regulated by some mediators consisting of experience in the past, perception of reliability and understanding of each other (Verhoef et al. 2007). In addition, Dick (1994) found that cognitive and affective factors are critical antecedents of loyalty to intermediaries. While customer satisfaction could seem like a key affective factor of repurchase. Customer satisfaction to a vendor is likely to be increased through “providing regular on-site inspections, helping to maintain on-line supplies through interfacing with the buyer's inventory management program, updating technical specifications, and providing cost-saving advice”. In other words, an example of the cognitive factor is social norms. Based on this approach, customer loyalty and positive behaviors are likely to be enhanced through building good human relationships and establishing wide networks (Dick, 1994).

Loyalty to employees

According to Oliver (1997), loyalty to employees or “interpersonal loyalty” tends to be more substantial than brand loyalty or service loyalty. Because loyalty at the individual level is established upon the basis of confidence, connection and commitment which could be considered as critical components of connection between person and person (Czepiel, 1990). Research findings have revealed that the positive relationship between customers and contact personnel is closely associated with increased customer loyalty to a specific service organization (Barnes, 1995; Beatty and Lee, 1996). Nevertheless, Bendapudi and Leone (2001) pointed that it is essential to encourage and develop close interactions between employees and customers generally, yet it is necessary to reduce the evolution of connections between customers and one employee. According to them, these strong relationships could result in “personal loyalty” between customers and one employee. Customer loyalty to the employee is larger than customer loyalty to the organization or brand in this case. Thereby, this can lead to various risks for service organizations as this employee leaves the job or works for competitors. Customers are likely to switch their service providers or brands due to their loyalty to an employee.

Some researchers have found evidence about a considerable relationship between personal loyalty and customer intentions to follow the service employee if this employee leaves the organization (Beatty et al., 1996; Bove and Johnson, 2002). According to them, as the close relationship between customers and one certain service employee is established in the organization, the aspects of loyalty such as trust and commitment are translated in personal loyalty to a specific employee. Moreover, they also found that the attitude and evaluation of customers towards other employees in the organization are considerably impacted by the relation between customers and this employee. And customers tend to frequently interact with an individual during the consumption process overtime, exception of some special situations (Bove, 2006). This could result from the special perception of customers towards a certain employee who leaves them deep impressions in comparison to the service provided by other employees in the organization. As a result, customers believe that their satisfaction with the service organization is remarkably based on interaction skills and deep knowledge of this employee (Bendapudi and Leone, 2001).

Service loyalty

While customer loyalty to brand or store has been the subject of abundant publications, customer loyalty to service has not been sufficiently investigated (Gremler and Brown, 1996; Sahin, 2014). Customer loyalty is also applied in the service industry which emphasizes intangible

characteristics and consumption experience (Gremler, 1996). Nevertheless, previous researchers found differences between service loyalty and brand loyalty (Zeithaml 1981; Czepiel and Gilmore 1987; Surprenant and Solomon 1987). Firstly, they found that loyal commitments and bonds to service organizations tend to be more substantial and stronger than customer loyalty to tangible products. Secondly, customer loyalty to service is more popular and larger than customer loyalty to the brand. Thirdly, the service environment is available to generate social interactions between employees and customers which are influential in the development of customer loyalty. Fourthly, customers commonly perceive riskier as using the service in comparison to purchasing the product due to the intangible nature of service. Thereby, physical surroundings have been received much interest by service organizations to deliver a pleasant service experience to customers as well as reduce their perceived risk. Lastly, customers often meet more barriers in switching the service provider rather than switching the brand.

Concerning the antecedents of service loyalty, Gremler (1996) identified three major determinants of service loyalty including “satisfaction”, “switching costs” and “interpersonal bonds”. The previous studies have recognized satisfaction as a critical antecedent of loyalty in a variety of fields including the service industry (Anderson et al., 1994; Heskett et al., 1994; Oliver, 1997). They showed that satisfied customers are automatically exchanged to loyal customers. As customers satisfy a certain service, they often have a positive attitude and evaluation of the service, it is likely to result in increasing commitment between them and service organization which is regarded as an aspect of customer loyalty (Gremler, 1996). Conversely, very few customers have a loyalty to service without covering service satisfaction.

The second antecedent is switching costs that are relevant to “changing from the use of one product or provider to another” (Zeithaml 1981). These costs are associated with customer’s perception of the amount of time, money and individual efforts spent in switching service providers (Guiltinan 1989). Research findings indicated the significant relationship between switching costs and service loyalty (Czepiel 1990). The final antecedent is interpersonal bonds which are ignored in the studies relating to brand loyalty. Whereas human relationship has been long acknowledged as a very critically important to customer loyalty to a service organization (Berry 1983; Crosby, et al. 1990). Apart from these factors, Dick (1994) added that service loyalty is substantially shaped by customer’s perceived service quality which is investigated through five major aspects consisting of “tangibility, reliability, responsiveness, assurance and empathy” (Parasuraman, 1985).

5.2.3. Approaches to customer loyalty

Relating to various attributes of customer loyalty construct, previous studies have identified three major approaches to investigate the customer loyalty, including (1) behavioral approach concerning the observation of frequency and the proportion of purchasing brand; (2) attitudinal approach centering on predispositions, preferences, relative attitudes and intentions of reach at; (3) composite approach that combines both the behavioral approach and the attitudinal approach.

The behavioral approach to customer loyalty

According to the behavioral approach, customer loyalty is understood as “consumer’s repetitive and systematic purchasing behavior of a given brand” (Touzani, 2009). This approach uses certain indicators to express loyalty such as the frequency of purchase, purchase sequence, amount or the total value of all purchases since the beginning of commercial transactions, probability of purchase for a given brand (Tucker, 1964; Uncles, 1994; Lichtlé and Plichon, 2008). According to the behavioral approach, a consumer is loyal when he/she frequently buys the same brand (Lichtlé and Plichon, 2008). Loyal customers to a brand will tend to reduce comparison with other brands when buying or to decrease their thinking time (Zeithaml and Bitner, 1996).

The behavioral approach, however, has existed drawbacks relating to the coherence of the research framework and the capability to explain factors impacting customer loyalty (Touzani, 2009, Prayag and Ryan 2011). Another criticism is that the behavior-based approach causes difficulty to distinguish an important client from a loyal client (Lichtlé and Plichon, 2008). Explaining loyalty through repeated buying behavior of a brand can hide the real reasons for this behavior. Indeed, a customer may appear in loyalty to a brand for a short period of time due to promotional programs during this period. Similarly, in some cases of existing little difference between brands, customers will repeat the purchase aiming to save time and energy in searching for information and evaluating alternatives (Moulin, 1998). N'Goala (2005) also agreed that the behavioral approach can lead to wrong conclusions, as it fails to distinguish what is true loyalty to the brand. Consumers can repeat their purchases and maintain the relationship by habit or because some barriers prevent them from switching suppliers such as market structure, the existence of leading brands, a lack of attractive alternatives. In these cases, consumers can develop a kind of parasitic loyalty without having a positive feeling towards the brand. Moreover, some researchers criticized that the behavioral approach excessively focuses on behavioral elements, yet ignores the

attitudinal aspect of loyalty (Day, 1969). Jacoby (1971) stated that repeated buying behavior is a necessary condition, but insufficient to determine brand loyalty. Due to the limitations of this approach, other researchers suggested considering the cognitive dimensions of loyalty.

Attitudinal approach to customer loyalty

In contrast to the behavioral approach, numerous studies later have provided another approach to evaluate and measure customer loyalty through customer attitudes (Day, 1969; Dick and Basu, 1994). According to this approach, customers are loyal because they want to maintain a long-term relationship with the firm (Oliver, 1999). The attitudinal loyalty relates to “consumer’s positive beliefs and feelings toward a brand among a set of competing brands” (Dick et Basu, 1994). Customer loyalty is evaluated through a perspective of attitude which is mainly described upon brand preference, a positive attitude towards the product or the service as well as a sustainable commitment to the supplier (Dick and Basu, 1994, Touzani, 2009).

The attitudinal approach has obvious advantages over the behavioral approach. Firstly, it makes it possible to distinguish passive loyalty from voluntary loyalty and to explore the motivations behind a given behavior (Kervilier, 2013). According to Bandyopadhyay and Martell (2007), attitudinal measures allow managers to understand why customers buy their brands or buy their competitors. They can also help managers understand the strengths and weaknesses of their brands, which allows them to plan marketing programs more effectively. Furthermore, Touzani (2009) pointed out that the attitude-based approach improves understanding of motivations behind customer loyalty and provides a deeper insight into the relationship between customer and brand.

Nevertheless, this approach still exists in several limitations. Many authors found that relying solely on the attitudinal approach does not make it possible to understand the concept of loyalty comprehensively (N’goala, 2003). Indeed, a favorable attitude is not enough to generate the desired behaviors and it is not an appropriate indicator of customer loyalty (Jacoby, 1978). This is similar to a latent loyalty without real influence on the company's performance. Further, the attitude-based approach underestimates the significant presence of behaviors and only concentrates on the component of attitude as a determinant of loyalty (Touzani, 2009). According to Day (1969), using the attitudinal approach to evaluate customer loyalty makes loyalty construct to focus on a specific perspective, not a holistic perspective. Also, some authors recommended

that it seems very difficult and complicated to measure attitudinal loyalty in the long-term (Oppermann, 2000; Prayag and Ryan, 2011). Because to develop a positive attitude to become loyal, the customer would need several years.

Composite approach to customer loyalty

Based on the integration of the behavioral approach and the attitudinal approach, a more holistic approach is discussed, namely a composite approach. As early as 1969, Day found that brand loyalty must be assessed based on attitude as well as on behavioral criteria. Numerous studies later supported this perspective (Bowen and Chen 2001; Kandampully and Suhartanto, 2000; Oliver, 1997). Therefore, researchers in this field focus on the composite approach, which includes a combination of behavioral and attitudinal dimensions. Within the composite approach, loyalty is measured by preferences, frequency purchase or visits and propensity to change brands (Bowen and Chen, 2001). In a relevant definition, Jacoby (1971) suggested that brand loyalty is “an effective buying behavior of a particular brand, repeated over time, and reinforced with a strong commitment to that brand”. According to this concept, it covers both the behavioral aspect and the attitudinal aspect. Furthermore, Bladinger and Rubinson (1996) indicated that instead of only using one dimension to predict, a simultaneous combination of behavioral dimension and attitudinal dimension in the prediction of customer loyalty is regarded as a better comprehensive solution. The integration-based approach "has the merit to take into account the complex nature of loyalty concept and to enrich and integrate the conceptual and operational body of literature consecrated to brand loyalty" (Dick and Basu, 1994).

5.2.4. Antecedents and consequences of customer loyalty

The concept of customer loyalty is central to the marketing literature generally and service marketing particularly. From a practitioner’s perspective, creating and maintaining customer loyalty help the company develop in the long-term and establish competitive advantages. Thus, understanding of major antecedents and consequences to the formation of customer loyalty is truly critical towards both marketers and scholars.

Key antecedents of customer loyalty

The previous studies have examined and explored the crucial antecedents of customer loyalty in a variety of fields (Dick, 1994; Gremler, 1996; Wang, 2010; Kandampully, 2015). The antecedents of customer loyalty have been received much interest because they could be considered as important components for building a competitive strategy to attract and retain customers (Kandampully, 2015). The antecedents of customer loyalty vary on various types of customer loyalty such as brand loyalty or service loyalty. Meanwhile, the antecedents of service loyalty have intensively explored consisting of corporate reputation (Chang, 2013), service customization (Coelho and Henseler, 2012), relational benefits (Chen and Hu, 2010), service quality (Demirci Orel and Kara, 2014); customer engagement (Salanova et al., 2005); perceived value for money (Um et al., 2006); trust, perceived value, switching costs (Deng et al., 2010); commitment, satisfaction, trust, social benefits, program loyalty (Evanschitzky et al., 2012); customer experience (2010); satisfaction, switching costs, the rapport between customers and employees (Gremler, 1996; Gremler and Gwinner, 2000). In this study, we focus on identifying and understanding some key antecedents to the development of customer loyalty in the service context as following.

Firstly, one emerging factor in recent studies is *program loyalty* which is understood as “customers having a positive attitude toward the benefits of the loyalty program and this loyalty is more economic in nature” (Evanschitzky et al., 2012). Nevertheless, program-based loyalty has been received criticisms from scholars as this loyalty is developed upon the economic benefits and it lacks a substantial commitment between customers and organizations (Uncles et al., 2003). Additionally, customer loyalty is significantly associated with the perception of *switching costs* which “are associated with changing from the use of one product or provider to another” (Zeithaml 1981). According to Guiltinan (1989), switching costs are constituted by the perception of customers concerning the amount of time, money and individual efforts spent in switching service providers. These perceived costs cause intangible barriers in switching from this to provide to another provider, thereby they contribute to enhancing customer’s loyalty to service (Gremler, 1996).

Another factor is *customer satisfaction* which has been long acknowledged as a very critical antecedent of customer loyalty generally (Gremler, 1996; Oliver, 1997; Bodet, 2008). As customers are satisfied, consumption behaviors will be repeated and the positive information will be spread by word-of-mouth (Kim, Lee and Yoo, 2006). Even, Gremler (1996) stated that customer satisfaction automatically becomes customer loyalty and satisfaction is a mandatory

condition for the development of loyalty. In addition, *service quality* is closely relevant to creating customer loyalty, particularly in the service environment (Dick, 1994). The perception of service quality is frequently measured upon five dimensions by Parasuraman (1985) comprising “tangibility, reliability, responsiveness, assurance and empathy”.

Furthermore, the customer’s *commitment* to a certain organization is also a remarkable sign of customer loyalty. According to Garbarino and Johnson (1999), commitment is understood as “customer psychological attachment, concern for future welfare, identification, and pride in being associated with the organization”. Similarly, Moorman et al., (1992) conceptualized commitment as “an enduring desire to maintain a valued relationship”. Wong and Sohal (2002) emphasized the very important role of commitment to the power of a relationship between customers and organizations. They also indicated that commitment could be viewed as a valuable indicator in measuring the capability of loyalty and forecasting purchase intentions in the future. Moreover, the previous studies showed the effects of *customer perceived value* to the development of customer loyalty in the service context. Customer perceived value is frequently described as “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml, 1988). More specifically, the perceived value refers to comparison and consideration between the relevant benefits and costs. While the benefits are perceived by useful functions, the costs are perceived by the amount of money, time and effort spent on service (Gallarza and Gil Saura, 2006).

One more factor is *customer engagement* which is documented as “the emotional bond established between consumer and brand, as a consequence of the accumulation of consumer experiences that assumes a favorable and proactive psychological state” (Rather, 2018). Besides, the role of a *corporate image* has been shown to significantly affect customer behavior and customer loyalty (Gray and Smeltzer, 1995; Nguyen, 2002). According to Barich and Kotler (1991), the corporate image in the field of service is described as “the overall impression made on the minds of the public about an organization”. The corporate image is a combination of various characteristics including organization name, brand, visions and missions, types of services, business philosophy, perceived service quality and image of employees (Nguyen, 2002).

Research findings also recognized *customer trust* as a key antecedent of customer loyalty in the service industry. According to Martínez and Rodríguez del Bosque (2013), customer trust relates to “belief that the product or service firm is reliable and will behave, such that the long-term

interests of the consumers will be served". Meanwhile, customer trust is commonly analyzed via two elements including "credibility trust" and "benevolence trust" (Sirdeshmukh et al., 2002). With respect to credibility trust, this refers to customer's confidence in the capabilities of a service organization to deliver excellent service as the expectation from physical conditions to human components (Martínez et al., 2013). In other words, benevolence trust is associated with customer's belief about the reliable level provided by a service organization in terms of attention, interest, goodness and benevolence (Kandampully, 2015).

Another important factor, especially in the service environment, is *service experience* which is understood as a process of interaction with different subjects including social factors and physical interfaces. Along with the interaction process, the personal reactions, in turn, occur from the cognitive and emotional responses to behavioral responses. And this leaves customers specific memories about the experiences they spent in a given service context (Walter, 2010). Research findings showed that the positive service experience is likely to produce an emotive link between service providers and customers and engender customer loyalty (Choi and Kim, 2015). Numerous studies indicated the critical role of social interaction and relation in the service environment, thereby rapport between customers and employees is established from good interactions (Gremler and Gwinner, 2000). The notion of rapport expresses the relationship quality between customers and employees in the service context (Hennig-Thurau et al., 2006). More specifically, rapport is understood as "customers' perceptions of enjoyable interaction with employees, such that they form a personal connection" (Gremler and Gwinner, 2000). While an enjoyable interaction is relevant to cognitive evaluation about the interaction process with service employees; a personal connection is an individual bond perceived by customers with service employees (Gremler and Gwinner, 2000). With regard to the service environment, the rapport between customer and employee is a critical factor in the development of customer loyalty (Gremler and Gwinner, 2008).

Finally, the relationship marketing literature emphasized the important role of *relational benefits* in building, developing and maintain a long-term relationship between customers and organizations (Chen and Hu, 2010). In essence, the relational benefits relate to the interpersonal nature and they are integrated through customer's positive engagement in remaining relationships with employees and service organizations (Li, 2011). According to Chen and Hu (2010), the relational benefits are constituted by four attributes including "psychological, social, economic and customization benefits". Meanwhile, psychological benefits contribute to reducing fear and creating pleasure for customers. Social benefits promote the development of human relationships

between customers and employees in the long-term. While benefits of economic and customization refer to the special benefits provided to customers such as reducing price, delivering better service or individualizing service (Hennig-Thurau et al., 2002).

Key consequences of customer loyalty

According to the service marketing literature, loyalty encourages and stimulates the strong affiliation between customers and companies over time as well as boosts the approach behaviors to service organizations (Kumar et al., 2010; Kandampully, 2015). In the service environment, the previous studies have identified some principal outcomes resulting from the development of customer loyalty including “willingness to pay more” (Allender and Richards, 2012), “increasing share of wallet” (Evanschitzky et al., 2012), “word-of-mouth” (Brown et al., 2007; Reichheld, 2003) and enhancing “the profitability of organization” (Gandomi and Zolfaghari, 2013; Chi and Gursoy, 2009).

For any service organization, their most important target is creating *profitability* which is considered as the major objective of business strategy. According to service marketing, customer loyalty directly contributes to creating the profits to an organization due to four major functions consisting of increasing revenues, reducing costs to attract new customers, decreasing the sensitive level of customers to the price change and optimizing costs relating to serving old customers (Gurau, 2003; Taylor and Neslin, 2005). In a relevant perspective, Reinartz and Kumar (2002) stated that “win loyalty, therefore, and profits will follow as night follows day”.

The second consequence of customer loyalty is the *share of wallet* which describes “how consumers divide their purchases across competing firms” (Evanschitzky et al., 2012). In the service industry, Kandampully (2015) conceptualized the share of wallet as “the value of a customer’s business at one service establishment, as a percentage of the total value of the customer’s business at all other service organization”. According to Kim and Lee (2010), they showed that customers nowadays share their consumption budget towards different organizations instead of expressing their loyalty to only one certain organization. More specifically, customers commonly have strong commitments with a group of service organizations rather than one organization. As a result, Keiningham et al., (2015) pointed that an organization could consider the share of wallet as an essential way for investigating the rate of dividing purchasing within competitors and suggest the available strategies aiming to enhance the proportion of consuming

from the organization. Numerous studies have been investigated the relationship between customer loyalty and share of wallet, they found that increasing customer loyalty leads to a greater share of wallet to a company (Meyer-Waarden, 2007; Kim and Lee, 2010; Keiningham et al., 2012).

Another important consequence of customer loyalty is the *word of mouth* behavior which refers to telling other people about customer's perception and evaluation towards a specific product or service provided by an organization. Word of mouth is also regarded as a critical outcome of customer satisfaction, as customers satisfied with the service provided, they frequently tend to share their positive experiences with others (Yi, 1990). Likewise, word of mouth has been long acknowledged as a key consequence of customer loyalty in the previous studies (Ye et al., 2011; Garnefeld et al., 2011; Severt et al., 2007). Word of mouth has been attracted much interest from marketers and scholars due to its substantial impacts on others' perceptions and impressions towards an organization. Even, word of mouth is considered as a reliable information source rather than other forms from the organization because it reflects the personal experiences in a specific context (Yi, 1990). Research findings found that the advice or comments from customer's friends, relatives and colleagues show the deep effects on the process of making decisions, product assessment and behavior intentions (Park and Lee, 2009; Zhang et al., 2010). Furthermore, the role of word-of-mouth has been extensively investigated through interactions between customer and customer in the literature of social interactions (Bitner, 1992; More 2005; Walter, Edvardsson, and Öström, 2010).

The final consequence of customer loyalty is the *willingness to pay more* which relates to "customer's intention to pay a higher price to one focal firm than other competing firms because they perceive value associated with the focal firm" (Ladhari, 2009). This consequence is closely associated with the financial performance of an organization because customers are willing to use the service at a higher cost than competitors, it helps the organization increase the profitability and improve the share of wallet (Marshall, 2010; Evanschitzky et al., 2012). The effects of customer loyalty on willingness to pay more have been frequently investigated in abundant studies (Varadarajan and Yadav, 2009; Evanschitzky et al., 2012). Researchers indicated that as loyalty is established, customers commonly have a low level of price sensitivity and more willingness to pay cost relating their consumption aiming to continue a relationship between them and their preferred brand. Customer loyalty is found to engender the emotional commitment to customer's favorable brand which boasts a strong connection in the long-term (Evanschitzky et al., 2012).

Moreover, loyal customers often make a consumption decision based on the consideration of emotional bonds instead of only centered on aspects relating to costs as non-loyal customers (Aksoy, 2013).

5.2.5. The relationship between satisfaction and loyalty

The relationship between satisfaction and loyalty has been long attracted much interest from scholars and marketers. Understanding the nature of the relationship between satisfaction and loyalty is highlighted as a critical subject in theory and practice. Because two concepts play a very considerable role in the organization's success or failure (Bodet, 2008). It is acknowledged that customer satisfaction is an essential antecedent to form customer loyalty and enhance business performance (Gremler, 1996; Oliver, 1997). Similarly, Dick and Basu (1994) revealed that customer satisfaction is significantly associated with the development of customer loyalty. The marketing theory identifies a close association between customer satisfaction and customer loyalty in a variety of fields. In order to achieve the foremost objectives of an organization such as profitability and revenue, it is important to integrate two concepts (Oliver, 1997).

In essence, customer satisfaction refers to the customer's evaluation of the difference between expectation in pre-purchase and true perception in post-purchase (Oliver, 1980). Customers satisfied with products or services provided as they meet customer's expectations, conversely it leads to customer dissatisfaction (Oliver, 1997). A satisfied customer results in approach behaviors such as continuing to purchase, holding less price sensitivity, spreading positive word-of-mouth behaviors and becoming a loyal customer (Yi, 1990; Anderson et al., 1994). Customer satisfaction offers knowledge of the extent to which customer's expectations are met by a specific product or service (Chen and Wang, 2009). While customer loyalty expresses an emotional bond between customers and organizations in the long-term, described through a series of positive responses such as recommendation, the share of wallet, willingness to pay more, repeat purchase (Allender and Richards, 2012; Evanschitzky et al., 2012; Brown et al., 2007).

As investigating the relationship between customer satisfaction and customer loyalty, Henning-Thurau and Klee (1997) examined it at two levels. Firstly, concerning the organization level, the literature relating to service management and relationship marketing has identified customer satisfaction as a critical determinant of customer loyalty which later impacts the organization's profitability. The second group concentrates on the individual level in which it was revealed that

customer satisfaction has a significant effect on customer loyalty. As customers satisfy with the providing of service or product, they tend to repeat purchases in the future. This perspective only considers the impacts of satisfaction on loyalty behaviors, without consideration of satisfaction as an essential part of customer loyalty.

In relevant research, Oliver (1997) examined the satisfaction-loyalty relation upon the six different levels (Figure 5.2). In the first level, Oliver (1997) considered that the nature of satisfaction and loyalty concepts are the same or they only are two different perspectives of the same construct. Nevertheless, this viewpoint is substantiated that it is not logical and exact. According to the definitions of two constructs, it is apparent that they are distinct. Satisfaction reflects the comparison between expectation and true perception (Oliver, 1997), while loyalty relates to the emotional bonds between customers and organizations overtime (Evanschitzky et al., 2012). In the case of 2 and 3, Oliver (1997) considered customer satisfaction as a critical component of customer loyalty. The second case views satisfaction as a central component of loyalty, while satisfaction is only regarded as a necessary element of loyalty construct in the third case. Of two situations, customer loyalty covers the concept of customer satisfaction. However, Oliver (1997) identified some cases in which customers satisfy but they do not tend to be loyal and conversely.

In the fifth situation, Oliver (1997) assumed that satisfaction construct and loyalty construct intersect at a certain extent. The percentage of interaction only accounts for a small part of each construct. Nevertheless, Oliver (1997) proved that two constructs don't exist a significant relationship in some cases. For instance, citizens have loyalty to their country without existing satisfaction. Otherwise, Oliver (1997) suggested a special notion that constructs of satisfaction and loyalty are included in a larger construct, namely "ultimate loyalty". Yet this case is very rare to happen. In the final assumption, Oliver (1997) recognized the relationship between satisfaction and loyalty as a process of transformation from "a caterpillar" into "a butterfly". According to this perspective, two concepts are the relatively distinct exception of their origin. This approach has been received much interest from scholars as dealing with the relationship between satisfaction and loyalty.

In summary, the relationship between satisfaction and loyalty is the central subject of relationship marketing. This relationship has been acknowledged in numerous publications in a variety of fields (Bodet, 2008; Oliver, 1980; Gremler, 1996; Evanschitzky et al., 2012). Generally, customer satisfaction is identified as a very critical construct that directly and substantially influences on

customer loyalty in almost situations. And the relationship marketing literature revealed that two constructs are distinct. The nature of this relationship can vary on the general level or individual level (Henning-Thurau and Klee, 1997). Regarding this relationship, customer satisfaction is viewed as an antecedent, while customer loyalty is viewed as a consequence.

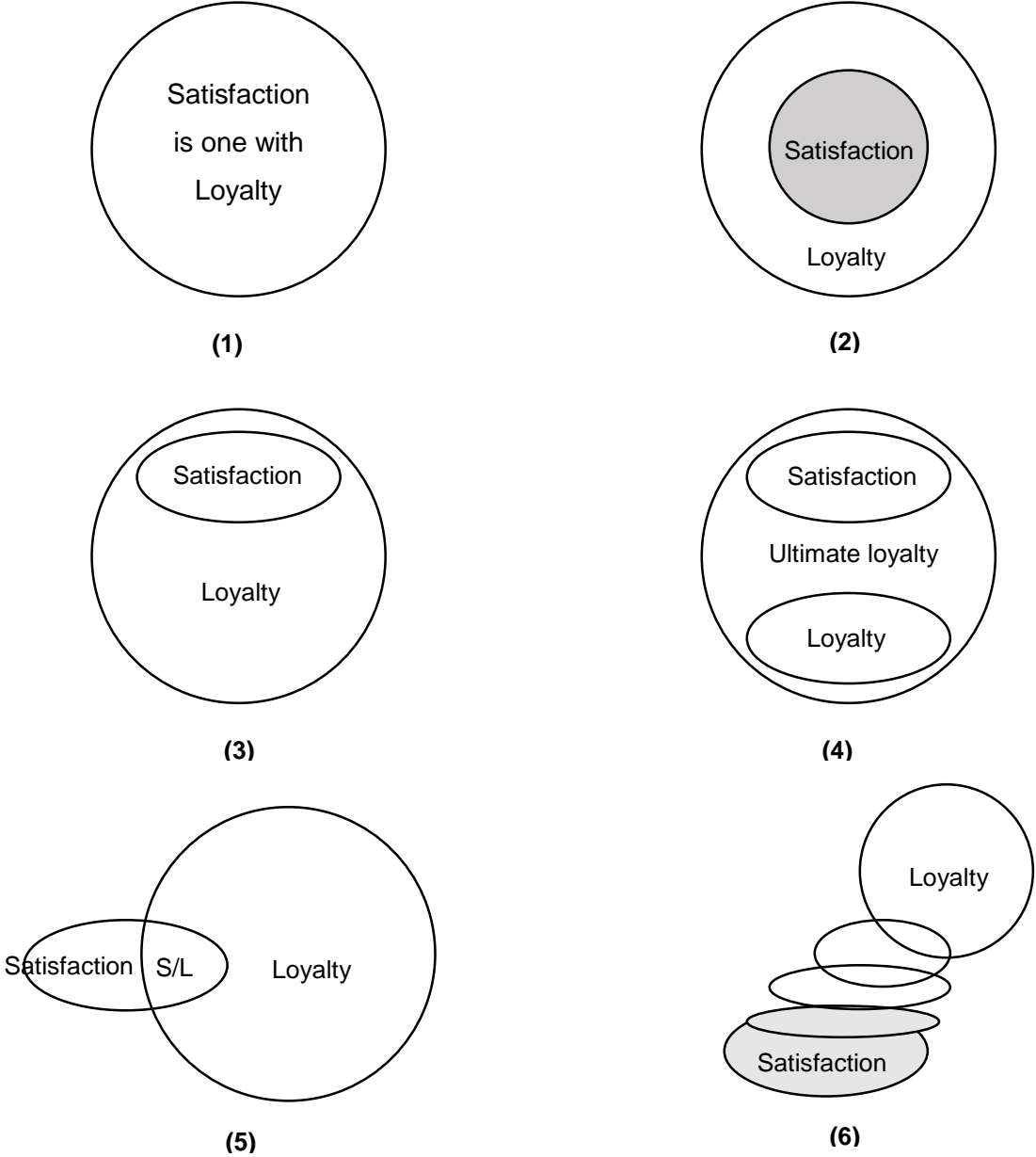


Figure 5.2. Six representations of satisfaction and loyalty (Oliver, 1999)

5.3. Employee emotion

In the service industry, the role of personal interactions between customers and employees has particular importance to the development of service experience, while the emotional aspect of interaction is a considerable factor (Gwinner et al., 1998). However, the importance of emotion in

service interaction has not been sufficiently investigated in service marketing literature, especially employee emotion in the service industry (Lin and Lin, 2011). Instead of discussing customer emotion towards service experiences, the present study focus on understanding the role of employee emotion towards their job performance and its effects on customer behavior. This section begins to introduce some concepts relating to emotion including affect, attitude and mood. We later make definitions of employee emotion in the service industry. The theories of emotion are also reviewed in the next section. Lastly, we discuss the effects of employee motion on customer behavior as well as employee behavior.

5.3.1. Concepts of emotion

According to behavior marketing, there is a lack of consistency in using terms relating to emotions. Bagozzi (1999) suggested that the term "affect" could be regarded as a set of specific psychological responses consisting of "emotion", "mood" and "attitude". While "affect" could be viewed as a general concept for the psychological feeling, rather than a specific mental process. On the basis of this perspective, Bagozzi (1999) defined *emotion* "as a mental state of readiness that arises from cognitive appraisals of events or thoughts; has a phenomenological tone; is accompanied by physiological processes; is often expressed physically (e.g., in gestures, posture, facial features); and may result in specific actions to affirm or cope with the emotion, depending on its nature and meaning for the person having it". In a relevant viewpoint, Ashforth (1995) simply understood emotion as "a subjective feeling state" including some basic mental responses such as love, anger, shame or happiness.

While Gardner (1985) conceptualized *mood* as "a phenomenological property of a person's subjectively perceived, affective state". The mood is not a zealous state with a certain objective, it is a broad and prevalent form without a specific target. It is distinct between moods and emotions. Emotions are relatively more intense and they are connected with particular behaviors and are likely to remain in a long time (Clark and Isen, 1982). Conversely, moods are not sustainable and they are easily impacted (Furnham, 2013; Isen, 1984). The final term relating to emotion is the *attitude* that expresses individual assessments rather than emotional forms (Bagozzi, 1999). In essence, attitudes are often measured on two opposite sides of emotion such as boring – interesting, delight – sad or positive – negative. Moreover, numerous scholars revealed that attitude is constituted by two different components including affective and cognitive evaluation (Lin and Lin, 2011).

Although these psychological states are important to behavior research, yet it is essential to distinguish the differences among these constructs. According to Bagozzi (1999), it is relatively difficult to separate the emotion from the mood. The most reasonable argument is that emotion exists longer and has a larger intensity than a mood. One more difference is that emotions are relevant to particular targets and behaviors, whereas moods seem general and no intentional (Frijda 1993). Furthermore, moods are not directly connected with behavior intentions in comparison to emotions. In general, emotions often express more intense in the ready state rather than described by moods or attitudes. The more intense covers both the mental reactions and the degree of physical expression on the body (Bagozzi, 1999).

Additionally, emotions are distinct from moods and attitudes in the way emotions evolve and establish in memory. Emotions happen to respond to changes in particular events. Oatley (1992) pointed that emotions are described as "transitions from one sequence of action and another," whereas moods happen "when the cognitive system is maintained in an emotion mode for a period". Therefore, moods are frequently against with adjustments in events surrounding them. It can be due to moods "depend on the dis-sociability of control emotion signals from semantic information about causation" (Oatley 1992). According to Frijda (1986), moods are discovered "after the effects of emotions; organismic conditions such as illness, fatigue, previous exercise, and good health, or pharmacological agents; general environmental conditions and side-effects of activities: heat, noise, environmental variety, stressful conditions".

In similar to emotions, attitudes are likely to evolve from changes events or happen to respond to mundane objects. Additionally, emotions include arousal component, whereas attitudes do not (Bagozzi, 1999). Moreover, attitudes could exist in a long time rather than emotions and they could be recovered. While emotions are the continuous states of readiness, they are not stored and recovered. Although it is possible to "recreate the conditions originally producing them in our memory and react emotionally to the thoughts so generated, at least up to a point; emotions can, however, be classically conditioned, but it is unclear whether attitudes can" (Oatley 1992). According to Bagozzi (1992), another difference is that the link of emotions with volition and actions is greater and more direct than attitudes.

In summary, it is important to distinguish the differences of psychological states including the affect, emotion, mood and attitude as well as their effects on consumer behavior. However, the centrality of the present study is an understanding of emotion and its effects on employees and

customers in the service environment. More specifically, we emphasize discussing the literature of employee emotion in the workplace and the role of employee emotion toward their job experience and customer perception during the service encounter.

5.3.2. Concepts of employee emotion

Emotion has been acknowledged as a critical aspect of the service experience (Oliver, 1997). With respect to the service industry, expressing positive emotion is a mandatory requirement to service employees during the process of delivering process (Ashforth and Humphrey, 1993). To create a favorable interaction between employees and customers, employees are frequently educated about skills to control their inner emotions and only present appropriate emotions in the service encounter. Nevertheless, employees' these emotions are not true emotions they experienced in the work environment. And the attempts which employees control to express favorable emotions to customers, result in creating "emotional labor" (Hochschild, 1983; Grandey, 2000). For scholars and managers, it is very essential to understand the difference between true emotion and emotional labor in the service industry (Pugh, 2001).

Employee affective delivery

Tsai and Huang (2002) described the emotional expression of employees in a service encounter by the term of "employee affective delivery". In addition, it is known through several similar terms including employee displayed emotion (Ashforth and Humphrey, 1993) or employee emotional labor (Hochschild, 1983). According to Hochschild (1983), she suggested emotional labor as a part of the work role which employees have to perform. Hochschild described emotion labor as a duty relating to "requiring face to face or voice to voice contact with the public, requiring the worker to produce an emotional state in another person, having an opportunity to exert some control over the emotional activities of employees". While Ashforth and Humphrey (1993) conceptualized employee displayed emotion as "the act of expressing socially desired emotions during service transactions". Based on this perspective, it is understood as a behavior of employees presented through the integration of "facial expression, spoken words and tone of voice such as smiling and thanking" (Rafaeli and Sutton, 1987). In a relevant perspective, Morris and Feldman (1996) documented emotional labor as the "effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions". In general, emotional labor is closely associated with service encounters because the employee displayed emotion

considerably influences on customer's perceived service experience through these interactions (Grandey, 2000).

Hochschild (1983) indicated that emotional labor is constituted by two aspects including "surface" and "deep acting". While surface acting happens as "employees display an emotion that could involve both suppressions of felt emotions and fake of unfeared emotions" (Morris and Feldman, 1996). In other words, deep acting refers to attempts to create expected emotions in employees' minds by themselves (Hennig-Thurau et al., 2006). For instance, the case of flight attendants in approaching and dealing with upset passengers by a sympathetic and understanding attitude. Meanwhile, surface acting attempts to modify outside appearances to be in accordance with job requirements, whereas deep acting is related to modifying inner emotional states to be in line with display rules (Hochschild, 1983).

Employee inner emotion

In contrast to employee emotional labor, employee inner emotion refers to true emotion employees felt in the service environment (Pugh, 2001). According to Sutton (1991), employees can be instructed to exhibit emotional labor which they don't actually feel, but emotional labor is still impacted by their inner emotions in the service encounter. Ekman (1985) found evidence that inner emotional states including positive or negative feeling are frequently exposed to the outside through facial expressions and voices regardless of attempts to constrain them. Another research conducted by Ambady and Rosenthal (1992) also revealed that even when attempting deception, "true feelings leak out through the behavioral channels that are less controllable". Moreover, research findings revealed that the employees' true emotional status is significantly relevant to their affective delivery in the service encounter (George, 1991; Pugh, 2001; Lin, 2011). In relevant research, Rafaeli and Sutton (1989) pointed out that the employee's emotional expressions as interacting with customers are not sure whether that is truly feeling or not. Therefore, they stated that it is critical to differentiate between displayed emotion and experienced emotion due to no clear line existing between the emotions employees feel and the emotions they are required to display.

In addition, Vey (2005) demonstrated that the discrepancy between emotional labor and true emotion is likely to result in some negative consequences including stress, psychological exhaustion, physical problems, job dissatisfaction which lead to decreasing employee productivity

and job quality. Furthermore, it was found that there are remarkable links among the pressurized level of emotional labor and the proportion of leaving a job as well as the costs relating to training and recruiting new employees (Sutton, 1991; Van Maanen and Kunda, 1989). They interpreted that expressing fake emotions during a long time could make employees feel tired, this leads to increasing the capability of quitting their jobs. At the same time, organizations have to spend more time and cost to recruit and train new employees again. According to these studies, it is very essential to assure that employees have good emotions as interacting with customers, nevertheless the differences between two emotional states could result in more harm than good. Therefore, service organizations need to provide a good work environment which leads to improving job experience and emotional states.

In summary, the role of emotion is very important to both customers and employees in service encounters due to its effects on service quality and customer satisfaction. While the effects of customer emotion on consumption behavior has been much discussed in previous studies, the importance of employee emotion in service encounter has been less investigated. In the service marketing literature, employee emotion is frequently understood through two forms including emotional labor and experienced emotion. Nevertheless, this study focuses on investigating the impacts of job environment on creating employee true emotion and its effects on the job experience and job satisfaction.

5.3.3. Theories of employee emotion

Emotion plays a central role in the consumption experience and employee emotion is a key factor to create a positive experience for customers. As such, many authors suggested theories to explain the antecedents and consequences of emotion in the workplace. In this section, we review two principal theories including the emotion regulation theory (Gross and James, 1998) and the affective events theory (Weiss and Russell, 1996).

The emotion regulation theory (Gross and James, 1998)

Gross and James (1998a) suggested the emotion regulation theory which is referred to as “the process by which individuals influence which emotions they have, when they have them, and how they experience and express these emotions”. Emotion regulatory processes may be automatic or controlled, conscious or unconscious, and may have their effects at one or more points in the

emotion generative process. Because emotions are multi-componential processes that unfold over time, emotion regulation involves changes in "emotion dynamics" (Thompson, 1990), or the latency, rise time, magnitude, duration, and offset of responses in behavioral, experiential, or physiological domains. Emotion regulation also involves changes in how response components are interrelated as the emotion unfolds, such as when large increases in physiological response occur in the absence of overt behavior (Gross and James, 1998a).

Gross and James (1998b) postulated five different strategies for emotional regulation which is likely to happen at five points on the chain of events. They can be grouped into two major types, including antecedent centered strategies and response centered strategies, based on "stage of the emotion generation process at which they are employed". As noted by Gross and Munoz (1995), *antecedent-centered strategies* are the most effective before the emotional reactions creation, whereas *response-centered strategies* have the largest effects after creating emotional reactions. According to Gross and James (1998b), employees participate in antecedent-centered emotion regulation strategies by manipulating inputs such as "surface acting and suppression", they can use this strategy to adjust their negative perception to certain circumstances aiming to better adapt their emotional responses. While employees engage in response-centered emotional regulation strategies by manipulating outputs such as "deep acting and reappraisal", this strategy can be employed to adjust individuals' reactions through suppressing or pretending emotions (Totterdell and Holman 2003).

Meanwhile, the group of antecedent-centered strategies consists of "situation selection", "situation modification", "attention deployment" and "cognitive change". Based on Gross (1998b), situation selection refers to "the avoidance or seeking out of situations, based on the past experience or forethought, which lead to the generation of a given emotional response". While situation modification relates to "attempts to modify a given external, physical situation such that the outcome may become more, or less, desirable". The third strategy is attentional deployment which is understood as a strategy to adjust the individual's emotions through "concentration or distraction". In contrast to the first two strategies, this strategy is employed to regulate emotion without adjusting or modifying the physical states. In this strategy, concentration relates to "directing attention towards the emotional features of the situation"; whereas distraction refers to "the shifting of attention away from, or towards, a different aspect of the situation" (Gross and Thompson, 2007). The final strategy of the first group is the cognitive change which involves "the ability to change how individuals appraise an emotional situation" (Ochsner and Gross, 2007).

For instance of reappraisal of an emotional situation, it could be listed such as threatening or rewarding which expresses one type of cognitive change. Ochsner and Gross (2005) indicated that the emotional reactions to one certain situation can be different upon various circumstances, goals and motivations through using reappraisal.

The second group of response-centered strategies includes response modulation which is employed to adjust individual's reactions towards emotional response generation (Gillespie, 2016). According to Gross and Thompson (2007), they indicated that response modulation relates to "direct influences on physiology, experience or behavior". For instance, using stimulants to adjust several attributes of emotional reactions. One of the most outstanding representations of response modulation is suppression which documents "emotionally expressive behaviors are inhibited while in a state of emotional arousal" (Gross and Levenson, 1993). Besides, suppression was shown to remarkably impact expressive behavior and physiology while constraining various emotional reactions (Gross and Levenson, 1997).

The affective events theory (Weiss and Russell, 1996)

While the emotion regulation theory (Gross and James, 1998) attempts to interpret the process of adjustment emotion individuals have and express, whereas the affective events theory (Weiss and Russell, 1996) focuses on individual's experienced affects which influence job performance and job satisfaction in the workplace (Figure 5.3). The conceptual model developed by Weiss and Russell (1996) explains and describes the relationships between employee's mental states and their responses to events happening in the work environment which later influence their attitudinal and behavioral consequences including job satisfaction, performance and commitment.

According to this theory, the centrality of the model is affective experiences described through two major antecedents including mood and emotion. Fundamental to the theory is the idea that affects levels fluctuate over time and the causes of affect can result in changes in work events or affective dispositions (Weiss and Russell, 1996). The events which result from various characteristics of the work environment can be "positive inducing events (hassles), negative inducing events (uplifts) or both". For an example of hassles events, it could be refusing to share of work by colleagues, job pressures or conflicting with managers. Conversely, completing a target and receiving support from colleagues is an example of uplifting events. These events constantly change over time and this leads to changes in affective responses corresponding to these changes.

The impact of events can be negative or positive, it depends on the nature of different events and the intensity level also varies upon various events. Due to the constant change of events and their effects on affective responses, behavioral and attitudinal outcomes are also changed correspondingly. While work environmental conditions describe some characteristics including ambient features, polices, job demands, the requirement of emotional labor, promotional opportunities and relationships in the workplace. In this model, the work environment causes indirect effects on affective experience by making certain work events, real or imagined.

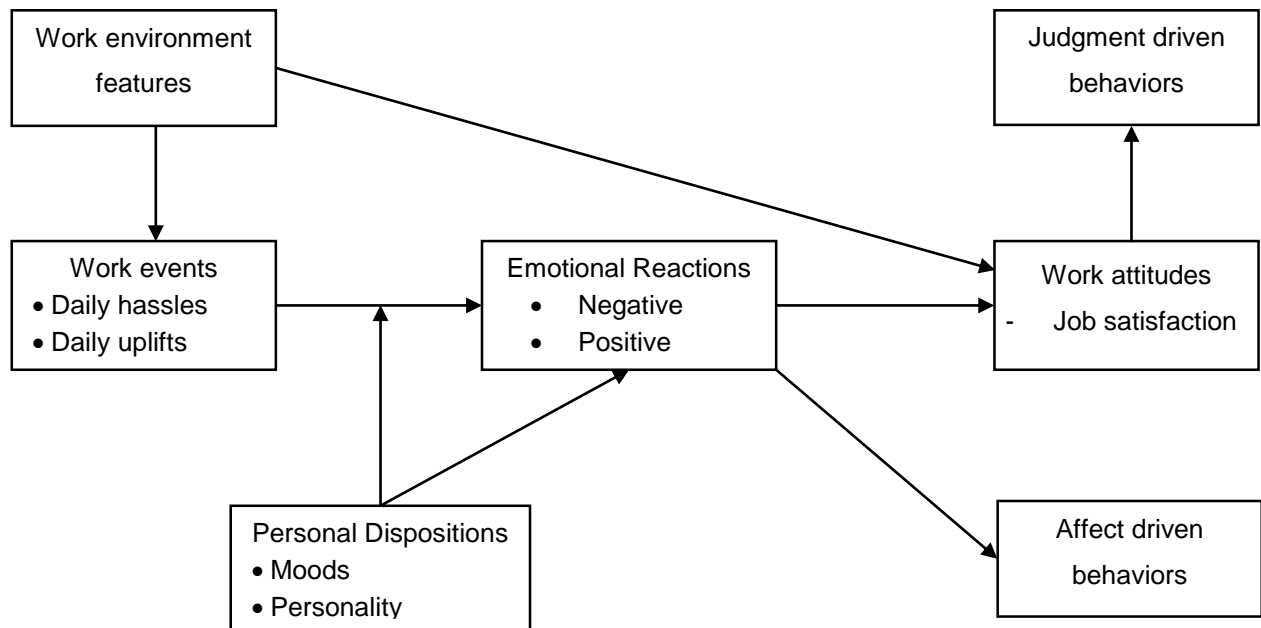


Figure 5.3. The affective events theory (Weiss and Russell, 1996).

The relationship between work events and affective responses is regulated by personal dispositions which refers to the employees’ personality (emotional stability) and mood. Besides, these dispositions directly influence on affective responses. Later, affective experience significantly affects the attitudinal and behavioral consequences. With respect to attitudinal outcome, job satisfaction is considered as a major consequence that is directly impacted by emotional experiences. Therefore, employee mood is a good predictor of job satisfaction. Besides, Weiss and Russell (1996) suggested that characteristics of the work environment have both direct and indirect influences on work attitude through (1) directly by evaluation in the cognitive judgment part of satisfaction and (2) indirectly through their influence on the likelihood of various events. However, these effects are applied to the general features of the work environment instead of every certain feature.

Regarding behavioral outcomes, they are divided into two categories: affective driven behaviors and judgment driven behaviors. Meanwhile, affect driven behaviors follow directly from affective experiences and are not mediated by overall attitudes. For example, the mood has influences on helping behaviors and probability judgments. In this type, because affect levels can continuously change, the affect driven behaviors tend to a relatively short duration and are high variability. Whereas judgment driven behaviors are directed shaped by overall evaluations of one's job and consequently any relationship between affect levels and these behaviors will be regulated by job satisfaction.

5.3.4. The role of employee emotion in the service industry

Almost preceding studies relating to employee emotion have concentrated on its effects on customers' affection, cognition and behavior. While little has been done in this field to describe the relationship between employee emotion and employee behavior. Therefore, the present study attempts to fill in this research gap by providing a better understanding of the role of employee emotion towards both the responses of customers and employees in the field of service.

Toward the perception of customers

The previous studies have been acknowledged the importance of employee affective delivery to customer's perception in service contexts based on three major characteristics (Bowen, 1990; Brown, 1991; Lin and Lin, 2011). Firstly, service employees are the representation of organizations when interacting with customers. Secondly, the role of emotional expressions is more emphasized in face-to-face interactions between customers and employees in the process of delivering the service. Lastly, because the nature of service is intangible and heterogeneous, customers thus have difficulties to assess the provided-service quality. According to these characteristics, the behaviors of service employees are often attached important to service encounters, especially emotional labor (Ashforth, 1993). These behaviors were shown to considerably influence on customer's service experience and satisfaction (Bowen et al., 1989).

More specifically, research findings showed that employee's positive emotion is likely to increase customers' emotional experience (Lin and Lin, 2011). In research of emotional contagion, Hatfield et al., (1994) found evidence that there is a significant linkage between a person's emotional exhibition and the emotional state of one another person. Moreover, Pugh (2001)

concluded that customers' mood experience is improved through the positive emotional expressions of bank employees such as smiling, increasing eye contact, displaying gratitude, extending greetings. In relevant research, Tsai and Huang (2002) pointed out that the positive affective delivery of sales employees is likely to create an affective connection between customers and employees which results in customer's better emotional experience. Similarly, prior studies have pointed that there is a significant relationship between employee positive affective delivery and customer positive mood which then improves customer satisfaction (Hennig-Thurau et al., 2006) and results in increasing approach behaviors (Ford, 1995; Tsai and Huang, 2002).

Furthermore, expressing the positive emotions of employees results in improving service encounter satisfaction. According to Harker and Keltner (2001), they indicated that the expression of positive emotion in service encounter is appraised as being more pleasant and polite. Therefore, the employee affective delivery is understood by customers as a part of the provided service (Grove and Fisk, 1992), and they often expect employees' positive emotional expression (Tsai, 2001). The previous works also supported that the exhibition of positive emotion in service encounter has a substantial impact on customer satisfaction and customer impressions (Pugh, 2001; Tsai and Huang, 2002).

Besides, employee affective delivery was shown to positively influence customer's behavioral outcomes including purchase intentions, visiting again or recommending to others (Rafaeli and Sutton, 1987; Tsai 2001). As noted by Schneider and Bowen (1985), the pleasant and intimate expression to clients is appraised as "a value-added part of service" provided by employees. It is believed that politeness and openness of service personnel are closely associated with customer satisfaction which in turn improves customer's commitment and loyalty to a specific organization (Chu, 2006). In a service context, Hochschild (1983) even highlighted employee affective delivery as a part of the actor, meanwhile, Hochschild assumed that "service is the show where the service employee is the actor, the customer is the audience, and the work setting is the stage". The workplace as a stage where employees have to perform for their audiences through expressions of positive emotions in service encounters.

Toward the perception of employees

The focus of most preceding works relating to employee emotion has been on the role of emotional labor to customer experience. Yet few studies pay attention to the effects of employee inner

emotion on their job experience and behavior. According to Furnham et al., (2013), they pointed that the happier employees tend to be more creative and productive in their job as well as have better capabilities of providing excellent service for customers. In other words, Cho (2017) found that the emotional states of employees are relatively complicated in monitoring and the positive or negative characteristics of the work environment are reflected through the change of emotion. Job stress and job disappointment are likely to result from failure to manage employee emotion. While Tesluk and Jacobs (1998) pointed out that employee emotion is recognized as one of the critical individual factors in predicting work experiences.

The relationship between employee emotion and job satisfaction has been investigated in previous studies. Research findings found that emotional states employee experienced a significant impact on their job satisfaction (George, 1991; Ekinci and Dawes, 2009; Fowler and Bridges, 2012). Furthermore, it is revealed that job satisfaction and commitment that are evaluated as key drivers of turnover intentions are also impacted by the employee's emotional responses to their job (Tett and Meyer, 1993). In another research, Ilies and Judge (2004) found that the pleasant mood about the job is likely to make a significant contribution to the prediction of overall job satisfaction. Fisher and Ashkanasy (2000) illustrated that affective experiences are relevant to the affective constituent of attitude factors such as job satisfaction and judgmental behavior such as a decision of quitting a job. Likewise, it has been argued that experienced emotions (positive and negative) impact on work attitudes including job satisfaction and organizational commitment (Ashkanasy and Daus, 2002).

To modelling the role of employee emotion (felt emotion and expressed emotion), Staw and Pelled (1994) proposed a relatively comprehensive framework about the linkage between employee positive emotion and favorable outcomes in the workplace (Figure 5.4). They suggested that positive emotions (felt emotion and expressed emotion) result in favorable consequences to the job through three processes of intervening. According to this model, the individual emotion at the workplace is constituted by two facets including felt emotion and expressed emotion, in which they are affected by each other. Both two components of emotion influence work outcomes through three intervening processes comprising "employees independent of their relationships with others, other's effects on employees and employees' responses to others".

In the first process, the positive emotional states impact two sets of performance processes including "task activity and persistence; cognitive functioning". This process reveals that

employees with positive emotions often have persistence and better cognitive function and they are rewarded by powerful people in organizations. In the second process, the model suggested that individuals with positive emotions are often favorably evaluated by others. According to this process, positive emotions influence employees' relationships with others through three effects including "interpersonal attraction, halo and social influences". It means that individuals with positive emotions are considered as to be more attractive. These employees are also rated by others that they have the desirable traits. Besides, they are likely to be more successful in social influences. In the final process, it was suggested that people with positive emotions often have tendencies to affect other people consisting of helping or cooperating. Later, these intervening processes result in favorable consequences for employees including "work achievement, job enrichment and supportive social context". Meanwhile, the achievement outcome refers to rewards relating to salary and incentives; while job enrichment relates to increasing the nature of the job in the organization with more variety and independence; and the final outcome reflects the social recognition from colleagues and supervisors in the company.

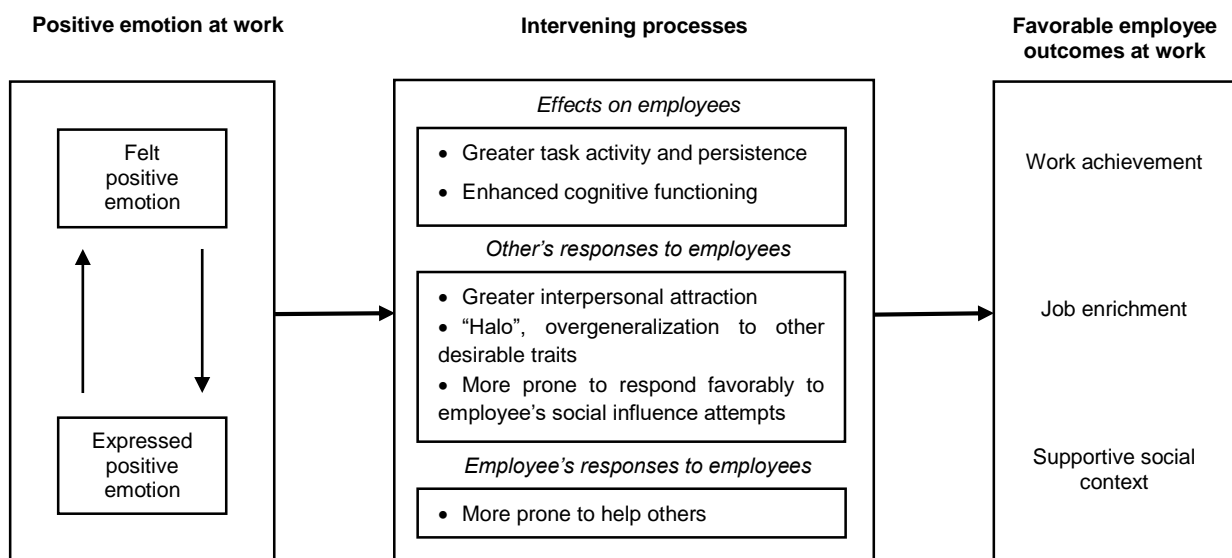


Figure 5.4. The link between employee positive emotion and favorable outcomes at the workplace (Staw, 1994)

In summary, this section attempts to provide a better understanding of the role of employee emotion to customers and employees in the service context, especially focuses on the relationship between employee emotion and related outcomes. Nevertheless, the above analysis shows that a significant lack of studies relating to employee experienced emotion and its effects on employee's behaviors is recognized. Although some scholars have investigated the subject of felt emotion in

previous works, they have not been sufficiently documented as expectation. A majority of research has been on the importance of employee affective delivery instead of considering employee true inner. Therefore, a part of this study concentrates on discussing and analyzing the significant relationship among factors including employee felt emotion, work environment, job experience and job satisfaction.

5.4. Work satisfaction

According to the perspective of internal marketing, employees are the internal customers of organizations and they are one of differentiating sources and competitive advantages. The employees are the representation of organizations in interacting and communicating with customers during the service transaction. Their attitudes and behaviors in the work process directly and substantially affect perceived service quality, customer satisfaction and customer loyalty to a specific organization. As a result, employee satisfaction is very important to service organizations because satisfied employees are likely to provide a better service, increase customer satisfaction and loyalty that lead to boosting organization profitability.

5.4.1. Concepts of job satisfaction

Job satisfaction has been a central subject of numerous publications in internal marketing. In the literature of organizational behavior, job satisfaction is viewed as an extremely important concept and it has been received much interest from organizations since it reflects employee's attitude towards the organization and the quality of work environment where they have committed to remain (Landis, Vick, and Novo, 2015). Although this concept has been extensively used in academic research and practical applications, there is still no exact definition of job satisfaction (Aziri 2011). Based on different perspectives, authors also make different definitions of job satisfaction. In this section, we review some of the most popularly used concepts on job satisfaction in previous studies.

The first concept suggested by Hoppock (1935) when job satisfaction is regarded as "any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job". Based on this perspective, job satisfaction is affected by different factors from both internal and external environment, yet it is still closely related to true inner feelings which employees perceive in their work. While Vroom (1964) conceptualized

job satisfaction as “affective orientations on the part of individuals toward work roles which they are presently occupying”. This concept also focuses on internal responses to the nature of the job, however, it does not describe the outcomes of these reactions in detail. In other words, Statt (2004) emphasized the outcomes of job satisfaction as they referred it as “the extent to which a worker is content with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation”.

Focusing on the attitudinal and feeling aspect, Armstrong (2006) documented job satisfaction as “the attitude and feelings people have about their work. Positive and favorable attitudes toward the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction”. In a relevant perspective, George et al., (2008) considered job satisfaction as “the collection of feeling and beliefs that people have about their current job”. According to them, the employees have job satisfaction as they achieve high feelings and beliefs towards their job. Therefore, the level of job satisfaction or job dissatisfaction is based on the level of perceived feeling and belief. Additionally, they also distinguish overall satisfaction from specific satisfaction towards various characteristics of work including colleagues, managers, physical work environment, salary or promotional opportunities. Likewise, Robbins and Judge, (2013) agreed that employees often understand their attitudes to work like job satisfaction which documents as “a positive feeling about a job, resulting from an evaluation of its characteristics”. While, the employees satisfy with the job as they have positive feelings towards their present job, whereas it reflects negative feelings towards the working environment and company, which leads to dissatisfaction (Robbins, Judge, and Millett, 2015).

Despite existing various definitions, yet the perspective has been often used and best-known on job satisfaction suggested by Locke (1969) when it described as “the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values”. According to this perspective, job satisfaction includes both the affective aspect and the cognitive aspect. While the affective component of job satisfaction refers to “the individual's immediate feeling state towards job-related factors” (Organ and Konovsky, 1989). It can be viewed as the degree of favorable emotional responses which employees perceive towards their job. The pleasure emotional states can result from a positive perception about the characteristics of delegated duties, a good work performance, a completed task or recognition from supervisors and colleagues. In other words, the cognitive component of job satisfaction relates to “the expectations and standards of comparison in terms of which current circumstances are being

evaluated” (Megginson et. al., 1982). This aspect is associated with the degree of employees’ satisfaction with every specific attribute of the present job.

Kalleberg (1977) indicated that the focus of the job satisfaction concept has been on a general affective perception of employees towards their work. It is important to distinguish the difference between overall satisfaction and satisfaction with various aspects of work characteristics. The specific aspects of job satisfaction are relatively broad, it contains "all characteristics of the job itself and the work environment which salesmen find rewarding, fulfilling, and satisfying, or frustrating and unsatisfying" (Churchill Jr, Ford and Walker Jr, 1974). Job satisfaction has been commonly evaluated via several interfaces such as satisfaction with coworkers, supervisor, customers, promotional prospects, job characteristics, salary policies, physical working environment and so forth (Brown and Peterson, 1993). As a consequence, Kalleberg (1977) revealed that job satisfaction is a unitary construct based on multidimensional causes. Meanwhile, an individual can satisfy this aspect but cannot satisfy with other aspects. More importantly, it is essential for individuals to achieve a balance among specific satisfaction and finally, they could have an overall satisfaction towards the job which they are presently occupying.

In summary, although there are different perspectives of job satisfaction in the internal marketing literature, yet the concept of job satisfaction suggested by Locke (1969) has been extensively investigated in previous studies. This concept is evaluated as being more holistic and exact due to considering both cognitive and affective aspects. Therefore, job satisfaction in the present study is referred to as “the pleasurable emotional state resulting from the appraisal of employee’s job as achieving or facilitating the achievement of employee job values in service environment” (Locke, 1969). Meanwhile, job satisfaction is a general combination of all specific satisfaction that individuals have towards their job.

5.4.2. Theories of job satisfaction

Job satisfaction has been a critical subject in the field of workplace psychology. Therefore, there are abundant theories relating to explaining human motivation in the work environment. Most of the works investigating job satisfaction start with Maslow’s needs hierarchy theory (1943). The studies later have developed and expanded the knowledge of job satisfaction by suggesting theories and models including Theory of Needs-Achievement theory (David McClelland, 1961), Herzberg’s two-factor theory (1959), Expectancy theory (Vroom, 1964) and Job characteristics

model (Hackman and Oldham, 1976). Of these, the two-factor theory and the job characteristics model have been extensively investigated in past research (Khan, 2010). Therefore, the two theories are the centrality of this section.

Herzberg's Two Factor Theory (1959)

The first theory relating to interpreting the antecedents of job satisfaction is the motivator – hygiene theory or Herzberg's two-factor theory (1959). This theory is one of the theories which is the most frequently used to explain the antecedents causing job satisfaction and job dissatisfaction (Aziri, 2011). It suggests that employees are shaped by various factors leading to job satisfaction or dissatisfaction in their work environment. These factors are classified into two groups, including factors causing job satisfaction (motivators) and factors causing job dissatisfaction (hygiene factors) (Figure 5.5). According to this theory, there is a significant difference between factors predicting job satisfaction and factors leading to job dissatisfaction. Two groups are not opposite, it means that increasing factors that cause job dissatisfaction does not result in improving job satisfaction, but the decreasing level of job dissatisfaction and conversely.

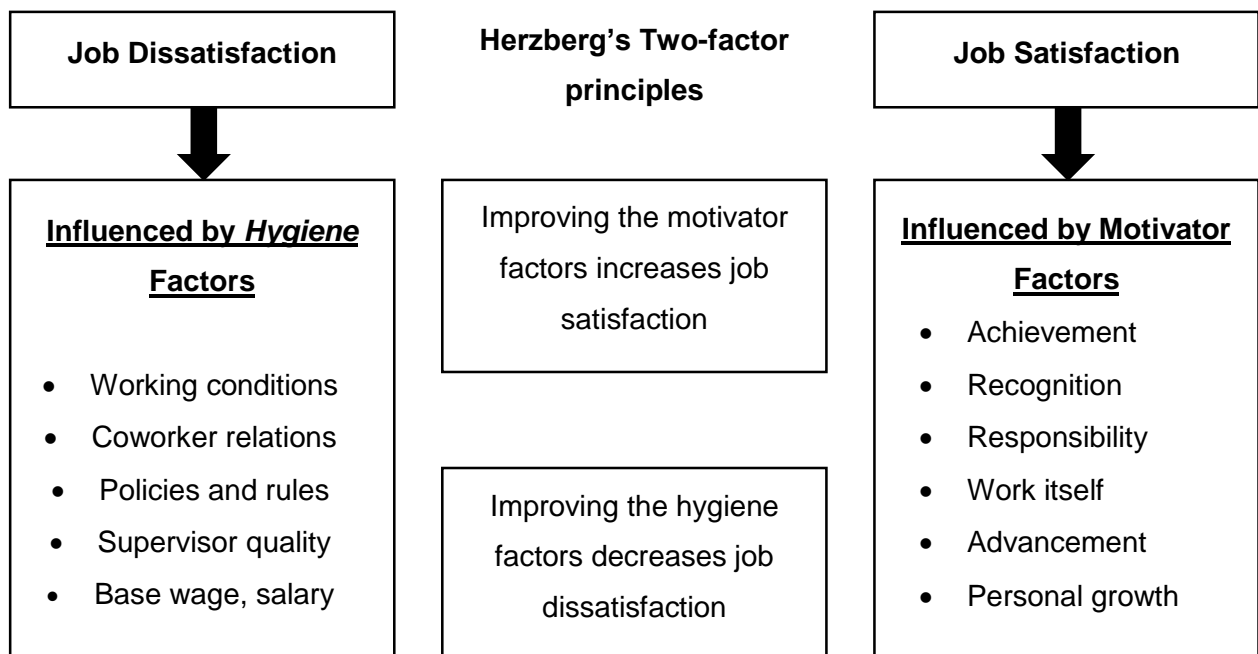


Figure 5.5. The Herzberg's two factor theory (1959)

Meanwhile, the hygiene factors relate to “the maintenance factors and comprise of the physiological, safety and love needs from Maslow’s hierarchy of needs” (Dartey-Baah, 2011). These factors are not directly relevant to job characteristics and are basic needs that support employee job. The absence of these factors leads to employee dissatisfaction, nevertheless, their appearance does not create motivation as well (Gibson, 2000). According to Herzberg (1959), the hygiene factors comprise of “working conditions”, “coworker relations”, “policies and rules”, “supervisor quality” and “base wage, salary”. They are called by a term of “hygiene factor” because these factors are necessary conditions to assure an available extent of job satisfaction and are likely to generate dissatisfaction. As noted by Huling (2003), these factors are not directly influential in increasing job satisfaction, yet they directly contribute to reducing job dissatisfaction.

In other words, the second-factor theory suggests that motivator factors cause employee satisfaction with a specific job that an individual is occupying. According to this theory, motivator factors are directly related to job characteristics and they are considered as the core nature of employee job (Dartey-Baah, 2011). The appearance of these factors creates strong motivation which helps employees well perform their performance, yet their absence is not directly associated with the high level of dissatisfaction. As a consequence, such factors are described as motivators or satisfiers (Gibson, 2000). The motivator factors comprise achievement, recognition, responsibility, work itself, advance and personal growth.

According to Herzberg (1959), various consequences can be generated by the integration of two-factor groups. Firstly, the high level of both hygiene and motivation leads to high job satisfaction and reduces employees’ complaints. Secondly, high hygiene with low motivation results in reducing complaints but remains low satisfaction. Thirdly, low hygiene with high motivation is the case where the characteristics of the job are very challenge and enjoyable, but the basic needs are not assured. Lastly, the worse situation is low in both hygiene and motivation where employees feel uncomfortable with both job and surrounding conditions.

Job characteristics model (Hackman and Oldham, 1976)

Based on empirical research, Hackman and Oldham (1976) suggested a model of investigating motivating conditions that affect employees’ job efficiency. This model is also called by a theory of work design which refers to “a set of implementing principles for enriching jobs in

organizational settings” (Oldham and Hackman, 2005). According to this model, it postulates that in the workplace, the core job characteristics are influential in the responses of psychological states which in turn result in the work and personal outcomes (Figure 5.6).

In this theory, Hackman and Oldham (1976) identified five key dimensions of jobs that foster the responses of psychological states. Meanwhile, three characteristics are relevant to the meaningfulness of the work, one characteristic is associated with the responsibility of outcomes and the last dimension contributes to boosting experienced knowledge of results. The first group includes skill variety, task identity and task significance. According to Hackman and Oldham (1976), skill variety relates to the extent of various skills and talents which are required by different tasks in employee’s jobs. While task identity refers to the degree in which employees engage and complete a specific job during a constant process with a tangible consequence. Task significance is understood as the extent of significant effects of the job which employees performed on the organization and other people. The second characteristic group which contributes to foster experienced responsibility of outcomes is autonomy. This dimension is associated with the degree of freedom and independence in making a final decision relating to the employee’s job. The final characteristic which is influential in boosting experienced knowledge of results is feedback. In this theory, the feedback factor is documented as “the degree to which carrying out the work activities required by the job results in the individual obtaining direct and clear information about the effectiveness of his or her performance” (Hackman and Oldham, 1976).

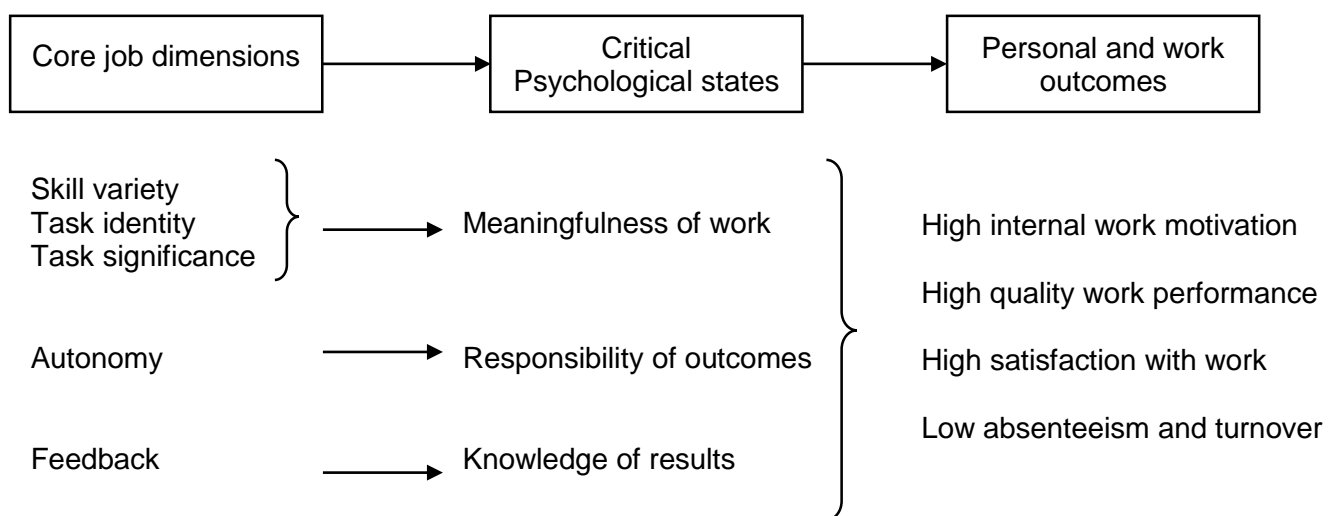


Figure 5.6. The job characteristics model of work motivation (Hackman and Oldham, 1976)

According to this model, the core job characteristics cause three responses of psychological states including “meaningfulness of work”, “responsibility of outcomes” and “knowledge of results”. Meanwhile experienced meaningfulness of work refers to the extent of meaningfulness, usefulness and worthwhileness resulted from employee’s perceived job experience. While the second mental state is the responsibility of outcomes which is understood as the extent of individuals’ responsible perception towards their job performance. The final state is experienced knowledge of results which relates to the extent of understanding and being aware of the effectiveness of job employees are occupying.

Subsequently, Hackman and Oldham (1976) suggested that the psychological responses result in some critical consequences including “quality of work performance”, “job satisfaction”, “absenteeism and turnover”. These outcomes tend to be more positive with jobs relating to high motivating potential score than for jobs with a low motivating potential score. Meanwhile, the motivating potential score is “the degree to which a job has an overall high standing on the person's degree of motivation and, therefore, is likely to prompt favorable personal and work outcomes”. Besides, Hackman and Oldham also postulated that “individual growth need strength” plays as a moderator in this model. They explained that there is a significant difference among individuals who vary on the need for personal growth and development towards responding to a job in motivating potential score.

In summary, the two-factor theory and the job characteristics model have been empirically supported by the relevant studies (Khan, 2010). Both two theories contribute to explaining the effects of motivating factors and basic factors on how employees satisfy and dissatisfy with their job in the organization. While Herzberg’s two-factor theory (1959) focuses on identifying basic factors causing job dissatisfaction as well as motivators causing job satisfaction, the job characteristics model (Hackman and Oldham, 1976) emphasizes the critical role of job characteristics towards job outcomes including job satisfaction through the psychological states in the workplace.

5.4.3. Antecedents and consequences of job satisfaction

In the increasingly competitive era of the service industry, service employee is a critical component of service. Employees’ attitudes and behaviors are closely relevant to customer’s perceived service quality, satisfaction and loyalty to a service organization. The employees who

satisfy with their job are likely to provide a better excellent service and improve customers' satisfaction as well as contribute to boosting organization profitability. Therefore, understanding the antecedents and consequences of job satisfaction is very essential to managers and researchers.

Antecedents of job satisfaction

Regarding the determinants of job satisfaction, Aziri (2011) stated that employees in the work environment are shaped by various factors, while some lead to satisfaction and some result in dissatisfaction. Identifying the causes of these outcomes is extremely important to theory and practice. Many works have conducted to investigate causes leading to job satisfaction in the previous studies (Brown, 1993; Yang, 2010; Aziri, 2011; Kumar, 2016). Generally, job satisfaction is determined by three major groups including individual, organizational and job-related factors.

The first antecedent of job satisfaction is *individual characteristics* which refer to demographic variables and personal traits (Brown, 1993; Iverson and Deery, 1997; Pizam and Thornburg, 2000). According to Brown (1993), demographic characteristics consist of age, education, gender, job experience or personal traits. Research findings found that these variables are likely to influence on job satisfaction, perhaps nonlinearly (Cron, 1984, 1986). Furthermore, Irshad and Summaira (2011) confirmed the significant effects of demographics variables including age, education level, marital status and salary on job satisfaction and organizational commitment. Besides, Lam et al., (2001) found evidence that rewards relating to the job can significantly influence job satisfaction. Likewise, Aziz et al. (2007) indicated that the financial rewards are likely to increase job satisfaction, reduce absence and boost turnover. Some studies discovered the effects of personality traits on job satisfaction and commitment to the organization (Martin, 2004; Silva, 2006). Irshad et al., (2011) also revealed that personal traits such as “extroversion, openness to experience, agreeableness and conscientiousness” are closely associated with job satisfaction.

Secondly, the factor relating to *organizational support and socialization* has been identified as a determinant affecting job satisfaction (Brown, 1993; Yang, 2010). Based on empirical research conducted by Cho et al. (2009), it concluded that there is a close linkage between the perception of organizational support and job satisfaction as well as the capability of leaving the job. Regarding organizational socialization, Young and Lundberg (1996) indicated that this factor

contributes to improving job performance and job satisfaction in the organization. Also, socialization activities such as training programs can reduce negative effects including role ambiguity, role conflict, and job burnout. Likewise, Tepeci and Bartlett's (2002) demonstrated that organizational socialization leads to increased job satisfaction and loyalty to the organization. Moreover, Spector (1997) demonstrated that the characteristics regarding the advancement and growth of organizations; opportunities and fairness of promotions contribute to shaping the employee's job satisfaction.

The final antecedent of job satisfaction is *job-related factors*. Research findings have identified that job satisfaction is under the influence of various characteristics concerning job such as “task autonomy, task significance, task variety, participation, influence over standards, innovativeness required, job involvement, value congruence, and pay” (Becherer and Richard 1982; Teas 1981). According to Brown (1993), employees achieve a larger satisfaction as their job tends to be more meaningful and challenging with greater involvement and higher benefits. In a relevant study, Lam and Zhang (2003) concluded that job satisfaction and commitment are closely related to job characteristics which describe the degree of job challenging, job importance, awards and justice. While empowerment and flexible work hours were shown to be influential in the enhancing of job satisfaction (Lowry et al., 2002). Furthermore, the controllable capability of job stress is also recognized as a significant factor for individual behaviors and job satisfaction (Kim et al., 2005).

Consequences of job satisfaction

Job satisfaction is a particularly important subject to organizations because it influences on various aspects of organization performance (Aziri, 2011). Prior studies have identified some critical consequences of job satisfaction including effects on output of organizations (service quality, customer satisfaction and loyalty) (Koys, 2003; Jung and Yoon, 2013), effects on financial results and operational performance (Koys, 2003; Chi, 2009), effects on the relationship between employees and organizations (Vanderberg and Lance, 1992), effects on employee themselves (Aziri 2011).

Firstly, job satisfaction is likely to lead to improving *service quality and customer satisfaction*. Chi (2009) interpreted that there is a significant linkage existing between what organizations treat their employees and what employees treat their customers. As employees satisfy and engage with their job, they often deliver better experiences for customers. Research findings revealed that

satisfied employees commonly work harder and more efficiently than dissatisfied employees (Gursoy and Swanger, 2007; Schneider, 1991). It was also found that employees who satisfy with their job are likely to deliver better services (Koys, 2003). Moreover, job satisfaction is regarded as an antecedent of *customer satisfaction and loyalty*. According to Arnett (2002), they indicated that job satisfaction plays a critical role in the development of the relationship with the organization's customers, employee satisfaction is influential in growing customer loyalty. Further, satisfied employees tend to express positive emotion and favorable behaviors in the interaction process with customers, which leads to strengthening the perception of service quality and customer satisfaction (Arnett, 2002). The relationship between customers and employees has been investigated by Heskett and Schlesinger (1997) in a model of service profit chain. While they demonstrated that job satisfaction and organizational commitment substantially impact customer's perceived value which then influences customer satisfaction as well as loyalty.

Secondly, due to providing better service and creating higher customer satisfaction, it can help companies achieve *financial goals and positive business performance* (Koys, 2003). According to Pantouvakis (2013), job satisfaction leads to generating customer satisfaction and loyalty which directly contribute to boosting organization profitability and business performance. Similarly, Heskett et al., (1994) indicated the linkage among organization profitability, growth rate, customer satisfaction and customer loyalty towards the service provided by satisfied employees. In another research, Chi (2009) reported that employee satisfaction is indirectly associated with financial performance. In addition, job satisfaction helps to decrease absenteeism and the number of accidents (Spector, 1997). Employee absence could lead to increasing costs relating to human management. Therefore, making employees satisfied with their job is also a way to reduce operating costs.

With respect to the link between employees and organizations, some studies have found a significant relationship between job satisfaction and *organizational commitment* (Wanous et al., 1984; Lo and Lam, 2002). Based on research investigated by Williams and Hazer (1986), they revealed that job satisfaction is influential in the development of organizational commitment that tends to reduce the capability of leaving the job. Likewise, Vanderberg and Lance (1992) recognized the close linkage between job satisfaction and employee loyalty. They suggested that employees with larger satisfaction levels tend to be more loyal to the organization. Besides, Yang (2010) also confirmed that job satisfaction is a good predictor of the affective commitment of employees to their organization. At the individual level, Law et al., (1995) stated that dissatisfied

employees typically feel uncomfortable and reluctant to interact with their supervisors. Williams and Hazer (1986) suggested that by satisfying expectations relating to employee job, managers can improve employees' connection and commitment to the present job and organization.

Finally, under the perspective of the employee, job satisfaction can be considered as one of the most important goals employees desire to achieve in work life. Aziri (2011) revealed a logic that “a satisfied employee is a happy employee and a happy employee is a successful employee”. Successfulness and happiness in works are closely associated with their life quality. Spector (1997) commented that job satisfaction is significantly associated with employees' emotional and mental states.

5.5. Conclusion

This chapter attempts to provide a better understanding of four major consequences relating to the present study including customer satisfaction, customer loyalty, employee emotion and work satisfaction. In the first section, we begin to introduce some principal concepts of customer satisfaction in the marketing literature. Meanwhile, we explain customer satisfaction to the service as the difference of perception between expectation and true perception of service experience (according to Oliver, 1980). We subsequently discuss two levels of customer satisfaction which have been frequently studied in previous works including specific satisfaction and overall satisfaction. Next, we describe the major antecedents and consequences of customer satisfaction in relevant studies. The key antecedents consist of “expectations”, “perceived performance” and “disconfirmation of beliefs”. While the critical consequences of customer satisfaction encompass switching brands, complaint behaviors, word-of-mouth and repeat purchase behavior.

Secondly, we discuss the concepts, levels, approaches, antecedents and consequences of customer loyalty. Meanwhile, the concept of customer loyalty is reviewed upon the different perspectives from a specific level to a general level. In this research, customer loyalty to the service is understood as the extent to which a customer expresses repeating consumption behavior towards a certain service organization and providing the positive information of brand to others as well as having no idea to use relevant services (Gremler, 1996). Later, the various levels of customer loyalty are described including loyalty to the brand, loyalty to the program, loyalty to channel intermediates, loyalty to employees and loyalty to service. Next, the concept of customer loyalty is understood upon three different approaches consisting of “behavioral approach”, “attitudinal

approach” and “composite approach”. We subsequently identify the important antecedents and consequences of customer loyalty which have frequently investigated by prior works. The critical antecedents of customer loyalty comprise corporate reputation, service customization, relational benefits, service quality, customer engagement, perceived value for money, trust, perceived value, switching costs, commitment, satisfaction, trust, social benefits, program loyalty, customer experience, satisfaction, switching costs, the rapport between customers and employees. While the key consequences of customer loyalty include profitability, the share of wallet, word-of-mouth and willingness to pay more. Lastly, we discuss the relationship between customer satisfaction and customer loyalty.

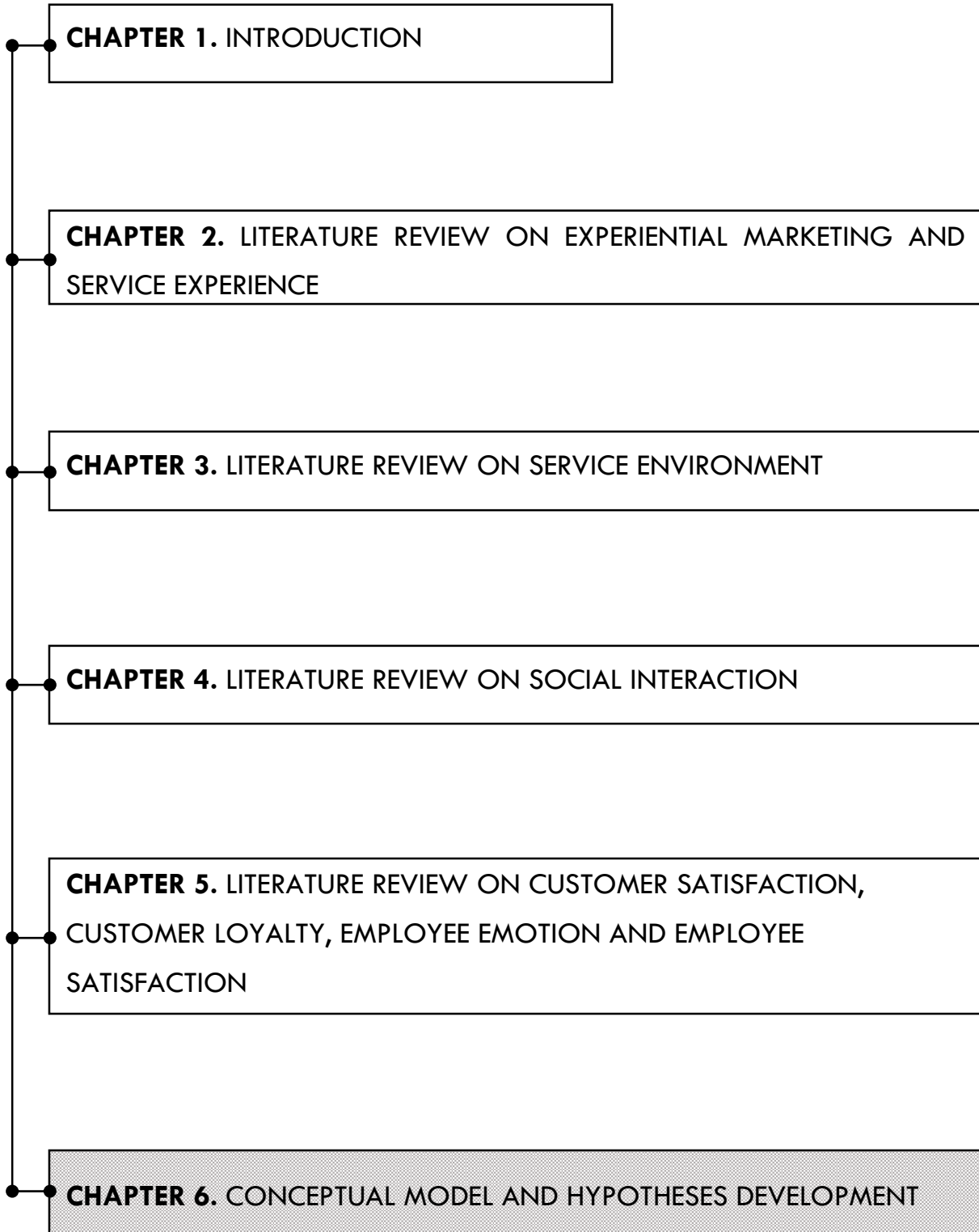
In the third section, we move to an understanding of employee emotion. The relevant concepts are discussed such as affect, mood, emotion and attitude. While emotion is understood as “a mental state of readiness that arises from cognitive appraisals of events or thoughts” (Bagozzi; 1999). Moreover, we distinguish the different two states of employee emotion in a service environment including employee affective delivery and employee inner emotion. Later, we review two theories relating to the role of employee emotion consisting of the emotion regulation theory and the affective events theory. We finally discuss the role of employee inner emotion in the evaluation of customers and employees.

In the final section, we describe the literature of work satisfaction in the service environment. Meanwhile, job satisfaction in the service industry is described as “the pleasurable emotional state resulting from the appraisal of employee’s job as achieving or facilitating the achievement of employee job values in service environment” (Locke, 1969). We later identify the key antecedents of work satisfaction including individual, organizational and job-related factors. And the important consequences of work satisfaction are also mentioned such as effects on the outputs of organizations, effects on financial results and operational performance, effects on the relationship between employees and organizations, effects on employees themselves.

In conclusion, this chapter contributes to identifying two research gaps, including (1) the relationship between service experience, customer satisfaction and loyalty; (2) the role of employee inner emotion towards both customer and employee responses in the field of service.

PART 1.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT



CHAPTER 6

HYPOTHESES DEVELOPMENT AND CONCEPTUAL MODEL

In line with research objectives, this chapter focuses on developing research hypotheses and suggesting a research framework. Meanwhile, we mainly investigate the effects of servicescape dimensions on the responses of both customers and employees in café stores. From the perspective of customers, we concentrate on exploring the impacts of café servicescape on customer's perceived social interaction and their effects on service experience, customer satisfaction and customer loyalty. From the perspective of employees, we analyze the role of physical work environment towards job experience, employee inner emotion, perceived social interaction and their effects on job satisfaction in the café environment. Finally, the relationship between customer variables and employee variables is identified. In summary, we postulate 23 hypotheses based on three research questions in the conceptual model (Figure 6.1).

6.1. Effects of servicescape and social interaction on customer evaluation of service experience, satisfaction and loyalty to coffee shops

6.1.1. Correlation between servicescape and customer's perceived social interaction

Although research findings indicated the effects of servicescape and social interaction on customer service experience, very few studies have been investigated the role of servicescape towards creating social interaction between customers and employees as well as among internal customers regardless of its importance to customer satisfaction and loyalty. This study thus attempts to facilitate a better understanding of the effects of servicescape attributes on two interactions in the café context, including customer-to-employee interaction and customer-to-customer interaction.

Servicescape and customer-to-employee interaction

Fowler and Bridges (2012) indicated that the effects of servicescape design on customer-to-service provider interaction have been less frequently studied although their relationship has been substantiated in the service literature. According to Walter et al., (2010), servicescape is significantly associated with social interactions since almost all interactions occur in the service

environment. Bitner (1992) is among a few scholars who suggested the impacts of physical surroundings on customer-to-employee interaction within the servicescape model. Bitner proposed that the positive perception towards environment stimulus may enhance the social interaction quality between customers and employees. Positive responses to ambience may strengthen customers' perceived encountering quality with service providers (Fowler and Bridges, 2012). It has been found that customers feel more courteous and friendly as communicating with the serving staff in a given atmosphere via using an ambient scent. Further, factors relating to the design of servicescapes such as space, function and aesthetics might contribute to socialization between customers and staff (Carù and Cova, 2015). Besides, seating arrangement at restaurants is found that it may encourage interactions between customers and chef who prepares meals in full view (Choi and Kim, 2015). Consequently, it is expected that the presence of environmental stimuli in café shops could considerably facilitate or constrain social interaction quality between customers and employees.

H1: Customer's perceived café servicescape positively affects customer's perceived interaction with employee

Servicescape and customer-to-customer interaction

Customer-to-customer interaction or peer-to-peer interaction which refers to “perceived judgment of the superiority of customers' interaction among one another and critical element of delivering a superior customer experience” (Lemke et al., 2011). In the present study, the focus of peer-to-peer interaction is interaction quality among internal customers. It may be explained since in the context of the coffee store environment, consumers typically gather into small groups or private couples in which they have close social ties and ignore interactions with strangers. Prior studies suggested that overall servicescape is significantly associated with the conversational quality among customers (Fakharyan, 2014; Moore, 2005). Moreover, Aubert-Gamet and Cova (1999) argued that social interactions are affected by the physical setting in which they occurred. Behaviors such as participation, assistance, small group interaction, aggression, group cohesion, and friendship formation are facilitated or inhibited by physical settings (Bitner, 1992; Sundstrom and Sundstrom, 1986). Further, Rashid-Radha (2015) concluded that the hostel servicescape has effects on social interaction among customers. In the hospitality industry, servicescape was shown to positively influence on peer-to-peer interaction and customer satisfaction (Fakharyan et al., 2014).

More specifically, Zemke and Shoemaker (2007) found evidence that ambient scent is closely associated with the number of mutual interaction behaviors among customers in the casino context. As well, space and function design were recognized as critical components aiming to enhance the conversation quality among the group. Sommer (1974) pointed out that seating arrangements in airports discourage comfort among travelers. Similarly, the disorganized seating arrangement in a concert hall may signal not only a bad service experience but also the unreliability of peer-to-peer interaction (Choi and Kim, 2015). In addition, the characteristics of physical setting such as the facilities, layouts, aesthetics influence approach behaviors (e.g., engage in valuable and helpful behavior toward other customers, share experiences with others, etc.) and avoidance behaviors (e.g., limited interaction with other customers) (Spangenberg and Henderson, 1996). Likewise, the positive evaluation of customers towards café servicescape is presumed to positively impact the customers' internal interaction quality. As such, the author suggests the second hypothesis as follows:

H2: Customer's perceived café servicescape positively affects customer's perceived internal interaction

6.1.2. Correlation between servicescape and customer service experience

The importance of servicescape to service experience has been frequently investigated in the service industry generally. For instance, Verhoef et al. (2009) developed a holistic framework that presents the creation process of customer service experience in the retailing setting. Meanwhile, the customer experience seemed as an outcome impacted by some important components such as social factors, physical surroundings, classification, price policies and promotional programs. Also, the physical environment was shown to significantly influence on customers' meal experiences in restaurants (Hersleth et al., 2005; King and Cronk, 2007). The emotional state of clients (positive or negative feeling) in the experience of dinner in restaurants was impacted by dining atmospherics (Liu and Jang, 2009). Walter and Edvardsson (2012) confirmed that the physical environment as a driver aiming to form the service experience of customers by using their own words. In the experiential research of British customers with resort brands, Ismail (2011) also substantiated the effects of hotel servicescape on service experience in entire the process of service consumption.

Furthermore, Wu and Li (2018) found that physical environment features are influential in visitors' experiential quality in the theme park. Meanwhile, the physical environment quality is under the influence of many dimensions including design, equipment, environment and ambience. According to Siu et al., (2012), they revealed that a good layout is likely to boost customer's professional and effective perception of the service facility as well as improving the quality of the entire service experience. It has been argued that the desirable moods of customers are relevant to the pleasant impressions of signs and symbols in a service facility that then positively influence their overall perceived service experience. Whereas, the functionality and comfort of facilities are considerably associated with customer's physical surrounding experience (Wakefield and Blodgett, 1996). Choi and Kim (2015) stated that a traveler may have a horrible experience at the airport because she or he has a hard time to find the signage of providing directions to the assigned gate.

In the context of coffee service, the physical environment quality has been regarded as one of the foremost components of customer experiential quality (Wu, 2017; Sinniah, 2018; Wu, 2019). The convenient location of a coffee outlet with comfortable seating, cleanliness and well-prepared equipment contribute to constituting the excellent experience quality among coffee customers (Wu, 2017). The appealing design and pleasant environment are more likely to facilitate positive emotions and experiences for customers in café shops (Sethjinda, 2019). Based on the preceding argument, the author suggests the third hypothesis as follows:

H3: Customer's perceived café servicescape positively affects customer service experience
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6.1.3. Correlation between social interaction and service experience quality

The interaction quality between customers and employees documents the perceived evaluation of customers towards employees in the service transaction (Wu, 2017, Lemke, 2011). Its importance to service experience has been acknowledged in previous studies (Bitner, 1994; Jamal and Naser, 2002). Research findings showed that the positive status of employees such as politeness, pleasantness, trustiness and helpfulness in face-to-face encounters with customers may increase perceived interaction quality which then leads to advancing the level of experience quality (Joon Choi and Sik Kim, 2013). Choi and Kim (2015) also argued that employee-to-customer interaction quality is a determinant of customer experience quality. Further, Wu (2011, 2018) indicated that the perception of experiential quality is impacted by four primary factors, including interaction

quality, physical environment quality and outcome and access quality. In the retailing setting, service personnel is one of the key attributes affecting customers' overall experience through communicating activities between guests and salespersons during the transaction period (Verhoef, 2009). Regarding the café setting, interaction quality is perceived to be one of the most critical aspects of experiential quality (Wu, 2017; Sinniah, 2018; Sethjinda, 2019). Customers evaluate interaction quality through employees' attitudes, behavior and problem-solving in the café environment (Wu, 2017). Accordance with the analysis above, the hypothesis is proposed as follows:

<p>H4: Customer's perceived interaction with employee positively affects customer service experience in the café environment</p>

While most of the works to date relating to social interaction only pay attention to the relationship between customers and employees, considerably less is known about the effects of customer-to-customer interaction on service experience. Baker (1987) and Bitner (1992) are two of a few authors referring to the importance of other customers on customer experience quality in the service facility. They pointed out that customer behaviors can be influenced or influence on other customers either directly or indirectly. Eroglu and Machleit (1990) considered peer-to-peer interaction as a characteristic of social factors in the service environment, for example as the effects of crowding on customer service experience. Customer's helping behavior was shown to affect customer service experience (McGroth and Otnes, 1995). Furthermore, Grove and Fisk (1997) recognized this interaction as an independent part of the experiential service process. Research findings showed that discussing with friends or relatives during shopping would improve customer experience by advancing customer confidence in making their purchasing decision (Price, Arnould and Deibler, 1995) and making them enjoy more pleasant shopping experience (Haytko and Baker, 2004; Rosenbaum and Massiah, 2007). It was also demonstrated that customer knowledge is likely to impact other customer service experience through a process of social interaction (Wu and C.H.J, 2007).

In relevant research, Kim and Choi (2016) found that customer experience quality is strongly shaped by two forms of social interaction customers have in mass service contexts including friend interaction and audience interaction. Additionally, H. Kim and Choi (2013) suggested that monitoring and improving the perceived interaction among customers is substantially associated with creating a superior customer experience. Wu (2019) also denoted that the peer-to-peer

interaction is treated as an important antecedent of experiential quality along with interaction quality, physical environment quality and outcome quality. These factors then result in positively enhancing experiential trust in green restaurants. Therefore, it is assumed that the positive perception of internal interaction among coffee customers also leads to significantly increasing their café experience quality:

H5: Customer's perceived internal interaction positively affects customer service experience in the café environment

6.1.4. Correlation between social interaction, service experience and customer satisfaction

In the service industry, employees are normally the first people of service facilities to communicate with customers and they attempt to remain necessary interactions with customers during the service transaction (Lin and Mattila, 2010). The employees could be regarded as the representation of service organizations (Lemke, 2011). Consequently, the quality of this interaction remarkably influences customer attitudes and customer satisfaction towards the provided service (Lemke, 2011). Furthermore, Gerrard and Cunningham (2001) concluded that making customer satisfied largely depends on the employee's interaction quality during the process of delivering the service. Jamal and Naser (2002) also argued that customer satisfaction is influenced directly by customer-to-employee interaction quality. Another further finding confirmed that the personal efforts and connections of service providers contribute to an important part in creating customer satisfaction (Jap, 2001).

In relevant research, Saad and Amy (2007) identified foremost factors that contribute to constituting customer satisfaction in the service context including employee behavior, service quality and perceived price. While employee behavior refers to various interactions and communications between customers and employees in the service transaction. Moreover, Wu and Liang (2009) demonstrated a significant linkage between the employee-to-customer interaction quality and the development of customer satisfaction in luxury-hotel restaurants. Likewise, Chen and Chien Min (2013) indicated the positive effects of personal interaction quality between customers and employees on customer satisfaction in the bed and breakfast market. Alhelalat et al., (2017) pointed out that customer satisfaction or dissatisfaction is remarkably shaped by the employee-customer interaction process. The attitude and friendliness of employees as interacting with their customers are closely associated with service quality and customer satisfaction. Even

Turkey and Sengul, (2014) revealed that this interaction has a more substantial effect on the customer than other variables, customer satisfaction is under the influence of pleasure experience through improving the personal interaction quality. Based on these arguments, the author suggests as following:

<p>H6: Customer’s perceived interaction with employee positively affects customer satisfaction to café stores</p>
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Meanwhile, service experience quality has long been known as a critical antecedent of service satisfaction in abundant studies. In research of heritage tourism experience in Taiwan, Chen and Chen (2010) identified the effects of experience quality on customer satisfaction and perceived service value. They suggested that customer experience is the centrality of heritage tourism activities, customer satisfaction is enhanced through improving the components of experience quality such as “hedonics, peace of mind, involvement and recognition”. In a similar context in Cambodia, Chen and Leask (2016) also concluded that tourists have higher consumption experience quality, they would be more satisfied with the provided service.

Furthermore, Kao et al., (2008) also found that consumer experiential quality towards theme parks is remarkably relevant to experiential satisfaction and loyalty intentions. Meanwhile, customer experiential quality includes four components such as “immersions, surprise, participation and fun”. As investigated by Amoah (2016), he demonstrated that customer experience quality to the guesthouse service in Ghana is strongly influential to the development of customer satisfaction and behavioral intentions. Meanwhile, guesthouses are encouraged to provide an excellent service experience that satisfies both functional needs and social-psychological benefits. In the research of the wine tourism industry, Fernandes (2016) investigated the determinants and outcomes of the visitor experience. Research finding showed that six factors contribute to constituting the tourism experience quality which then significantly influences on satisfaction, loyalty as well as word of mouth activities.

Wu (2018) also argued that perceived experience quality is closely relevant to corporate image and experiential satisfaction towards theme parks among visitors. Meanwhile, the visitor experience quality is shaped by various components including interaction quality, outcome quality or physical environment. Studies in the cafe setting found that customer experience is supported

as a direct determinant of service satisfaction among coffee customers (Yuan, 2008; Nadiri, 2013; Wu, 2017; Huang, 2017; Sethjinda, 2019). Therefore, it is suggested as follows:

H7: Customer service experience positively affects customer satisfaction to café stores

With regard to customer-to-customer interaction, abundant studies have explored that interaction quality between customers is a remarkably influential factor for generating customer satisfaction in the service environment. Previous research pointed out that the positive interaction quality influences not only customer satisfaction but also future patronage intention as well as the holistic evaluation of service quality (Moore et al., 2005). Additionally, Harris et al., (1997) revealed that satisfaction may be improved through the positively perceived interaction with other customers during the purchase process. Arnould and Price (1993) demonstrated the significant linkage between customer satisfaction and the interpersonal interaction between customers. On the basis of a study from visitors participating in the foreign travel service from Taipei, Wu (2008) tested the impact of customer-to-customer interaction incidents on visitor's satisfaction and loyalty towards the service provided. It was concluded that interaction incidents between customers lead to negatively affect customer satisfaction and loyalty.

In the hotel industry, Fakharyan et al., (2014) confirmed that the customer-customer interaction quality has positive and direct effects on hotel satisfaction. Similarly, the customer-to-customer interaction was shown to positively impact on customer satisfaction with the vacation in hotels (Zgolli and Zaiem, 2017). They also found that tourist nationality plays a moderating role in the relationship between customer-to-customer interaction and their reactions. Furthermore, Joon Choi (2013) investigated the effects of perceived outcome quality, interaction quality and peer-to-peer quality on customer satisfaction in the hospital context. Research finding revealed that three interactions contribute to enhancing customer satisfaction towards hospital services.

In the online environment, Hu and Lu (2017) recognized the positive relationship existence between customer-to-customer interaction and customer satisfaction in the social networking context. Some various behaviors of customers including posting, responding, discussing, participating or sharing are likely to increase the satisfaction level towards social networking sites. In another research, Ali and Kim (2016) investigated customer experience in theme parks in Malaysia. They pointed out that the interaction with other customers and with service employees is influential to the development of customer satisfaction and customer delight. In a relevant

service environment like the café setting, it is predicted that customer-to-customer interaction substantially contributes to customer satisfaction to café facilities. Upon these arguments, we postulate that:

H8: Customer's perceived internal interaction positively affects customer satisfaction to café stores

6.1.5. Correlation between social interactions, service experience and customer loyalty

Interact behaviors with staff are one of the experiences that customers hold in the service environment (Janet, 2008; Fowler and Bridges, 2012). Research findings indicated that customers who have a more positive relationship with service employees present a higher share of wallet and levels of service usage towards a specific service provider (Barnes, 1997; Gutek et al., 1999). In the context of the fitness center, Guenzi and Pelloni (2004) found that the higher closeness in the interaction between customers and employees results in increasing customer's behavioral loyalty to the service establishment. Moreover, Chen et al., (2013) indicated the close relation between customer-to-employee interaction quality and behavioral loyalty in the bed and breakfast market.

Also, Gremler and Gwinner (2000) revealed that personal connection is one determinant of rapport that is relevant to satisfaction, loyalty and word-of-mouth intentions. Later, Cetin and Dincer (2014) also confirmed that customer's interactions with the service environment and service employees remarkably impact their behavior loyalty in hospitality organizations. They found that the expressions of employees during the service transaction such as personal care, friendliness, pleasure or willingness to service are closely associated with customer's behavioral outcomes including positive word-of-mouth, repurchase in the future. Similarly, the positive perception of customer-to-employee interaction might be an important antecedent of customer loyalty to coffee outlets. Consequently, we propose that:

H9: Customer's perceived interaction with employee positively affects customer loyalty to café stores

With respect to the relationship between service experience and customer loyalty, Lee and Yang (2010) found that service experiential activities result in positive effects on customer loyalty in discount shopping malls. It has been argued that the positive service experience is likely to

produce an emotive link between service providers and customers and engender customer loyalty (Choi and Kim, 2015). Based on quantitative research in five-star hotels in Istanbul, Cetin and Dincer (2014) recognized the strong effects of customer experiences on customer loyalty and recommendation behaviors in service organizations. It was revealed that customer experiences are mainly determined by experiences in social interactions and the physical environment in hotels. The better perception of personal experiences contributes to improving customer loyalty and increasing positive word-of-mouth behaviors. According to Kim and Choi (2016), customer experience quality was shown to affect customer citizen behavior concerning behavior loyalty in mass service contexts. Meanwhile, customer citizen behavior refers to customer's positive feedback to organizations, helping other customers and making beneficial recommendations for organizations. Furthermore, Fernandes (2016) confirmed the positive effects of tourism experience quality on visitors' satisfaction, loyalty as well as word of mouth in the wine tourism industry. Therefore, in a similar context like coffee stores, the author suggests as follows:

H10: Customer service experience positively affects customer loyalty to coffee stores

Regarding the relationship between customer-to-customer interaction and customer loyalty, Fowler & Bridges (2012) stated that interact behaviors with employees and other customers are one of the experiences that customers have in a service environment. In the context of hair salons, Moore (2005) investigated the effects of customer-to-customer interaction in a model of service outcomes. Research finding revealed that the interaction between customers is substantially influential to the development of customer loyalty and the positive recommendation towards these service establishments. According to Guenzi and Pelloni (2004), they also demonstrated that the higher closeness in the interaction between customers leads to increasing customer's behavioral loyalty to the fitness centers.

Wu (2008) investigated the effects of customer-to-customer interaction incidents on visitor's satisfaction and loyalty towards the provided service. It showed that the interaction incidents between customers lead to negatively affect customer satisfaction and loyalty. Moreover, it has been argued that the development of interaction among customers is likely to remarkably affect tourist's behavioral response including satisfaction and loyalty to hotels in Tunisia (Zgolli, 2017). In a relevant context, customer-to-customer interaction was also found to have direct and positive effects on hotel loyalty and word-of-mouth among visitors in Tehran (Fakharyan, 2014). Accordingly, it is also assumed that the positive perception of customers towards internal

interactions is likely to strengthen the development of customer loyalty in the café outlet environment:

H11: Customer's perceived internal interaction positively affects customer loyalty to coffee stores

6.2. Effects of workspace and social interaction on employee emotion, job experience and job satisfaction in the café environment

6.2.1. Correlation between servicescape and employee's perceived social interaction

As discussed in the preceding section, the relationship between servicescape and customer-to-employee interaction has received very little attention from scholars. Only a few researchers have discovered this relation in previous works (Bitner, 1992; Zemke and Shoemaker, 2007; Walter, 2010; Fowler and Bridges, 2012). Especially, almost no studies have been evaluated the impacts of physical surroundings on social interaction experiences from the perspective of service employees. The service employee is a very critical component of service quality as they are first people interacting with customers in service encounters (Janet Turner et al., 2008). In addition, they also represent service organizations to deliver services to customers. Their satisfaction significantly impacts service quality which in turn influences customer satisfaction and loyalty (Leonard and Heskett James, 1991). This section thus attempts to facilitate a better understanding of the relation between the physical workplace and employee's perceived interactions with customers in the service context.

From the perspective of service employee, research findings indicated that ambience stimulus has been substantiated to result in the changes of cognition and emotion characterized by stressful or pleasurable states, that then lead to approaching or avoidance reactions such as employee's positive or negative word-of-mouth activities or recommends to other employees or customers (Mehrabian and Russell, 1974; Bitner, 1992). Fowler and Bridges (2012) found that a positive treatment in the ambient environment improves providers' perceived interactions with customers. Their findings showed that staff perceives their politeness and courtesy to be strengthened as interacting with customers through the presence of an ambient scent in the service environment. Additionally, prior studies pointed out that workspace, functionality and aesthetics can impact job satisfaction, emotion (Rafaeli and Vilnai-Yavetz, 2004) and employee behavior such as

interpersonal interaction (Davis, 1984). Furthermore, Carù and Cova (2015) demonstrated that aesthetic characteristics contribute to improving interaction quality between customers and service providers due to their effects on in-store individuals' psychology such as the presence of pictures or paintings, flowers or plants in the service context. In addition, spatial layout features in the work environment such as workspace density, the arrangement of tables and chairs, location of the reception area are likely to boost or decrease social interaction behaviors (Fried et al., 2001). Upon prior analysis, we postulate a similar relationship in the café setting as follows:

H12: Employee's perceived physical workspace positively affects employee's perceived interaction with customer in coffee stores

6.2.2. Correlation between servicescape and employee emotion

The role of servicescape to customer emotion has frequently discussed in previous studies (Jani and Han, 2015; W. G. Kim and Moon, 2009; Liu and Jang, 2009). Yet the effects of servicescape on employee emotion have been received less interest from the service marketing literature, especially employee inner emotion. In order to create a favorable interaction between employees and customers, employees are frequently educated about skills to control their inner emotions and only present appropriate emotion in the service encounter. Nevertheless, they are not true emotions employees experienced in the work environment (Sutton, 1991). The focus of this study has been on investigating the impacts of the physical workplace on employee truly emotion in service establishments.

Regarding employee emotion, some studies in the field of organizational behavior showed that the factors of physical work environment influence employee performance and employee emotion (Davis, 1984; Sundstrom and Altman, 1989; Janet Turner et al., 2008). According to research findings, the characteristics of physical surroundings including lighting, sound, cleanliness, air quality and workspace designed reasonably could contribute to establishing a pleasant physical work atmosphere that results in improving positive behaviors (Bitner, 1992; Moore et al., 2005) and advancing positive affective expressing (Tsai and Huang, 2002). Besides, Rafaeli and Vilnai-Yavetz (2004) shown that the functionality aspect of the work environment can impact job satisfaction and employee emotion in organizations. McCoy and Evans (2005) also argued that the elements of the workspace should be appropriate to decrease pressure and stress employees

feel while implementing their job. Therefore, the characteristics of café workspace are expected to foster employee inner emotion:

H13: Employee's perceived physical workspace positively affects employee inner emotion in coffee stores

6.2.3. Correlation between servicescape and employee job experience

The effects of servicescape on customer service experience have been frequently discussed in the service literature. Yet the impact of the service environment on its users has not been sufficiently studied (Bitner, 1992). Bitner (1992) is among the first authors who proposed a framework that evaluates the impacts of environmental stimulus on the internal responses of both customers and employees. Bitner called further studies to shed light on the impact of physical surroundings on the service provider's job experience. Interactions with the service environment customers have are a part of their consumption experience. Likewise, the job environment employees interact with is a part of their job experience (Janet Turner et al., 2008). Service provider's job experience is defined as "the cognitive, emotional, and behavioral responses that are created during the process of performing in a service role" (Janet Turner et al., 2008). As such, the physical work environment quality is expected as a determinant of work experience that then influences on work outcomes (Igarria, Parasuraman and Badawy, 1994).

McCoy and Evans (2005) illustrated that the ambient factors should be rationally designed to decrease job stress and facilitating to achieve a better job experience. Janet Turner et al. (2008) pointed out that appropriate lighting enables employees to have a full concentration and minimize error which leads to increasing job productivity in an organization. Wineman (1982) also argued that the features of workspace design, ambience and facility aesthetics are influential to employee's overall experience. Regarding the workspace density, higher workspace density could result in more uncontrollable interfering contacts from employees (Fried and Tiegs, 2001) and reduce the individual's experience at work as well as their ability to concentrate and complete their tasks (Oldham and Fried, 1987). In a service context like café stores, the author postulates the hypothesis as follows:

H14: Employee's perceived physical workspace positively affects employee job experience in coffee stores

6.2.4. Correlation between social interaction, employee emotion and job experience

In similar to social interactions of customers when participating in the service encounter, employees also have various interactions with the work environment including interacting with customers, with other employees and with the organization (Moore, 2005). Nevertheless, the present research focuses on investigating the effect of social interaction employees have with customers on their job experience. According to Soni et al. (2016), employee job experience embraces everything they observed, interacted and happened to them in the work environment including social interaction behaviors. All these interactions contribute to constituting employee job experience in a specific organization. Moreover, what customers interact in the service environment is a part of the customer service experience. And what employees interact in the work environment is a part of their job experience, including interaction with customers (Janet Turner et al., 2008). In a relevant perspective, Hanna and Burns (2004) illustrated that interaction with guests is one of the typical behaviors employees must perform within the service organization and their behaviors are influential to guest evaluations as well as employee job experience. Thereby, upon these arguments, the author suggests that:

H15: Employee's perceived interaction with customer positively affects employee job experience in coffee stores

According to Janet Turner et al. (2008), employee job experience seems as overall outcomes based on the combination of responses about cognition, emotion and behavior towards every specific task. While Rafaeli (1987, 1989) illustrated that delivering emotion is a part of the work role employees must perform in their job. Further, positive and negative emotions were found to have significant effects on outcomes at work (Staw and Pelled, 1994). Ashforth (1995) also stated that every fluctuation of emotion during the work process from delight to frustration, dissatisfaction to satisfaction, sadness to pleasantness contributes to generating the moment of job experience. Besides, Tesluk and Jacobs (1998) concluded that the emotion of employees is recognized as one of the critical individual factors in predicting work experience. Following the above analysis, it is proposed as follows:

H16: Employee inner emotion positively affect employee job experience in coffee stores

6.2.5. Correlation between social interaction, employee emotion, job experience and job satisfaction

The perceived social interaction in the service environment has been less discussed under the perspective of service employees. And its relationship with job satisfaction has been almost ignored in the service marketing literature. However, it has been briefly mentioned in some previous studies. With respect to the employees' viewpoint, interacting with the customer is one of the usual tasks that employees have to implement during the process of delivering service (Hartline and Ferrell, 1996), these responsibilities employees have done well would help to enhance their job satisfaction (Carsten and Spector, 1987; Brown and Peterson, 1993). The social interactions could be regarded as a part of job performance that is directly influential in the development of job satisfaction (Babin and Boles, 1998). Yoon and Park (2012) identified customer's participation in the service encounter process as a critical antecedent of employee satisfaction. Drawn from these discussions, it is assumed as follows:

H17: Employee's perceived interaction with customer positively affects job satisfaction in coffee stores

The relationship between job experience and job satisfaction has also been recognized in previous studies. Locke (1976) identified this relationship when describing job satisfaction as "a pleasurable or positive emotional state resulting from a person's appraisal of their job or job experiences". Research findings denoted that more positive job experience is expected to result in a higher job satisfaction level (Irving and Meyer, 1994; Caligiuri and Burgi, 2001). It was also confirmed that employee satisfaction should be treated as a determinant of overall satisfaction (Oliver, 1977). In the research of foreign labor, it was pointed out that when employees have a better perception of job experience, their satisfaction with the current job is improved. In contrast, they may feel less satisfied as job experience is negatively perceived (Novicevic, 2007). Further, Soni et al. (2016) agreed that employee experience is influential in the development of job satisfaction. They recommended that it is essential for organizations to create a positive job experience that significantly influences job satisfaction as well as generates considerable word-of-mouth effects among the labor force. Accordingly, the author postulates as follows:

H18: Employee job experience positively affects job satisfaction in coffee stores

Emotion is extremely important to service employees who frequently interact with customers. The nature of service work requires employees to be always willing to express a positive feeling as serving customers (George, 1991). In other words, emotional states employee experienced a significant impact on their job satisfaction as well. According to Cho and Park (2017), monitoring and controlling employees' emotional responses is relatively complicated. And they also indicated that the positive or negative characteristics of the work environment are reflected through the change of emotion. Job stress and job disappointment are likely to result from the failure to manage employee emotion (Cho and Park, 2017). According to Tett and Meyer (1993), job satisfaction and organizational commitment, which are typically evaluated as the key drivers of turnover intentions, are considerably impacted by employee's emotional responses to their job. Furthermore, Ilies and Judge (2004) found that the pleasant mood about the job is likely to make significant contributions to the prediction of overall job satisfaction. Additionally, it has been argued that experienced emotions (positive and negative) impact work attitudes including job satisfaction, judgmental behavior and organizational commitment (Ashkanasy and Daus, 2002; Fisher and Ashkanasy, 2000). Based on preceding arguments, we thus propose that:

H19: Employee inner emotion positively affect job satisfaction in coffee stores
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6.3. The relationship between customer variables and employee variables in the café context

6.3.1. Correlation between employee emotion, social interaction and customer satisfaction

Employee emotion influences not only on their job experience but also on customer's perception as interacting with the employee. According to Fowler and Bridges (2012), they concluded that when a service provider is in an unpleasant mood, customer's perception towards the service provider's behavior is more negative in the service atmosphere. Bitner (1992) also demonstrated that decreasing or increasing interaction quality between customers and employees is shaped by negative or positive internal reactions including emotion and cognition. In research of emotional stability, Ekinci and Dawes (2009) found evidence that employees' emotional stability is significantly associated with interaction quality between customers and employees. Likewise, emotional stability is characterized as a predictive indicator of job performance involving interpersonal interactions, especially in the case of helping others (Barrick and Mount, 1998).

Furthermore, Frei and McDaniel (1998) also illustrated the considerable relation between emotional stability and social interactions. In the emotional contagion framework, Furnham (2013) indicated that affective transfer occurs in employee-to-customer interactions. The mood of each individual in an encounter will influence another, so customers will leave an interaction happier when the employee is in a good mood and conversely. Also, Babakus (2003) concluded that the emotional states of employees play a critical role in determining their subsequent behaviors including how they interact with customers, especially in service jobs. Based on preceding arguments, we therefore propose that:

H20: Employee inner emotion positively affect customer’s perceived interaction with employee in the café setting

The inner emotional states of employees are frequently exposed when interacting with customers in the service environment (Fowler and Bridges, 2012; Furnham, 2013). Therefore, customers popularly perceive employee emotion through face-to-face interaction with employees, who directly serve customers. Besides, they also are likely to perceive these responses through facial cues and vocal expressions by other employees who do not directly participate in the service encounter. Abundant evidence argues that the employee’s overall emotional reactions might significantly influence customer evaluation to service satisfaction. For instance, Idris et al. (2017) found that the responses of employees such as attitude, affective, behavior to service encounter are a critical determinant to the success of a service organization as it is likely to influence on guest’s overall satisfaction during their stay in hotels which results in enhancing the positive experience as well as return intentions in the future. According to Janet Turner (2008), in terms of interactive services, customer satisfaction and experience with the service are affected by providers’ emotional states and readiness to serve. Customers often interpret an employee’s emotional expression as a part of the service itself, and they hold expectations to be served by employees in positive-emotions (Lin, 2011; Tsai, 2001). Indeed, the expose of employee emotion potentially influences customers’ overall impressions and perceptions about the provided service (Lin, 2011; Tsai and Huang, 2002). Even, it has been found that the employee smiling could partially improve customer evaluation to service satisfaction (Hennig-Thurau et al., 2006). Based on the above discussions, the following hypothesis is suggested:

H21: Employee inner emotion positively affect customer satisfaction to café stores

6.3.2. Correlation between job satisfaction, customer satisfaction and customer loyalty

The relationship between customer variables and employee variables has been investigated by Heskett and Schlesinger (1997) in a model of service profit chain. These links might be understood as following: employee variables such as job satisfaction, commitment and loyalty impact on the value perception of customers about products or services that then impact customer satisfaction. Further, customer satisfaction then influences customer loyalty which contributes to enhancing corporate financial results. Jung and Yoon (2013) suggested an empirical model highlighting the relation among employee satisfaction, customer satisfaction and customer loyalty in the context of the family restaurant. The relationship between job satisfaction and customer satisfaction has been confirmed in the supermarket (Manuel & Pedro, 2003), transport (Pantouvakis, 2013) and grocery retail (Kearney, 2013).

Regarding studies on customer satisfaction and loyalty, Oliver (1999) noted that there is a considerable correlation between satisfaction and loyalty. Service quality and customer satisfaction have long been treated as two major antecedents of loyalty towards service providers generally (Kim, Lee and Yoo, 2006; Jung and Yoon, 2013; Choi, 2017; Wu, 2019). It has been argued that customer loyalty results from a high level of customer satisfaction (Sui and Baloglu, 2003). Not exception, the studies in the coffee setting also argue that customer satisfaction is influential in the development of customer loyalty to café shops (Wu, 2017; Nadiri, 2013; Sethjinda, 2019; Han, 2018). When customers are satisfied, the consumptive behaviors of coffee are repeated and the positive information is spread among customers (Choi, 2017; Kim, 2017; Susanty, 2015). Based on the above discussions, we suggest two final hypotheses as follows:

H22: Employee job satisfaction positively affects customer satisfaction to coffee stores

H23: Customer satisfaction positively affects customer loyalty to coffee stores

6.4. Research framework

In literature regarding the effects of environmental cues on individual behavior, the stimulus-organism-response (S.O.R) model (Donovan and Rossiter, 1982; Mehrabian and Russell, 1974) is evaluated as a solid foundation for almost relevant studies. Although this model was developed in the psychological field, yet its relevance has been verified to explain the effect of environmental conditions on consumer behavior in different contexts (Baker and Cameron, 1996; Turley and Milliman, 2000; Ryu and Jang, 2007). The S.O.R model suggests that the environmental stimuli

(S) cause changes to people's internal emotion states (O), which then result in approach or avoidance responses (R).

According to this paradigm, Bitner (1992) proposed a servicescape model that postulates that environmental stimuli impact the perceptions of customers and employees that then lead to their attitudinal and behavioural reactions as well as influence their social interaction quality. Based on the above theories, the present study proposes a conceptual framework that investigates the effects of servicescape and social interaction on the experience of customers and employees in the café setting (Figure 6.1). More specifically, this framework suggests that customers and employees within the café environment are significantly affected by a variety of objective environmental factors including ambient conditions (lighting, music, sound, air quality, odors); space and functionality / workspace and functionality; signs and symbols; facility aesthetics; and cleanliness. The physical stimuli from this environment cause the affective and behavioral responses for both customers and employees who are present in a shared environment.

In terms of employee perspective, the experiences of the café workspace cause employees' inner emotional reactions and impact their perceived interaction quality with customers. Three factors later together constitute employee job experience and determine the level of job satisfaction within the café work environment. In terms of customer viewpoint, the experiences of café servicescape influence their social interaction quality including customer-to-employee interaction and customer-to-customer interaction. The evaluation of customers towards servicescape and social interactions generate the overall service experience and then influence the development of customer satisfaction and loyalty to café facilities. Additionally, employee evaluation of job satisfaction and their inner emotional reactions could constrain or facilitate customer evaluation of interaction quality with employees and the level of service satisfaction provided by coffee stores.

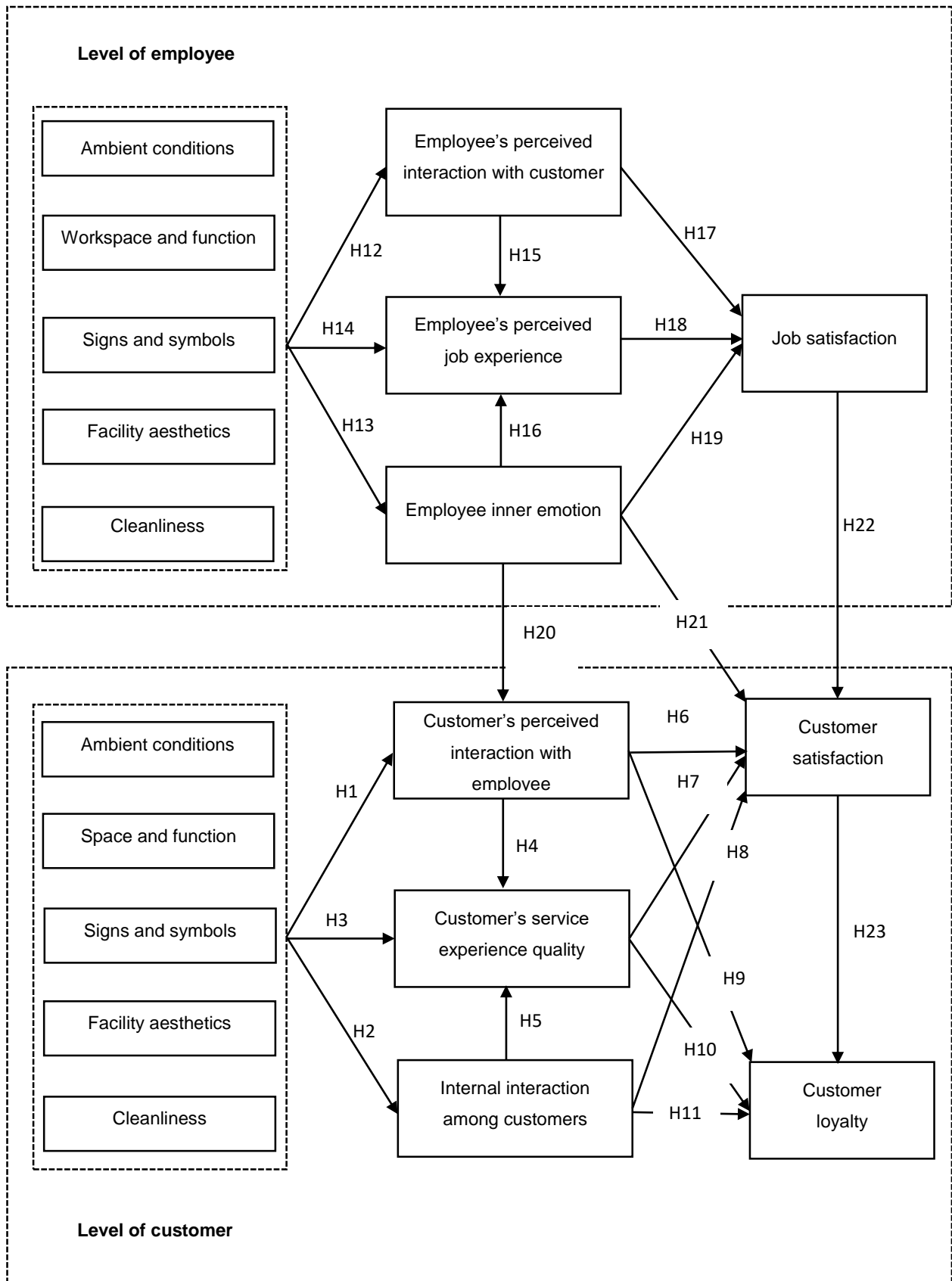
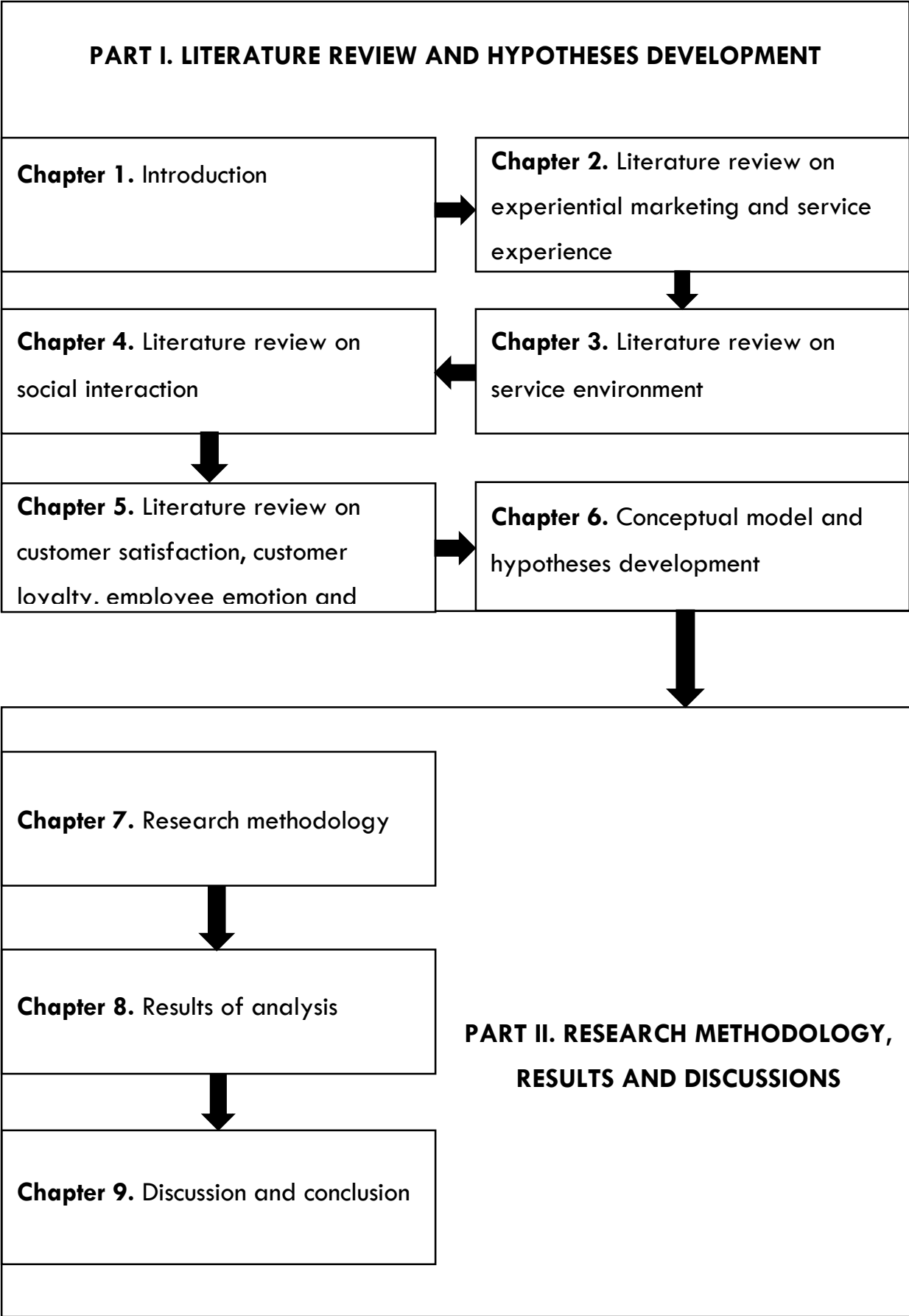


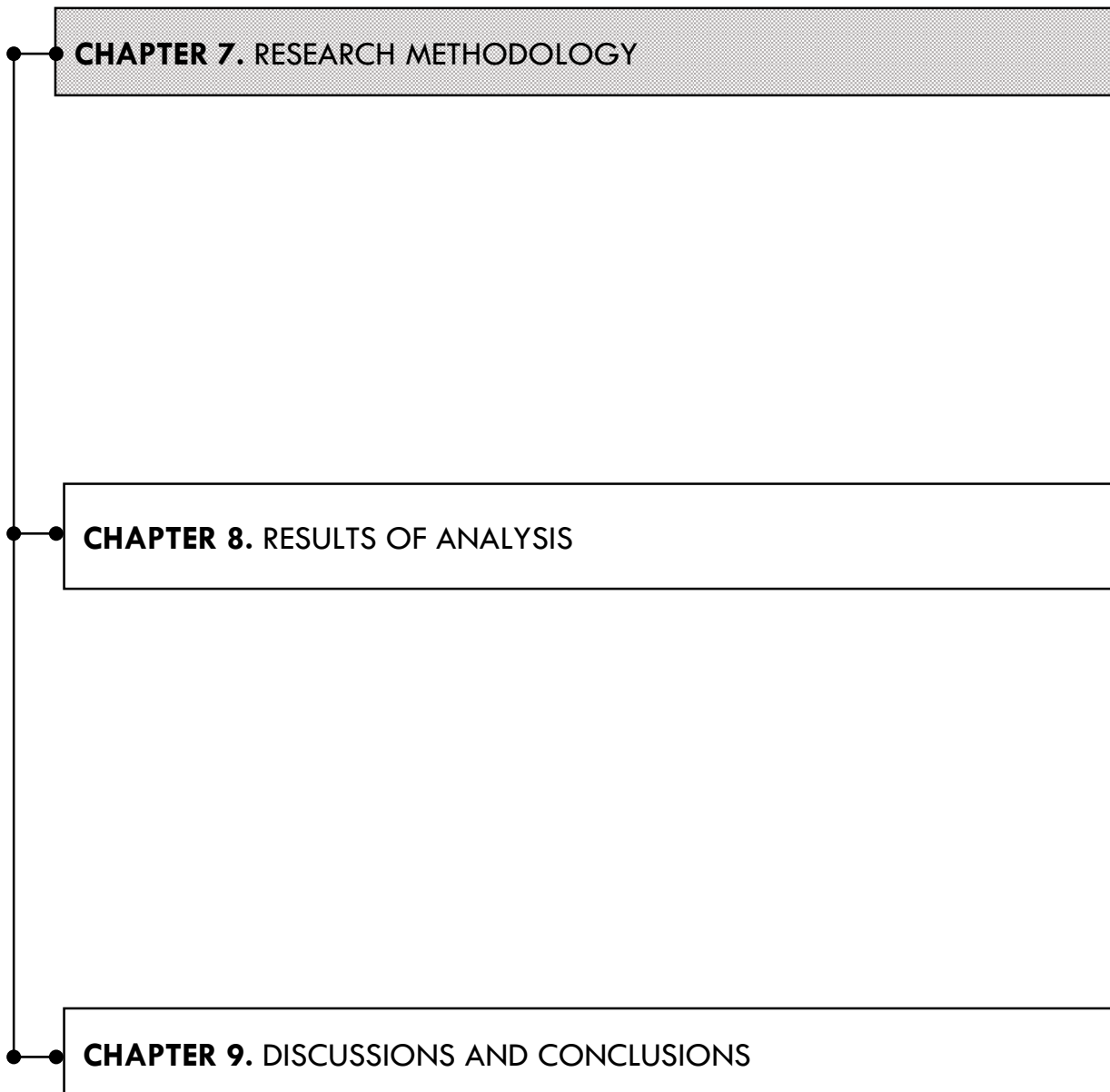
Figure 6.1. The research framework



PART 2.

RESEARCH METHODOLOGY,

RESULTS AND DISCUSSIONS



CHAPTER 7

RESEARCH METHODOLOGY

This chapter describes the process from the definition and measurement of variables, sample selection, data collection to analytic methodology. Firstly, it begins with preliminary introducing the research process. We then present the research scope in the next section. Thirdly, the definition and measurement of variables are offered. This section focuses on developing items to measure major factors in the research model. Subsequently, we describe the design procedure of survey instruments to collect data. The process of selecting sample and data collection are exhibited in the fifth section. Lastly, we describe the analysis procedure from the descriptive statistical analysis to the structural model analysis.

7.1. Research design

According to the guidelines suggested by Bagozzi (1994) and Emory (1995), the research design of this study is implemented based on major four periods: (1) reviewing the literature and identifying research gaps, (2) developing propositions and suggesting the research model, (3) building the measurements of variables and (4) collecting the data and analyzing research results. The present study is developed upon the servicescape model by Bitner (1992) who postulated to investigate the effects of environmental stimulus on the emotional, cognitive and behavioral responses of both customers and employees in the service environment. In this study, author concentrates on investigating the effects of servicescape on service experience, job experience and social interactions between and among customers and employees as well as their effects on job satisfaction, customer satisfaction and customer loyalty in the café setting. After identifying research gaps and suggesting the research model, the quantitative method is mainly employed to analyze the research data. SPSS is majorly used to analyze descriptive statistics and the structural model is analyzed by Partial Least Squares SEM (PLS-SEM). The steps of the research procedure are presented in Figure 7.1.

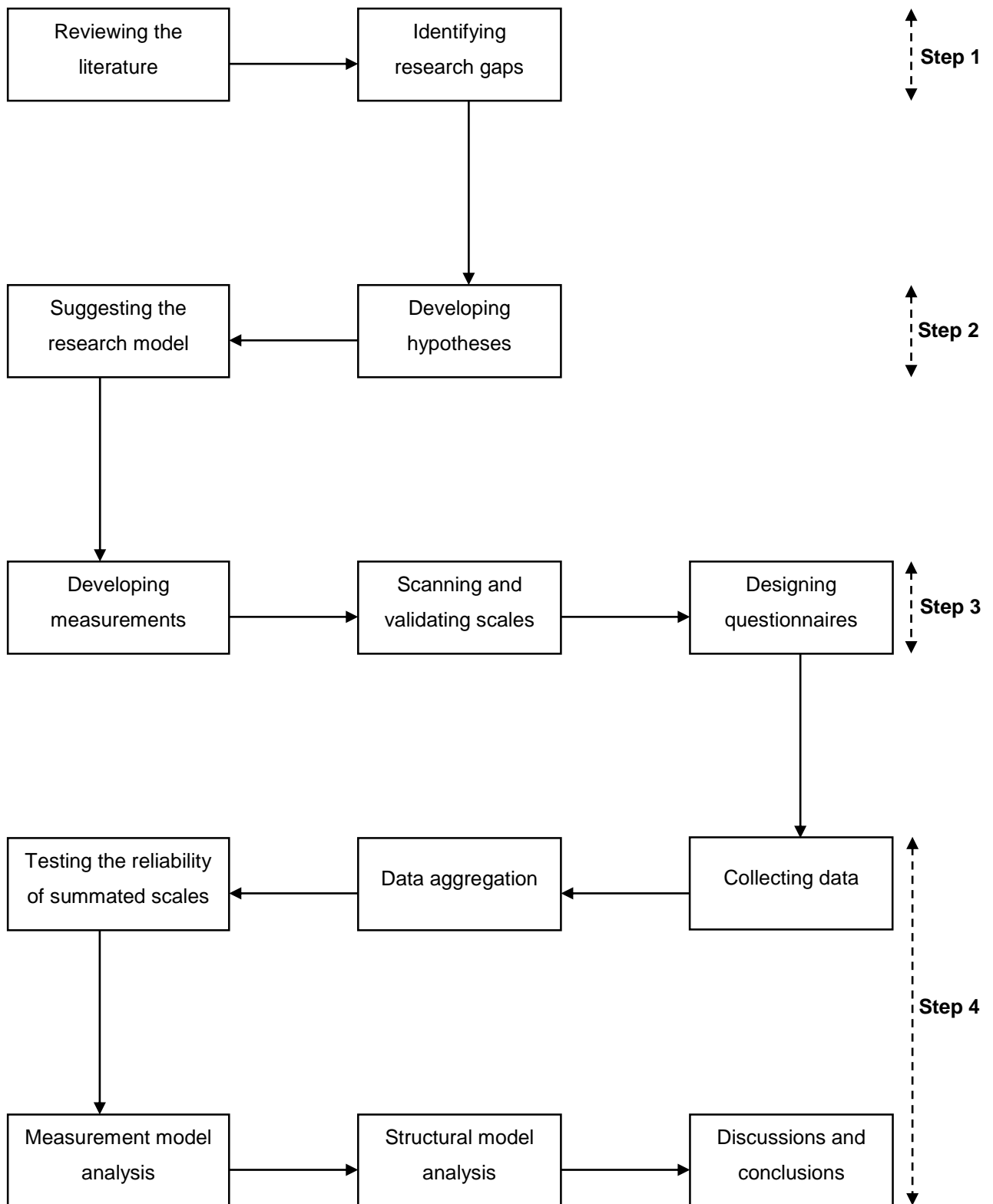


Figure 7.1. The research process

7.2. The scope of research

Based on various types of services, the servicescape of different organizations and industries are different too (Lovelock, 1983). Service providers thus build different strategies for designing their servicescape that has to assure the discrepancy from competitors. Bitner (1992) classified service into three types upon the role of interaction and automation in physical surroundings, including “self-service” (only customers), “interpersonal services” (customer-to-employee interaction) and “remote service” (only employees). The focus of the present study has been on interpersonal services which highlight the importance of service environment attributes and the social interaction quality between and among customers and employees.

Therefore, the coffee store setting was chosen in the present study because this service is widely employed by almost everyone (Han et al., 2009). Customers usually spent at least a moderate amount of time at coffee stores for each visit and their presence establishes the close interpersonal interactions between employees and customers as well as among customers (Wu, 2017; Sinniah, 2018). The coffee store setting could be viewed as a high-contact service environment since the service is delivered along with the presence of the customer and a variety of interactions happen in the restaurant at the same time (Schneider et al., 2005). Furthermore, the coffee store includes the most outstanding characteristics of the service industry such as mutual interactions, activities and the co-producer role of the customer (Oh and Dong, 2019; Nadiri, 2013).

7.3. Variable definition and measurement

In this study, all measurement items were synthesized and adapted from the prior research of service marketing using the standard scale development procedure (Boudreau, Gefen, and Straub, 2001) and a refinement procedure based on two steps. In the first step, the content validity test was implemented to evaluate preliminary items, add or remove items and improve the item wording (Moon et al., 2015). List of items was then screened via in-depth interviews with 1 service marketing professor, 2 students of doctoral business administration and 6 master students in Graduate School of Management-IAE, University of Côte d’Azur, France.

In the second step, the pilot test was performed to confirm the clarity and appropriateness of language. The reliability and the validity of the questionnaire were also checked before using them in the mass study (Johanson and Brooks, 2010). A small sample of 30 respondents including 15

employees and 15 customers were chosen to conduct the pilot test. In this study, all items were measured based on the 5-point Likert scale from 1 = strongly disagree to 5 = strongly agree. Higher scores reflect a stronger agreement with the comments offered in the survey instrument.

In the current study, two analysis methods were majorly used including descriptive statistics and Partial Least Squares SEM (PLS-SEM). The descriptive statistics were used to calculate the average value, frequency distributions and percentage distributions for demographic variables and content variables. SPSS 22.0 software was considered a significant device in this stage. Later, PLS-SEM was employed to analyze the structural model, test hypotheses and test mediating roles by the Smartpls 3.0 software application. This research investigates the relationship between factors, including (1) customer's perceived servicescape, (2) customer service experience, (3) customer's perceived interaction with employee, (4) customer's perceived internal interaction, (5) employee's perceived servicescape, (6) employee job experience, (7) employee's perceived interaction with customer, (8) employee inner emotion, (9) job satisfaction, (10) customer satisfaction and (11) customer loyalty. The final list of items is presented in Table 7.1.

Customer's perceived servicescape

Customer's perceived servicescape was operationalized as the individual perception of customers towards the dimensions of physical surroundings based on the servicescape framework (Bitner, 1992) including ambient conditions; space and function; signs, symbols and artifacts. Besides, cleanliness is also regarded as a critical component of servicescape, particularly in service establishments (Wakefield and Blodgett, 1996). The measurement of *ambient conditions* was developed and validated by Bitner (1992) and Siu et al. (2012) including 6 items relating to temperature, air quality, background music/sound, odor and lighting. The second scale is *space and function* that were adapted from Bitner (1992) and Kirk (1996). This scale was employed with 5 items describing the location of tables and chairs, seats, the private space, the ease of getting restrooms and moving around.

While signs, symbols and artifacts were separated into two measurements comprising (1) sign and symbols, and (2) facility aesthetics. *Sign and symbols* were measured by Bitner (1992) and Siu et al. (2012) with 5 items, involving the location and size of signs and symbols, the content of guidance, the ease of understanding and usefulness for customers. *Facility aesthetics* that were adapted from Bitner (1992) and Kirk and Jeffrey (1996) included 4 items referring to the ceiling

designing, the interior wall and the floor color schemes, overall architecture and decoration. Lastly, the *cleanliness* variable was cited by Siu et al., (2012) with 5 items relating to walkways and exits, chairs and tables, equipment and devices, food and drink service areas and restrooms.

Customer service experience

Customer service experience quality refers to a comprehensively perceived assessment of the excellence of overall customer experience in the service setting (Lemke, 2011). This notion has been less directly investigated in previous studies. In the research of visitor experience in the theme park context, Dong and Siu (2013) measured visitors' perceived experience with 3 items involving the impressiveness of experience, the enjoyableness of experience and the belief of getting a superior experience. These items were employed and validated by H. S. Kim and Choi (2016) in research that investigated the effects of peer-to-peer interaction quality on customer experience in mass service contexts.

Customer's perceived interaction with employee

This measurement was operationalized as personal interactions that customers have with the service staff during the service delivery process (I. Y. Lin and Mattila, 2010). In order to measure this notion, it was adapted from a relevant scale developed by Gremler and Gwinner (2000) with 11 items. Nevertheless, after screened via in-depth interviews with experts and marketing professors, some items were recommended to remove out because they were not consistent with the research context (De Silva, 2016; Moon, Park and Kim, 2015). The remaining items were still assured of the reliability, convergent and discriminant validity for further analysis (De Silva, 2016; Gupta, 2016). The final 8-item scale was employed in the present study, including the enjoyableness of communicating with employees, the comfortability of communicating with employees, the perceived warm feeling created by employees, the perception of a good connection with employees, the perception of a harmonious relationship with employees, employees' sense of humor, the politeness of employees and the friendliness of employees.

Customer's perceived internal interaction

This measurement reflects customers' perceived interaction with friends, family or relatives who have a special social connection (Nicholls, 2010; Parker and Ward, 2000). This notion has been

less directly investigated in prior works. In relevant research, Arnould et al., (1993) and Lemke (2011) measured the same content in their study. H. S. Kim and Choi (2016) later adapted and validated this measurement to investigate the effects of friend interaction quality on service experience. Based on these works, the final scale in the present study was synthesized with 4 items, relating to the closer perception among customers, the perception of good communication, the perceived conversation quality among customers and the belief of getting the superior conversation among customers.

Employee's perceived servicescape

This notion was understood as the perception of service employees to the physical attributes of the workspace. Nevertheless, very few studies have been measured this concept before, this measurement was thus created by modifying the scale of customer's perceived servicescape. To assure content validity and reliability, this construct was evaluated by academic professors and experts in service marketing. Besides, it was checked by the pilot test before using it in a mass survey. Based on the servicescape model, the five dimensions of the physical workplace environment were identified, including ambient conditions, workspace and function, sign and symbol, facility aesthetics and cleanliness. Likewise, the measurement of *ambient conditions* in the physical workspace was adapted from Bitner (1992) and Siu et al. (2012) with 6 items relating to temperature, air quality, background music/sound, odor and lighting.

The second factor of servicescape is space and function. However, space and layout were replaced by *workspace* in employee's perceptions towards the dimensions of servicescape since it seemed more appropriate to describe the impacts of the physical working environment on employee's attitudes and behaviors (Kearney, 2013). The workspace was conceptualized as "employees' workspace and the design of their workplace, whilst the layout factor for customers relates to the design of the store layout" (Kearney, 2013). Whereas, *functionality* in the physical working environment was defined as "the ability of arranged machinery, equipment, and furnishings to facilitate and accomplishment of goals" (Bitner, 1992). In order to measure *workspace and functionality*, it was adapted by Fowler (2012) and Janet Turner et al. (2008) with 4 items describing the location of the bar and kitchen, the location of equipment, the ease of moving around in workspace and the comfortableness in the workspace.

Based on the customer's perceived servicescape, we modified three measurements relating to signs and symbols, facility aesthetics and cleanliness to be available with employee's perceived work environment. In similar to customer's perceived servicescape, *signs and symbols* were measured by Bitner (1992) and Siu et al. (2012) with 5 items comprising the location and size of signs and symbols, the content of guidance, the ease of understanding and usefulness for employee's job. While *facility aesthetics* which were adapted from Bitner (1992) and Kirk and Jeffrey (1996) included 4 items referring to interfaces such as the ceiling designing, the interior wall, the floor color schemes, overall architecture and decoration. Finally, employees' perceived *cleanliness* was also adapted from Siu et al. (2012) with 5 items relating to walkways and exits, chairs and tables, equipment and devices, food and drink service areas, and restrooms.

Employee job experience

This construct was understood as "the cognitive, emotional, and behavioral responses that are created during the process of performing in a service role" (Janet Turner et al., 2008). To the best of our knowledge, no research has been measured this concept until now. It was thus created by modifying the concept of customer service experience (Dong and Siu, 2013; H. S. Kim and Choi, 2016) with 4 items. The scale was then evaluated by academic professors and experts in service marketing and was checked by the pilot test before using them in a mass survey. The final scale related to the impressiveness of job experience, a sense of meaningful job experience, the enjoyableness of job experience and the belief of getting superior job experience.

Employee's perceived interaction with customer

This notion was understood as personal interactions that employees have with customers during the service delivery process (I. Y. Lin and Mattila, 2010). Based on similar research conducted by Fowler and Bridges (2012) for the measurement of one content for different two targets, this measurement was modified from customer's perceived interaction with employee (Gremler and Gwinner, 2000) via converting the term "employee" and "customer" with 8 items which refer to the enjoyableness of communicating with customers, the comfortability of communicating with customers, the perceived warm feeling created by customers, the perception of a good connection with customers, the perception of a harmonious relationship with customers, customer's sense of humor, the politeness of customers and the friendliness of customers.

Employee inner emotion

It was operationalized as a subjective feeling state employees have during the work process in the service environment. The employee's emotional reactions were measured with 6 items which were adapted from the scale of positive and negative affect schedule developed by Watson, Clark, and Tellegen (1988). The original items compose 10 items: enthusiastic, interested, determined, excited, inspired, alert, active, strong, proud and attentive. Nevertheless, this scale was then modified by removing some items that do not seem relevant to work in the service environment, and the final scale was utilized with 6 items, referring to employees' interest to their job, employees' enthusiasm to their job, employees' pride to their job, the perceived inspiration by the job, the active perception by the job and the strong perception by the job.

Employee job satisfaction

This measurement was understood as "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values" (Locke, 1969). In order to measure job satisfaction in the service environment, this study employed the scale validated by Cho, Rutherford and Park (2013, 2017) with 6 items which relate to employees' expectation to their job, employees' capability to perform their job, the employee's perceived job value, the exciting perception of job, the pleasant perception of the job and the satisfying perception of job in generally.

Customer satisfaction

Customer satisfaction towards the service was operationalized as the perceived discrepancy between prior expectation and perceived performance after the consumption of a specific service (Oliver, 1980). In order to measure this notion, we based on research investigated by Yoo, Arnold, and Frankwick (2012) with 5 items which refer to customers' pleasure perception as visiting the service facility, customers' satisfied perception with their decision, the enjoyable perception as visiting the facility, customers' happy perception as visiting the facility and customers' satisfied perception in general.

Customer loyalty

Customer loyalty towards service providers was referred to as customer's commitment towards service organization in the long-term expressed through specific positive behaviors such as word-of-mouth and repeat purchasing and so forth (Sirdeshmukh et al., 2002). For the measurement of customer loyalty to service providers, 5 items were adapted by Zeithaml et al. (1996). This measurement was evaluated through several dimensions such as encouraging others to make enjoy, saying good things, recommending towards anyone, considering as the first choice and continuing to use next time.

Table 7.1. List of items for measurement

Factor	Items	Source
(1) Customer's perceived servicescape	Ambient conditions	
	The temperature in the facility is comfortable	Bitner (1992) Siu et al., (2012)
	The air quality in the facility is good	
	The background music/sound is appropriate	
	The odor in the facility is pleasant	
	The lighting in the facility is adequate	
	The lighting in the facility is comfortable to see	
	Spatial layout	
	The tables and chairs are located reasonably	Bitner (1992) Kirk and Jeffrey (1996)
	The facility provides comfortable seats	
	The facility is assured of private spaces	
	The facility layout makes it easy to get the restrooms	
	The facility layout makes it easy to move around	
	Signs and symbols	
	There is sufficient guidance in the facility	Bitner (1992) Siu et al., (2012)
	The signs and symbols are located reasonably	
	The signs and symbols are large enough to be seen	
	The signs and symbols are easy to be understood	
	The signs and symbols are useful for customers	
	Facility aesthetics	
The ceiling designing is impressive	Bitner (1992) Kirk and Jeffrey (1996)	
The interior walls and floor color schemes are impressive		
The facility's architecture gives it an impressive character		
The facility is decorated in an attractive fashion		
Cleanliness		
The facility maintains clean walkways and exists	Siu et al., (2012)	
The facility maintains clean chairs and tables		

	The facility maintains clean equipment and devices	
	The facility maintains clean food and drinks service areas	
	The facility maintains clean restrooms	
(2) Customer's perceived interaction with employee	<p>I enjoy communicating with employees in the facility</p> <p>I am comfortable as communicating with employees</p> <p>The employees create a warm feeling as serving</p> <p>The employees relate well to me</p> <p>I have a harmonious relationship with employees</p> <p>The employees have a good sense of humor</p> <p>The employees are polite as serving customers</p> <p>The employees are friendly as communicating with customers</p>	Gremler and Gwinner (2000)
(3) Internal interaction among customers	<p>I felt closer to friends/colleagues/partners at the facility</p> <p>I communicated well with friends/colleagues/partners</p> <p>The quality of my conversation with my friends/colleagues/partners is excellent</p> <p>We get a superior conversation with my friends/colleagues/partners at the facility</p>	<p>Arnould and Price (1993)</p> <p>H. S. Kim and Choi (2016)</p>
(4) Customer's perceived service experience	<p>My total experience at the facility is memorable</p> <p>My total experience at the facility is enjoyable</p> <p>I believe that we get a superior experience at the facility</p>	<p>Kim and Choi (2016)</p> <p>Dong and Siu (2013)</p>
	Ambient conditions	
	The temperature in the facility is comfortable	
	The air quality in the facility is good	Bitner (1992)
	The background music or sound is appropriate	Siu et al., (2012)
	The odor in the facility is pleasant	
	The lighting in the facility is adequate	
	The lighting in the facility is comfortable for work	
(5) Employee's perceived servicescape	Workspace and functionality	Fowler and Bridges (2012)
	The bar and kitchen location are convenient to work	
	The equipment is located reasonably to find and use	Janet Turner et al., (2008)
	The facility space is easy to move around it	
	The facility space is comfortable to work	
	Signs and symbols	
	There is sufficient guidance in the facility	
	The signs and symbols are located reasonably	Bitner (1992)
	The signs and symbols are large enough to be seen	Siu et al., (2012)
	The signs and symbols are easy to be understood	
	The signs and symbols make a contribution to your job	
	Facility aesthetics	Bitner (1992)
	The ceiling design of the facility is impressive	Kirk and Jeffrey (1996)
	The interior walls and floor color schemes are impressive	

	The facility's architecture gives it an impressive character The facility is decorated in an attractive fashion	
	Cleanliness The facility maintains clean walkways and exists The facility maintains clean chairs and tables The facility maintains clean devices and equipment The facility maintains clean food and drinks service areas The facility maintains clean restrooms	Siu et al., (2012)
(6) Employee's perceived job experience	My total job experience at the facility is memorable My total job experience at the facility is enjoyable My job provides me with a sense of meaningful experience I believe that I get a superior job experience	Kim and Choi (2016) Dong and Siu (2013)
(7) Employee's perceived interaction with customer	I enjoy communicating with customers I am comfortable as communicating with customers The customers create a warm feeling in our relationship The customers relate well to me I have a harmonious relationship with customers The customers have a good sense of humor The customers are polite as communicating with employees The customers are friendly as communicating with employees	Gremler and Gwinner (2000)
(8) Employee inner emotion	I feel enthusiastic about my job I am interested in my job I feel inspired by my job The job makes me feel active The job makes me feel strong I feel proud of my job	Watson, Clark and Tellegen (1988)
(9) Employee job satisfaction	This job lives up to my expectation I am content with my job My job is worthwhile My job is exciting My job is pleasant My work is satisfying	Cho, Rutherford and Park (2013, 2017)
(10) Customer satisfaction	I am pleased with this visit to the facility I am satisfied with my decision to visit the facility today I really enjoy my visit to the facility I am happy that I visit the facility Overall, I am satisfied with service experience at the facility	Yoo, Arnold and Frankwick (2012)
(11) Customer loyalty	I would encourage my friends to make enjoy the facility I would say good things for this facility to others I would recommend the facility to anyone who asks me advice For the next time, I would consider the facility as my first choice I would continue to make enjoy at the facility over the next time	Zeithaml, Berry and Parasuraman (1996)

7.4. Questionnaire design

After developing items to measure factors in the research framework, the survey instrument was subsequently designed to collect data by questionnaires. Because the research data is required to collect from different two samples: one sample from the employee and another from the customer in coffee stores. Consequently, two questionnaires were designed for the survey process. In the main context of questionnaires, the author used all closed questions that allow respondents to choose among sets of alternatives that were designed for this study. The structure of questionnaires for employees and customers is presented in Table 7.2.

With respect to the questionnaire for the customer sample, the survey instrument was designed including two principal sections:

Part (1) – Main context: this part includes 50 questions to measure 6 constructs consisting of customer's perceived servicescape, customer's perceived interaction with employee, internal interaction among customers, customer's perceived service experience, customer satisfaction and customer loyalty. All constructs were measured by the 5 point – Likert scale, from 1 – strongly disagree to 5 – strongly agree with the comments provided.

Part (2) – Demographic information: this part collects the personal information of customers who directly experience the service including gender, age, employment, frequency of visit and the period for each visit.

In similar, the survey instrument for the employee sample is also designed comprising two sections:

Part (1) – Main context: this part includes 48 questions to measure 5 constructs including employee's perceived servicescape, employee's perceived interaction with customer, employee's perceived job experience, employee inner emotion and job satisfaction. All constructs were also evaluated by the 5 point – Likert scale from 1 – strongly disagree to 5 – strongly agree with the comments provided.

Part (2) – Demographic information: This part is designed to collect the personal information of employees who directly work and interact with customers in the service context including gender,

age, job status, the number of hours for each work shift and the period for working at the service facility.

The survey instruments were first developed in the English language and then being translated into Vietnamese using a combination of parallel blind translation as described by Guthery and Lowe (1995). The instruments were first translated by two bilinguals simultaneously and the two target versions of the instrument were compared and the consensus was reached. The translated instruments were then reviewed by two experts who are marketing professors in Vietnam and some revisions were made. After that, we did a pre-test with a small sample with 15 employees and 15 customers. We adjusted the text expression again to ensure that respondents would not have any ambiguity in their understanding. The full questionnaires are presented in Appendix 2a and 3a, the Vietnamese versions are exhibited in Appendix 2b and 3b.

Table 7.2. The structure of survey instruments for employee and customer

CUSTOMER		EMPLOYEE	
SECTION	CONTEXT	SECTION	CONTEXT
I	Introduction	I	Introduction
	Main context		Main context
	(1) Customer's perceived servicescape		(1) Employee's perceived servicescape
	(2) Customer's perceived interaction with the employee		(2) Employee's perceived interaction with the customer
II	(3) Internal interaction among customers	II	(3) Employee's perceived job experience
	(4) Customer's perceived service experience		(4) Employee emotion
	(5) Customer satisfaction		(5) Employee job satisfaction
	(6) Customer loyalty		
	Demographic information		Demographic information
III	Gender, age, Employment Frequency of visit The period for each visit	III	Gender, age, Job status The number of hours for each work shift The period for working at the service facility.

7.5. Sample and data collection

The procedure of choosing a sample and synthesizing data is based on the instructions of analyzing data with the multiple samples suggested by Chi and Gursoy (2009). Data for this study was collected from the employees and customers of coffee stores located in the 3 largest cities in Vietnam (Hanoi capital, Danang city and Hochiminh city). In each destination, 70 coffee stores were recruited to participate in the study based on an available list of stores for each city. After, a random sampling approach was used to select 70 shops for the study. Because one of the research objectives is to evaluate the internal interaction quality among customers, it is critical to survey over groups. The minimum selection of two groups for each café store (each group from 3-5 people) is recommended. Consequently, the research team provided each store a packet of materials including 5 survey questionnaires for employees and 10 survey questionnaires for customers. Before delivering questionnaires to stores, each packet was marked to make sure that the answers of employees and customers in the same store. This assures the accuracy of data as performing analysis in the next steps. The self-administered questionnaires were directly distributed to 5 chosen-employees by the research team at each coffee store. They were instructed to fill out the surveys and returned them to the interviewers. Similarly, the research team randomly distributed the self-administered questionnaires to 10 chosen-customers at each store.

Of the total target 210 stores, 185 stores were permitted to collect with distributed 1850 questionnaires for customers and distributed 925 questionnaires for employees. Lastly, 1779 questionnaires of customers and 608 questionnaires of employees were available to utilize for subsequent analysis. After finishing collecting data from both customers and employees, a summated measure for each factor was calculated by averaging for the respondents of customers and employees. For instance, from the respondents of 10 customers at store A, a summated measure for each item of all factors was calculated by averaging all 10 responses by customers (Table 7.3). Likewise, this procedure was utilized to calculate the average score for all factors based on 5 responses from employees at store A (Table 7.4). Afterward, average scores for all items of customers and employees were entered in a single line in a data table representing all responses from store A. The same procedure was repeated for all 185 stores and summated results from each store were added to the data table (Table 7.5). According to Chi and Gursoy (2009), regarding the case of multiple samples, summated scores should be employed since it permits researchers to minimize and eliminate some extent the measurement error inherent in all measured factors. Therefore, the analysis process was performed at the unit level with 185 café stores.

Because in this way, all individual responses from employees and customers across the units of analysis are aggregated.

Table 7.3. The procedure of synthesizing research data for customer sample

Store	Customer	Factor 1				Factor 2			...	Factor 6
		Item 1	Item 2	...	Item n	Item 1	...	Item n	...	...
1	Customer1	X1.1 ₁	X1.2 ₁	...	X1.n ₁	X2.1 ₁	...	X2.n ₁	...	...
	Customer2	X1.1 ₂	X1.2 ₂	...	X1.n ₂	X2.1 ₂	...	X2.n ₂	...	...

	Customer10	X1.1 ₁₀	X1.2 ₁₀	...	X1.n ₁₀	X2.1 ₁₀	...	X2.n ₁₀	...	...
	Average 1	$\overline{X1.1}$	$\overline{X1.2}$	...	$\overline{X1.n}$	$\overline{X2.1}$	....	$\overline{X2.n}$	...	...
2	Customer1	X1.1 ₁	X1.2 ₁	...	X1.n ₁	X2.1 ₁	...	X2.n ₁	...	...
	Customer2	X1.1 ₂	X1.2 ₂	...	X1.n ₂	X2.1 ₂	...	X2.n ₂	...	...

	Customer10	X1.1 ₁₀	X1.2 ₁₀	...	X1.n ₁₀	X2.1 ₁₀	...	X2.n ₁₀	...	...
	Average 2	$\overline{X1.1}$	$\overline{X1.2}$	...	$\overline{X1.n}$	$\overline{X2.1}$	....	$\overline{X2.n}$	...	...
...	
n	...	...	...	...	...	...	...	...	...	...
	Average n	$\overline{X1.1}$	$\overline{X1.2}$	...	$\overline{X1.n}$	$\overline{X2.1}$	....	$\overline{X2.n}$	...	...

Note:

Factor 1: customer’s perceived servicescape

Factor 2: customer’s perceived interaction with the employee

Factor 3: internal interaction among customers

Factor 4: customer’s perceived service experience

Factor 5: customer satisfaction

Factor 6: customer loyalty

X1.1₁: the value of item 1 by factor 1 with customer 1

X1.1₂: the value of item 1 by factor 1 with customer 2

X1.2₁: the value of item 2 by factor 1 with customer 1

$\overline{X1.1}$: The average of item 1 by factor 1 for 10 customers

$\overline{X2.1}$: The average of item 1 by factor 2 for 10 customers

Table 7.4. The procedure of synthesizing research data for employee sample

Store	Employee	Factor 1				Factor 2			...	Factor 5
		Item 1	Item 2	...	Item n	Item 1	...	Item n	...	...
1	Employee1	Y1.1 ₁	Y1.2 ₁	...	Y1.n ₁	Y2.1 ₁	...	Y2.n ₁	...	...
	Employee2	Y1.1 ₂	Y1.2 ₂	...	Y1.n ₂	Y2.1 ₂	...	Y2.n ₂	...	...

	Employee5	Y1.1 ₅	Y1.2 ₅	...	Y1.n ₁₀	Y2.1 ₁₀	...	Y2.n ₁₀	...	...
	Average 1	$\overline{Y1.1}$	$\overline{Y1.2}$	...	$\overline{Y1.n}$	$\overline{Y2.1}$	....	$\overline{Y2.n}$	...	...
2	Employee1	Y1.1 ₁	Y1.2 ₁	...	Y1.n ₁	Y2.1 ₁	...	Y2.n ₁	...	...
	Employee2	Y1.1 ₂	Y1.2 ₂	...	Y1.n ₂	Y2.1 ₂	...	Y2.n ₂	...	...

	Employee5	Y1.1 ₅	Y1.2 ₅	...	Y1.n ₁₀	Y2.1 ₁₀	...	Y2.n ₁₀	...	...
	Average 2	$\overline{Y1.1}$	$\overline{Y1.2}$	...	$\overline{Y1.n}$	$\overline{Y2.1}$	....	$\overline{Y2.n}$	...	...
...	
n	...	...	...	...	...	...	...	...	...	...
	Average n	$\overline{Y1.1}$	$\overline{Y1.2}$	...	$\overline{Y1.n}$	$\overline{Y2.1}$	....	$\overline{Y2.n}$	...	...

Note:

Factor 1: employee’s perceived servicescape

Factor 2: employee’s perceived interaction with the customer

Factor 3: employee’s perceived job experience

Factor 4: employee emotion

Factor 5: employee job satisfaction

Y1.1₁: the value of item 1 by factor 1 with employee 1

Y1.1₂: the value of item 1 by factor 1 with employee 2

Y1.2₁: the value of item 2 by factor 1 with employee 1

$\overline{Y1.1}$: The average of item 1 by factor 1 for 5 employees

$\overline{Y2.1}$: The average of item 1 by factor 2 for 5 employees

Table 7.5. The procedure of synthesizing research data for store sample

Store	Customer						Employee				
	X1	X2	X3	X4	X5	X6	Y1	Y2	Y3	Y4	Y5
Item1	...	Item n	...	...	...	...	Item1	...	Item n	...	...
1	$\overline{X1.1}$	$\overline{X1.2}$	$\overline{X1.n}$	...	...	...	$\overline{Y1.1}$	$\overline{Y1.2}$	$\overline{Y1.n}$	...	...
2	...	...	...	...	...	...	...	...	...	...	...
...
185	$\overline{X1.1}$	$\overline{X1.2}$	$\overline{X1.n}$	...	...	...	$\overline{Y1.1}$	$\overline{Y1.2}$	$\overline{Y1.n}$	...	...

Note:

X1: customer’s perceived servicescape

X2: customer’s perceived interaction with the employee

X3: internal interaction among customers

X4: customer’s perceived service experience

X5: customer satisfaction

X6: customer loyalty

Y1: employee’s perceived servicescape

Y2: employee’s perceived interaction with the customer

Y3: employee’s perceived job experience

Y4: employee emotion

Y5: employee job satisfaction

$\overline{X1.1}$: The average of item 1 by factor 1 for 10 customers

$\overline{X1.2}$: The average of item 2 by factor 1 for 10 customers

$\overline{X1.n}$: The average of item n by factor 1 for 10 customers

$\overline{Y1.1}$: The average of item 1 by factor 1 for 5 employees

$\overline{Y1.2}$: The average of item 2 by factor 1 for 5 employees

$\overline{Y1.n}$: The average of item n by factor 1 for 5 employees

7.6. Data analysis procedure

In this study, the procedure of data analysis is presented in detail as Figure 7.2.

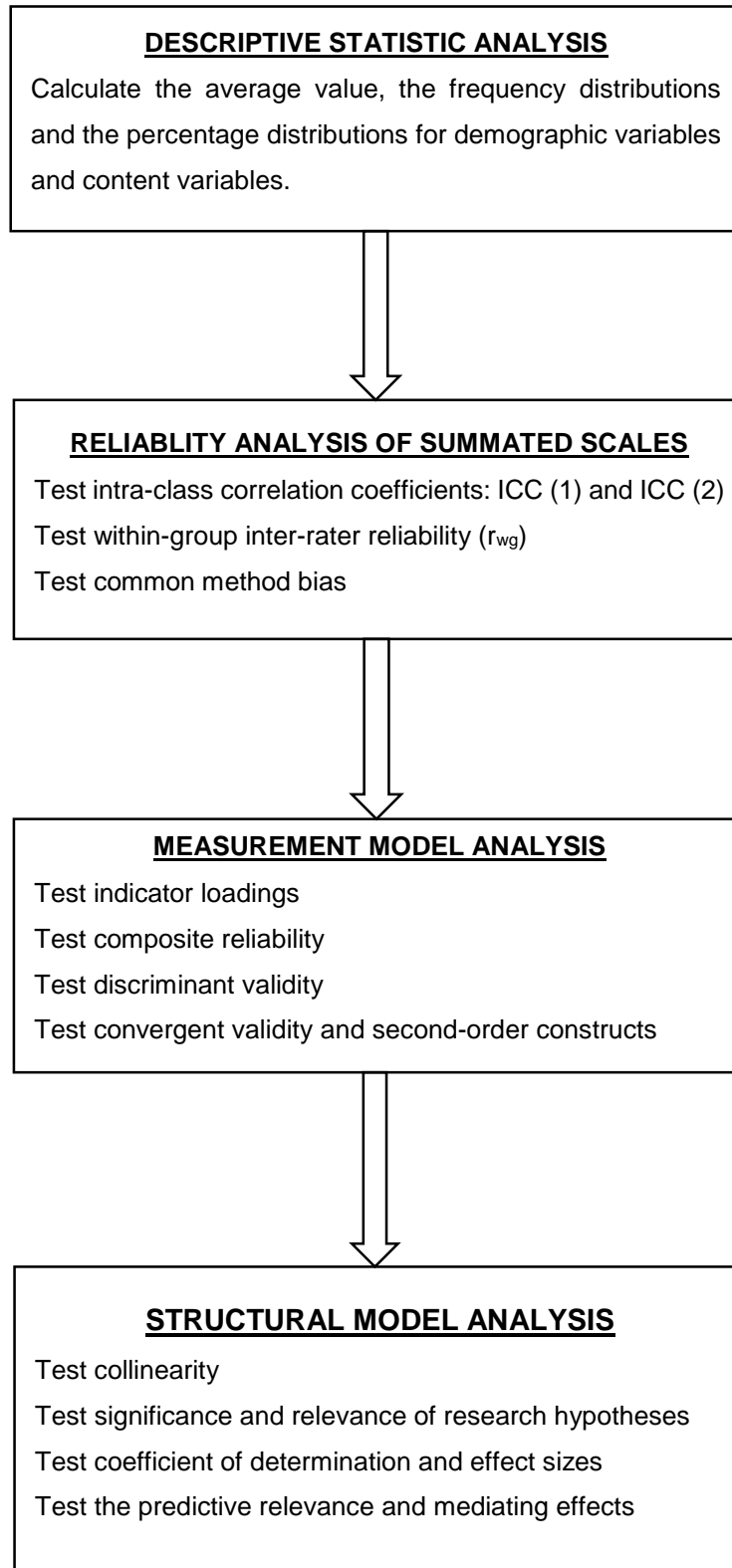


Figure 7.2. The procedure of data analysis

7.6.1. Descriptive statistical analysis

Descriptive statistical techniques are frequently employed to describe and present the underlying characteristics of data in specific research (Sharma and Kewal, 2017). The purpose of descriptive statistics is to provide a summary of the sample and measurements used in research. Researchers often use this method in the first step of the research process by simplifying a large amount of collected data into a more sensible form such as summary statistics, data tables and visual graphs (Park and Hun Myoung, 2015). Based on the number of variables to analyze, there are two analysis streams including univariate analysis and multivariate analysis.

Univariate analysis

Univariate analysis refers to presenting the distribution of a single variable which involves describing its distribution, central tendency (mean, median and mode) and dispersion (range, variance and standard deviation) (Nick and Todd G, 2007; Sharma and Kewal, 2017).

(1) The distribution: it relates to “a summary of the frequency of individual values or ranges of values for a variable” (Sharma and Kewal, 2017). Meanwhile, the frequency distribution is the most popular way to exhibit the distribution of a single variable. Based on the nature of various variables, researchers can describe the frequency of all values or classify the values into different groups because it is impossible to identify the frequencies of each variable such as age and income level. Frequency distributions could be presented by a table or a graph. In addition, the shape and normality of distribution for each variable may be analyzed through skewness and kurtosis (Kaliyadan and Vinay, 2019).

(2) Central tendency: The central tendency of a distribution is “an estimate of the center of a distribution of values” (Nick and Todd G, 2007). In the estimates relating to the central tendency, they exist three principal types including mean, median and mode. Firstly, the most common way to describe the central tendency of a distribution is the *mean or average*. This value is calculated by sum up the values and then divide the number of values (Nick and Todd G, 2007; Sharma and Kewal, 2017). The second type is the *median* which is “the score found at the exact middle of the set of values” (Nick and Todd G, 2007). In order to identify the median of a distribution, all scores should be listed in numerical order, the median is located at the center of the sample (Sharma and Kewal, 2017). The last type of central tendency is the mode which “is the most frequently

occurring value in the set of scores” (Nick and Todd G, 2007). The mode is determined upon the value which most frequently appears in the distribution (Nick and Todd G, 2007; Sharma and Kewal, 2017).

(3) *Dispersion*: it involves “the spread of the values around the central tendency” (Nick and Todd G, 2007). Meanwhile, the range and the standard deviation are the typical measures of dispersion. While *the range* is “simply the highest value minus the lowest value” (Kaliyadan and Vinay, 2019), *the standard deviation* is “a more accurate and detailed estimate of dispersion because an outlier can greatly exaggerate the range” (Nick and Todd G, 2007).

Multivariate analysis

According to Oja and Hannu (1983), when a sample includes more than one variable, the multivariate analysis could be employed to present the relationship between the pairs of variables. The multivariate analysis is used not only for describing simple descriptive statistics but also for analyzing linkages between different variables (Burdenski Jr and Thomas, 2000). The most frequently used methods of multivariate analysis consist of cross-tabulations and contingency tables, graphical representation via scatterplots, quantitative measures of dependence and descriptions of conditional distributions.

7.6.2. Reliability analysis of summated scales

This research collected the data from different two samples including employees and customers, yet the data for the analysis process was summated at the level store with $N = 185$. Based on the instructions towards the research of multiple samples, the present study summated individual data into store-level data through a cross-level data transformation (Salanova, 2005; Chang, 2016). Nevertheless, it is essential to ensure that individual ratings are reasonably stable within each store set and to test whether there is consistency across employee perceptions or customer perceptions (Chi and Gursoy, 2009). According to Klein, Dansereau and Hall (1994), they indicated that the aggregating data must be substantiated by statistical justification. While Bliese (1998) revealed that intra-class correlation coefficients and within-group interrater reliability coefficients (r_{wg}) can justify aggregation to higher levels of analysis.

Intra-class correlation coefficients (ICCs)

Intra-class correlation coefficients are used to evaluate “the inter-rater reliability of respondents’ judgments” (Bliese, 1998). Meanwhile, the ICC(1) coefficient represents “the proportion of variance in ratings at the individual level attributable to group membership”. The ICC(2) coefficient represents “the reliability of group-level means” (Bliese, 1998). In organizational research, a median ICC(1) value of 0.12 is postulated (James, 1982) and ICC(2) is requested as greater than 0.6 (Glick, 1985).

Within-group inter-rater reliability (IRR)

According to McHugh (2012), the within-group inter-rater reliability measures “the extent to which data collectors assign the same score to the same variable”. Meanwhile, the r_{wg} index has been extensively employed in applied psychology and management literature for evaluating inter-rater agreement concerning group-level constructs (George and Bettenhausen, 1990). Similar to assessments of reliability, the r_{wg} coefficients are recommended as greater than 0.70 that have typically been regarded as the acceptable indicator of inter-rater agreement (Burke, Finkelstein and Dusig, 1999).

Test common method bias

According to Podsakoff, MacKenzie and Lee (2003), it is necessary to examine the common method bias when research data is collected through the self-administered questionnaires. Especially, both dependent and independent factors are investigated by the same person. In order to solve prospective common method bias caused by the survey method, Harman’s single-factor test is recommended to check in this study (Podsakoff et al., 2003). As noted by Harman (1976), these biases occur if a single factor “accounts for the majority of the covariance in the dependent and independent variables”. Therefore, exploratory factor analysis is performed to test whether there is existing any single factor which is likely to explain a majority of the variance in the exogenous and endogenous variables. If no single factor explains a majority of the variance, it indicates that common method bias is not an issue (Jung, 2013).

7.6.3. Measurement model analysis

In this study, the authors utilized the Partial Least Squares (PLS) method to analyze the research model with Smart PLS 3.0 software. PLS is a well-organized method for estimating path coefficients in structural models and has been extensively employed in abundant studies (Wei, 2017; Hair, 2014). This technique is more and more common in the research of marketing and management in general so far due to its applied competency to model latent constructs under different conditions such as non - normality distribution, small sample size and a large number of constructs as well as the complicated research model (Chin et al. 2003; Hair et al., 2013; Ali, 2016).

In addition, Hair et al. (2014) indicated that the partial least squares-based structural equation modeling (PLS-SEM) can be used to solve more issues than the covariance-based structural equation modeling (CB-SEM). Moreover, the PLS technique utilizes component-based algorithms and can estimate the formative constructs and the reflective constructs, whereas CB-SEM only analyzes the reflective constructs. In this study, the research data was analyzed upon a small sample (N = 185 units) and the research model was regarded as a relatively complicated framework with 19 first-order constructs and 2 second-order constructs. Therefore, it is recommended to use a partial least squares-based structural equation modeling (PLS-SEM) for this study.

Based on instructions suggested by Anderson and Gerbing (1988) and Hair et al., (2013) for PLS-SEM analysis, the analysis procurement was carried out through two steps: the measurement model was firstly checked and the structural model was later tested to discover the correlation among constructs (Table 7.6). In the first step, confirmatory factor analysis (CFA) in PLS was performed to examine “whether or not existing data is consistent with the highly constrained a prior structure that meets conditions of model identification” (Maruyama, 1998). In PLS, the measurement model was evaluated upon (1) item loadings of all indicators, (2) composite reliability, (3) convergent validity and (4) discriminant validity.

Indicator loadings: Indicator loadings refer to the correlation between a specific factor and its items. All item loadings of variables are recommended as greater than 0.6, otherwise they are encouraged to eliminate from further analysis (Chin, Peterson, and Brown, 2008).

Composite reliability

The next step relates to the assessment of constructs' internal consistency reliability. Although there are various ways to test construct reliability, yet composite reliability (C.R) suggested by Joreskog (1971) is most frequently used in a variety of research in PLS-SEM (Sarstedt, 2014). Composite reliability aims to assess whether sets of latent indicators of the construct are consistent in their measurement (Joreskog, 1971). Composite reliability that is above 0.7 provides evidence for reliability. Reliability coefficients around 0.9 are considered "excellent", values around 0.8 are "very good" and values around 0.7 are "adequate" (Klime, 2005). Nevertheless, the value as greater than 0.95 is problematic as they indicate that the items are redundant and they lead to reducing construct validity (Diamantopoulos et al., 2012).

Convergent validity

Convergent validity measures "the extent to which a construct converges in its indicators by explaining the items' variance" (Sarstedt, 2014). Convergent validity is evaluated by the average variance extracted (AVE) for all items associated with each construct. While the AVE value is calculated as the mean of the squared loadings for all indicators associated with a construct. Fornell and Larcker (1981) suggested that convergent validity is satisfied as the average variance extracted (AVE) is higher than 0.5.

Discriminant validity

The final validity of measurement model is discriminant validity which refers to "the extent to which a construct is empirically distinct from other constructs in the path model, both in terms of how much it correlates with other constructs and in terms of how distinctly the indicators represent only this single construct" (Hair et al., 2018). Meanwhile, the most common criterion which is recommended to assess the discriminant validity of the measurement model is the criterion suggested by Fornell and Larcker (1981). According to this approach, it compares each construct's AVE value with the squared inter-construct correlation of that construct with all other constructs in the structural model. It is recommended that discriminant validity is satisfied as the square root of the AVE value of each construct is larger than its correlations with other constructs (Fornell and Larcker, 1981).

7.6.4. Structural model analysis

In the second step, the research framework was evaluated by PLS-SEM in order to identify interrelations among constructs. The benefit of structural equation modeling in comparison to regression analysis is that it can test multiple equations with various dependent factors. Such a method delivers a specific parameter value for each suggested relationship and determines its respective significance (Hair et al., 2018). Different from CB-SEM, PLS-SEM does not establish a standard goodness-of-fit index, yet it assesses the model quality through the predictive competency to endogenous constructs (Henseler and Sarstedt, 2013). To assess the structural model in PLS-SEM, Hair et al. (2013) suggested that it is essential to consider some indices including the coefficient of determination (R^2), the statistical significance (corresponding t-values), the relevance of path coefficients (beta), the blindfolding-based cross-validated redundancy measure (Q^2) and the effect sizes (f^2).

Collinearity

After the measurement model has been evaluated by reliability and validity, the structural model was assessed in the subsequent step. Nevertheless, researchers suggested that it is important to examine the collinearity of the structural model before explaining the path coefficients because their estimation is based on ordinary least squares regressions (Mooi and Sarstedt, 2011; Hair et al., 2018). The computation of the path coefficients linking the constructs rests on a series of regression analyses (Sarstedt, 2014). Consequently, the regression results should be assured that they are not affected by collinearity issues. Otherwise, the appearance of collinearity is likely to lead to bias in analysis results (Hair and Hult, 2014). Research findings suggested that researchers may test collinearity issues based on variance inflation factor values (VIF) (Mason and Perreault, 1991; Becker et al., 2015). They recommended that if VIF values above 5 are the substantial signs of collinearity problems among constructs, VIF values should be less than 5 in the report of PLS-SEM based on Smartpls software (Becker et al., 2015).

The statistical significance (corresponding t-values) and the relevance of the path coefficients (beta)

An important statistic index is the strength and significance of path coefficients (β and t-value) which are assessed for the relationships among constructs (structural paths). In order to evaluate

the statistical significance in PLS-SEM, a bootstrapping procedure was conducted with a large number of resampling (typically 500 for exploratory purposes, 5000 for confirmatory purposes) from the original data and re-estimates the model for each subsample (Sarstedt, 2014). The significance assessment builds on bootstrapping standard errors as a basis for calculating t-values for the path coefficients or p-values (Hair et al., 2018). Path coefficient values (beta) are standardized on a range from -1 to +1, while coefficients closer to +1 represent strong positive relationships and coefficients closer to -1 indicate strong negative relationships (Sarstedt, 2014). While empirical t value is compared with critical value to look if it is greater than the critical value which is desired. The critical t values are 2.57, 1.96 and 1.65 for a significance level of 1%, 5% and 10%, respectively (two-tailed tests).

The coefficient of determination (R^2)

In the subsequent step, the coefficient of determination (R^2) was reviewed. The R^2 is “a measure of the variance explained in each of the endogenous constructs and is thus a measure of the model’s predictive accuracy” (Sarstedt, 2014; Hair et al., 2018). The R^2 values range from 0 to 1, with a higher level predicting a greater accuracy degree. Based on the thumb rule, R^2 values above 0.75 can be substantial accuracy, R^2 values above 0.50 can be moderate accuracy and values greater than 0.25 are considered as weak accuracy (Hair et al., 2011; Henseler et al., 2009). Nevertheless, it is suggested that interpreting the R^2 value also depends on the context of a specific study.

The blindfolding (Q^2)

Another way to evaluate the predictive accuracy of the path model is blindfolding Q^2 (Stone, 1974). The Q^2 builds on “the blindfolding procedure, which omits a part of the data matrix, estimates the model parameters and predicts the omitted part using the previously computed estimates” (Sarstedt, 2014). According to this approach, the smaller the difference between predicted and original values is the greater the Q^2 and it thus increases the predictive accuracy of the path model (Rigdon, 2014; Sarstedt, 2014). Based on a thumb rule, Q^2 values higher than zero for a specific endogenous construct points that the path model’s predictive accuracy is acceptable for that a given construct. Hair and Hult (2014) demonstrated that Q^2 values can be assessed by two approaches, including “cross-validated redundancy” and “cross-validated communality”, while the cross-validated redundancy is recommended as the best way.

The effect sizes (f^2)

Later, the effect size of the predictor constructs using f^2 (Cohen, 1988) was assessed. The effect size is calculated as “the increase in R^2 relative to the proportion of variance that remains unexplained in the endogenous latent variable” (Cohen, 1988). According to the rule of thumb, f^2 values higher than 0.02 depict small effect sizes, f^2 values higher than 0.15 are considered as medium effect sizes, these values above 0.35 are regarded as large effect sizes (Cohen, 1988).

Mediating effects

Lastly, the relationships among constructs of the structural model were further explored through indirect effects and total effects. While total effects are understood as “the sum of the direct effect and the indirect effect between an exogenous and an endogenous construct in the structural model” (Sarstedt, 2014). Meanwhile, “direct effect refers to the relationship between two constructs linked with a single row”. In other words, “indirect effect relates to the relationship that involves a sequence of relationship with at least one intervening construct involved” (Preacher and Hayes, 2004; Kim, 2007). The consideration of total effects and indirect effects contribute to providing a richer picture of relationships in the structural model. To identify a mediating role of specific construct between an independent factor and a dependent factor, it is essential to answer the three research questions as follows:

(1) *Is the direct effect between the independent factor and the dependent factor significant?*

(2) *Is the indirect effect via the mediator factor significant?*

(3) *How much is the strength of mediation?* Regarding measuring the strength of mediation, the variance accounted for (VAF) is calculated which denotes the strength of the indirect effect in relation to the total effect (Total effects = indirect effects + direct effects).

$$\text{VAF} = (\text{Indirect effect}) / (\text{Total effects})$$

If VAF is less than 20%, then almost no mediation takes place. If VAF is larger than 80%, then full mediation takes place. Otherwise, if VAF ranges from 20% to 80%, it is considered as a partial mediator (Kim, 2017).

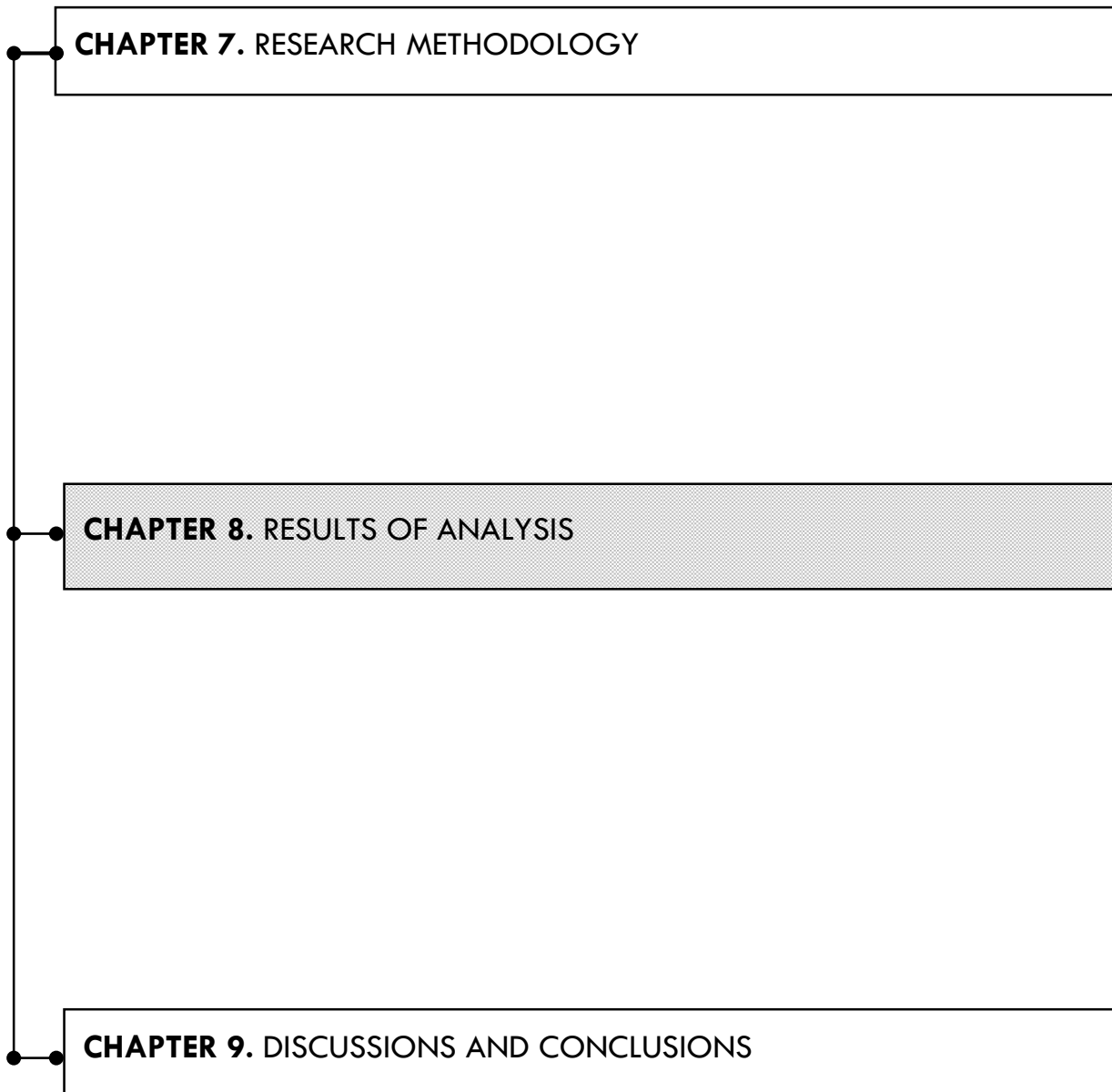
Table 7.6. The analysis procedure in PLS-SEM

Procedure	Criteria	Detail
Step 1. Measurement model assessment	<i>Indicator reliability</i>	Item loadings ≥ 0.6
	<i>Internal consistency reliability</i>	Composite reliability is recommended: ≥ 0.7
		Reliability coefficients ≥ 0.9 : excellent
		Reliability coefficients ≥ 0.8 : very good
	<i>Convergent validity</i>	AVE ≥ 0.50
<i>Discriminant validity</i>	The square root of the AVE of each construct is larger than its corresponding correlation coefficients	
Step 2. Structural model assessment	<i>Collinearity</i>	VIF ≥ 5 : collinearity issues occur
		VIF < 5 : no collinearity
	<i>R² (the coefficient of determination)</i>	$R^2 \geq 0.90$: are typical indicators of over-fit
		$R^2 \geq 0.75$: substantial effect
		$R^2 \geq 0.50$: moderate effect
		$R^2 \geq 0.25$: weak effect
	<i>Q² (the blindfolding)</i>	$Q^2 > 0$: meaningful, small predictive accuracy
		$Q^2 \geq 0.25$: medium predictive accuracy
$Q^2 \geq 0.50$: large predictive accuracy of the PLS path model		
<i>f² (the effect sizes)</i>	$f^2 \geq 0.02$: small effect sizes	
	$f^2 \geq 0.15$: medium effect sizes	
	$f^2 \geq 0.35$: large effect sizes	
<i>Significance and relevance of path coefficients</i>	Statistical significance: T values and p – values	
	<ul style="list-style-type: none"> • $t > 2.57, p < 0.01$ • $t > 1.96, p < 0.05$ • $t > 1.65, p < 0.1$ Path coefficient values (β):from -1 to +1 <ul style="list-style-type: none"> • β is closer to +1: a strong positive relationship • β is closer to -1: a strong negative relationship 	
<i>Mediating effects</i>	(1) Is the direct effect significant? (2) Is the indirect effect via mediator significant? (3) How much is the strength of mediation?	

PART 2.

RESEARCH METHODOLOGY,

RESULTS AND DISCUSSIONS



CHAPTER 8

RESULTS OF ANALYSIS

This chapter presents the findings of the data analysis procedure from the descriptive statistical analysis to the structural model analysis. First of all, we describe demographic characteristics for both two samples including customers and employees. The variable characteristics relating to the measurements of customers and employees are also presented in this section. Later, we show the results for the reliability analysis of summated scales consisting of testing the interclass correlation coefficients, testing the within-group interrater reliability and testing the common method bias. Thirdly, we subsequently present the results of measurement model analysis through evaluating the indicator loadings, the composite reliability, the convergent validity, and the discriminant validity. The findings of the structural model analysis are presented in the subsequent section. Last but not least, we discuss the mediating effects of the research framework.

8.1. Results of descriptive statistical analysis

Descriptive statistics were performed to provide underlying information about the research sample relating to demographic characteristics and variables used in this study. For the demographic characteristics, the information was provided through the frequency distributions and percentage distributions. While the characteristics of variables were explored through mean values, standard deviations, range values, minimum values and maximum values. Because the data of this study were collected from two samples including (1) customers and (2) employees, hence the descriptive statistical results are separately presented into two different parts.

8.1.1. Descriptive analysis for customer sample – demographic characteristics

For the customer sample, the final data were collected from approximately 1779 respondents at 185 coffee stores. The demographic characteristics of the customer sample are presented in Table 8.1. This table shows the basic characteristics of respondents including gender, age, employment, the frequency of visiting the facility and the period of time for visiting.

Table 8.1. Demographic characteristics of customer sample (N1 = 1779 data)

Factor	Variable	Frequency	Percent (%)
Customer's gender	Male	862	48.5
	Female	897	50.4
	Prefer not to answer	20	1.1
	Total	1779	100
Customer's age	Less than 18	97	5.5
	From 18 to 22	746	41.9
	From 23 to 30	729	41.0
	From 31 to 60	202	11.4
	More than 60	5	0.3
	Total	1779	100
Customer's employment	Student	740	41.6
	Teacher	63	3.5
	Employee	349	19.6
	Worker	89	5.0
	Business	270	15.2
	Doctor	9	0.5
	Retired	7	0.4
	Others	252	14.2
	Total	1779	100
Frequency of visiting the facility	First time	340	19.1
	Seldom	174	9.8
	Sometime	912	51.3
	Usually	353	19.8
	Total	1779	100
Objectives for conversation	Friends	1115	62.7
	Relatives, lovers, family	352	19.8
	Colleagues	196	11.0
	Business partners	66	3.7
	Others	50	2.8
	Total	1779	100
The period of time for each visit	Less than 30 minutes	61	3.4
	From 30 minutes to 1 hour	560	31.5
	From 1 to 2 hours	700	39.3
	More than 2 hours	458	25.7
	Total	1779	100

From the above table, it presented that there were 48.5% male, 50.4% female and the rest did not respond to the gender issue in a total of 1779 respondents who participated in this study. In terms of age, most of them were between 18 and 30 with approximately 82%, above 30 years old only accounted for 11.7% and 5.5% were under 18 years old. While the occupation of responses was collected from various fields, the largest rate was the student with more than 41%, the following rate was employee and business (19.6% and 15.2%, respectively). Subsequently, teachers, workers, doctors and retired people accounted for 9.4% in total. More specifically, 3.5% of them were teachers, 0.5% of them were doctors, 5% of them were workers and retired people accounted for 0.4%. Approximately 14% of respondents ticked other occupations apart from the suggested list. Among customers who were invited to participate in the survey process, 51.3% of respondents sometimes visited the coffee store, the usual frequency accounted for 19.8% in total, the same rate for the people who were the first time to visit the coffee shop. Lastly, 9.8% of respondents revealed that they seldom visit the coffee store.

Regarding objects for conversation, the result which was reported at the table showed that a majority of respondents visited the coffee store with their friends when it recorded the rate of 62.7%. Around 20% of respondents visited the coffee store with their relatives, lovers or family. While individuals who often chose the coffee store as a location to interact with their colleagues made up 11%. Only 3.7% of respondents often met business partners at the coffee store. The remaining rate was 2.8% for other situations.

For the period of time for each visit, most of the respondents spent from 1 to 2 hours for visiting the coffee store (39.3%). While there was 31.5% of respondents spending from 30 minutes to 1 hour. Besides, respondents spending more than 2 hours for each stay accounted for approximately 25.7%. Lastly, there was only 3.4% of customers spending less than 30 minutes for each visit to the coffee store.

In summary, the customer sample collected for this study indicated that customers have some main characteristics as follows: they had a major age from 18 to 30 who belong to the young generation. These respondents were students, employees and business. Most of them already visited the coffee shop a few times in the past. Respondents typically went to the coffee store with their friends, relatives and lovers. Additionally, they often spent a moderate amount of time for each visit to the coffee store, at least 30 minutes until 2 hours.

8.1.2. Descriptive analysis for employee sample – demographic characteristics

With respect to the employee sample, the research data was collected from 608 employees at 185 coffee shops. The demographic characteristics of the employee sample were described through gender, age, job status, the period of time for working at the coffee store and the number of hours for each work shift. The results reported in Table 8.2 illustrated that among 608 employees were invited to enjoy the survey process, 60.7% of them were female, 37% of them were male and 1.5% of them did not respond to the gender issue. For the distribution of age, most employees who work in the coffee store aged from 18 to 22 when this group accounted the largest rate with 78.9%. Following by the second group covered from 23 to 30 years old, accounting approximately 19.4%. Moreover, there was still a low rate of employees who are above 30 years old, working at the service facilities (1.6%).

Regarding the job status of employees, the finding showed that most of them work under a part-time job with 72% of respondents. While there was 23.7% of respondents who work full-time at the coffee store. In addition, the report also recognized 4.3% of other options. Concerning the period of time for working at the facility, there was 38.3% of participants who have worked from 3 months to 6 months at the coffee store. Subsequently, 26.2% of respondents have worked less than 3 months, 20.7% of respondents have worked from 7 months to 1 year. Lastly, the number of employees who have worked more than one year account for approximately 14.8% among the total.

According to the result reported in Table 8.2 relating to the number of hours for each work shift, a majority of respondents spent 4 hours to 8 hours per day to work at the coffee store as this group accounted for the highest rate with 78.8%. Besides, there was a significant rate of respondents spending more than 8 working hours per day, accounting for 12.3%. While the number of respondents worked less than 4 hours per day only recorded by 4.3%, then followed by other situations with 4.6%.

In summary, the result of descriptive analysis showed some major characteristics of the employee sample requested to enjoy the survey process. Most of them were very young, ranged from 18 to 22 years old. These employees majorly worked under a part-time job in a short time as the finding revealed that around 60% of respondents have worked lower than 6 months. Range from 4 to 8 hours was the popular period of time employees have to work every day in the coffee shop.

Table 8.2. The demographic characteristics of employee sample (N2 = 608 data)

Factor	Variable	Frequency	Percent (%)
Employee's gender	Male	230	37.8
	Female	369	60.7
	Prefer not to answer	9	1.50
	Total	608	100
Employee's age	From 18 to 22	480	78.9
	From 23 to 30	118	19.4
	From 31 to 40	10	1.60
	Total	608	100
Job-status	Part-time	438	72.0
	Full-time	144	23.7
	Others	26	4.30
	Total	608	100
The period of time for working at the facility	Less than 3 months	159	26.2
	From 3 months to 6 months	233	38.3
	From 7 months to 1 year	126	20.7
	More than 1 year	90	14.8
	Total	608	100
The number of hours for each work shift	Less than 4 hours per day	26	4.30
	From 4 hours to 8 hours per day	479	78.8
	More than 8 hours per day	75	12.3
	Others	28	4.60
	Total	608	100

8.1.3. Descriptive analysis for measurements of customer sample – variable characteristics

In order to understand the characteristics of each variable in a better way, descriptive statistics were used to illustrate the mean and standard deviation of each item. The higher the mean is, the stronger the agreement of respondents is. While the higher standard deviation is, the more inconsistent opinions of respondents are. Besides, a comparison among factors about mean value was also implemented to evaluate the difference. For the customer sample, descriptive statistics provide information for ten major constructs as follows: customer's perceived servicescape (ambient conditions, spatial layout, signs and symbols, facility aesthetics, cleanliness), customer's perceived interaction with employee, internal interactions among customers, customer's perceived

service experience, customer satisfaction and customer loyalty. The result of the descriptive statistics for the measurements of the customer sample is presented in Table 8.3 and Table 8.4.

Table 8.3. The mean value and reliability of measurements for customer sample (N1 = 1779 data)

Variable means	Cronbach's Alpha	Mean	Minimum	Maximum	Range
1.Ambient conditions	0.820	3.913	3.723	4.041	0.318
2.Spatial layout	0.821	3.823	3.705	3.919	0.214
3.Signs and symbols	0.928	3.607	3.588	3.635	0.047
4.Facility aesthetics	0.858	3.740	3.607	3.839	0.232
5.Cleanliness	0.871	3.999	3.874	4.052	0.179
6.Customer's perceived interaction with employee	0.906	3.694	3.453	3.963	0.510
7.Internal interaction among customers	0.877	3.843	3.798	3.868	0.071
8.Customer's perceived service experience	0.898	3.656	3.622	3.676	0.053
9.Customer satisfaction	0.894	3.896	3.771	3.956	0.184
10.Customer loyalty	0.889	3.889	3.676	4.008	0.332

As presented in Table 8.3, it showed a significant difference among mean values, minimum values, maximum values and the ranges of measurements in the customer sample. Firstly, the result indicated that all mean values of constructs were larger than 3.5, ranged from 3.607 (signs and symbols) to 3.999 (cleanliness). Meanwhile, there were two mean values above 3.9 (cleanliness and ambient conditions), four values above 3.8 (spatial layout, internal interactions among customers, customer satisfaction and customer loyalty), one mean value above 3.7 (facility aesthetics) and three mean values above 3.6 (signs and symbols, customer's perceived interaction with the employee, customer's perceived service experience).

Secondly, the result reported in Table 8.3 provided the distribution of minimum and maximum mean values. It showed that the minimum mean value ranged from 3.453 (customer's perceived interaction with the employee) to 3.874 (cleanliness). According to this table, there was only one minimum mean value above 3.8 (cleanliness), four minimum mean values above 3.7 (ambient conditions, spatial layout, internal interaction among customers and customer satisfaction), three minimum mean values above 3.6 (facility aesthetics, customer's perceived service experience and customer loyalty), one minimum mean value above 3.5 (signs and symbols) and one minimum

mean value above 3.4 (customer's perceived interaction with the employee). Similarly, the result indicated that the maximum mean values distributed from 3.635 (signs and symbols) to 4.052 (cleanliness). Based on this table, three maximum mean values were exceeding 4.0 (ambient conditions, cleanliness and customer loyalty), three maximum mean values above 3.9 (spatial layout, customer's perceived interaction with the employee, customer satisfaction), two maximum mean values above 3.8 (facility aesthetics, internal interactions among customers) and two maximum mean values above 3.6 (signs and symbols, customer's perceived service experience).

Lastly, Table 8.3 provided the range of mean value for measurements in the customer sample which represents the difference between the minimum mean value and the maximum mean value for each measurement. The findings showed that the range located from 0.047 (signs and symbols) to 0.510 (customer's perceived interaction with the employee). More specially, there was only range value above 0.5 (customer's perceived interaction with the employee), two range values above 0.3 (ambient conditions, customer loyalty), two range values above 0.2 (spatial layout, facility aesthetics), two range values above 0.1 (cleanliness, customer satisfaction) and three range values below 0.1 (signs and symbols, internal interaction among customers, customer's perceived service experience).

While Table 8.4 provided more information in detail about the distribution of the mean value of variables among factors in the customer sample. For customer's perceived ambient conditions, this factor was measured by 6 variables. The result of descriptive statistics indicated the mean values of variables were greater than 3.7, ranged from 3.72 (CAMB4 – the odor in the facility is pleasant) to 4.04 (CAMB06 – the lighting in the facility is comfortable to see). The standard deviation of this measurement distributed from 0.780 to 0.908. While the spatial layout was evaluated by 5 variables, all mean values were greater than 3.7, ranged from 3.71 (CSPAC3-the facility is assured of private space) to 3.92 (CSPAC2-the facility provides comfortable seats). Moreover, the standard deviation of this construct located from 0.816 to 0.964. Regarding customer's perceived signs and symbols, the result reported in Table 8.4 indicated that all mean values of variables were higher than 3.5, ranged from 3.59 (CSIGN2, CSIGN3) to 3.63 (CSIGN4-the signs and symbols are easy to be understood). While the standard deviation values were large, ranging from 0.878 to 0.915.

For customer's perceived facility aesthetics, this structure was measured by 4 variables with mean values exceeding 3.6, ranged from 3.61 (CFAC1 – the ceiling designing of this facility is

impressive) to 3.84 (CFAC4 – the facility is decorated attractively). The final dimension of servicescape is cleanliness which was evaluated by 5 variables. The findings of descriptive statistics illustrated that all mean values of these variables were greater than 3.8, ranged from 3.87 (CCLEA5 – the facility maintains clean restrooms) to 4.05 (CCLEA3 – the facility maintains clean equipment and devices). Meanwhile, there were four mean values above 4 (CCLEA1, CCLEA2, CCLEA3, CCLEA4). The standard deviation values ranged from 0.775 to 0.866.

For customer's perceived interaction with the employee, this factor was measured by 8 variables. The result showed that all mean values of variables were higher than 3.4, ranged from 3.45 (CINTER3 – the employees create a warm feeling as serving) to 3.96 (CINTER7, CINTER8). While there were three values above 3.4, one value above 3.6, two values above 3.8 and two values above 3.9. The standard deviation values changed from 0.974 to 0.949. For internal interactions among customers, the finding indicated that mean values achieved over 3.8, ranged from 3.80 (Cinternal4 – we got a superior conversation with my friends at the facility) to 3.87 (Cinternal2 – I communicated well with friends at the facility). While the standard deviation values distributed from 0.722 to 0.783.

For customer's perceived service experience, this factor was only measured by three items with all mean values exceeding 3.6 (CEXPER1 = 3.62, CEXPER2 = 3.68, CEXPER3 = 3.67). While the standard deviation values distributed from 0.749 to 0.808. Regarding customer satisfaction, the result of descriptive statistics revealed that all mean values of variables were higher than 3.7, there were four mean values above 3.9 and one mean value above 3.7. The standard deviation values ranged from 0.705 to 0.800. The final factor of the customer sample is customer loyalty which was measured by 5 variables. All values exceeded 3.6, while there were three values above 3.9, one value above 3.6 and one value above to 0.940.

In summary, the descriptive analysis provided some important information as follows: all mean values of measurements were relatively high when they were greater than 3.6. While cleanliness achieved the largest mean value (3.999) and signs & symbols had the smallest mean value (3.607) among ten constructs. Besides, customers' perceived interaction with employees got the smallest minimum mean value (3.453), while the largest maximum mean value was the customer's perceived cleanliness (4.052). The result showed that there was three maximum mean value above 4.0 (ambient conditions, cleanliness and customer loyalty), remaining values were greater than 3.6. The range value existed a large discrepancy among constructs, customer's perceived

interaction with employees had the largest range value (0.510), whereas the smallest range value was signs and symbols (0.047). Moreover, all standard deviation values of variables exceeded 0.7.

Table 8.4. The mean value and standard deviation of items for customer sample (N1 = 1779 data)

Code	Variable	Mean	Std.dev
AMBIENT CONDITIONS			
CAMB1	The temperature in the facility is comfortable	4.02	0.833
CAMB2	The air quality in the facility is good	3.94	0.806
CAMB3	The background music/sound is appropriate	3.80	0.908
CAMB4	The odor in the facility is pleasant	3.72	0.839
CAMB5	The lighting in the facility is adequate	3.96	0.813
CAMB6	The lighting in the facility is comfortable to see	4.04	0.780
SPATIAL LAYOUT			
CSPAC1	The tables and chairs of this facility are located reasonably	3.86	0.821
CSPAC2	The facility provides comfortable seats	3.92	0.816
CSPAC3	The facility is assured of private space	3.71	0.964
CSPAC4	The facility layout makes it easy to get to the restrooms	3.73	0.910
CSPAC5	The facility layout makes it easy to move around	3.90	0.829
SIGNS AND SYMBOLS			
CSIGN1	There is sufficient guidance in the facility	3.60	0.878
CSIGN2	The signs and symbols are located reasonably	3.59	0.915
CSIGN3	The signs and symbols are large enough to be seen	3.59	0.911
CSIGN4	The signs and symbols are easy to be understood	3.63	0.910
CSIGN5	The signs and symbols are useful for customers	3.61	0.910
FACILITY AESTHETICS			
CFAC1	The ceiling designing of this facility is impressive	3.61	0.912
CFAC2	The interior walls and floor color schemes are impressive	3.75	0.877
CFAC3	The facility's architecture gives it an impressive character	3.76	0.862
CFAC4	The facility is decorated in an attractive fashion	3.84	0.864
CLEANLINESS			
CCLEA1	The facility maintains clean walkways and exists	4.01	0.775
CCLEA2	The facility maintains clean chairs and tables	4.04	0.823
CCLEA3	The facility maintains clean equipment and devices	4.05	0.779
CCLEA4	The facility maintains clean food and drinks service areas	4.03	0.775
CCLEA5	The facility maintains clean restrooms	3.87	0.866
CUSTOMER'S PERCEIVED INTERACTION WITH EMPLOYEE			
CINTER1	I enjoy talking/communicating with employees in the facility	3.45	0.863
CINTER2	I am comfortable as communicating with the employees in the facility	3.61	0.899
CINTER3	The employees create a warm feeling as serving	3.45	0.949
CINTER4	The employees relate well to me	3.83	0.794

CINTER5	I have a harmonious relationship with employees	3.82	0.821
CINTER6	The employees have a good sense of humor	3.46	0.912
CINTER7	The employees are polite as serving customers	3.96	0.798
CINTER8	The employees are friendly as communicating with customers	3.96	0.796
INTERNAL INTERACTION AMONG CUSTOMERS			
Cinternal1	I felt closer to friends at the facility	3.85	0.722
Cinternal2	I communicated well with friends at the facility	3.87	0.731
Cinternal3	The quality of my conversation with my friends is excellent	3.86	0.757
Cinternal4	We get a superior conversation with my friends at the facility	3.80	0.783
CUSTOMER'S SERVICE EXPERIENCE PERCEPTION			
CEXP1	My total experience at the facility is memorable	3.62	0.749
CEXP2	My total experience at the facility is enjoyable	3.68	0.787
CEXP3	I believe that we get a superior/impressive experience at the facility	3.67	0.808
CUSTOMER SATISFACTION			
CSAT1	I am pleased with this visit to the facility	3.93	0.705
CSAT2	I am satisfied with my decision to visit the facility today	3.77	0.800
CSAT3	I really enjoy my visit to the facility	3.90	0.753
CSAT4	I am happy that I visit the facility	3.92	0.774
CSAT5	Overall, I am satisfied with service experience at the facility	3.96	0.759
CUSTOMER LOYALTY			
CLOY1	I would encourage my friends and my close to making enjoy the facility	3.93	0.800
CLOY2	I would say good things for this facility to others	3.90	0.801
CLOY3	I would recommend the facility to anyone who asks me advice	3.93	0.842
CLOY4	For the next time, I would consider the facility as my first choice	3.68	0.940
CLOY5	I would continue to make enjoy at the facility over the next time	4.01	0.789

8.1.4. Descriptive analysis for measurements of employee sample- variable characteristics

In similar to the customer sample, descriptive statistics were performed to describe the underlying characteristics of measurements for the employee sample, including mean values, minimum values, maximum values, range values and standard deviations. In this section, the descriptive analysis provides information for nine constructs as follows: employee's perceived physical workplace (ambient conditions, workspace and functionality, signs and symbols, facility aesthetics and cleanliness), the employee's perceived interaction with the customer, employee job experience, employee inner emotion and job satisfaction. The results of descriptive statistics for the measurements of employee sample are presented in Table 8.5 and Table 8.6.

Table 8.5. The mean value and reliability of measurements for employee sample (N2 = 608 data)

Variable means	Cronbach's Alpha	Mean	Minimum	Maximum	Range
Ambient conditions	0.833	4.150	4.007	4.281	0.274
Workspace and functionality	0.860	4.189	4.104	4.229	0.125
Signs and symbols	0.929	3.837	3.781	3.880	0.099
Facility aesthetics	0.853	3.894	3.816	3.976	0.160
Cleanliness	0.876	4.256	4.198	4.337	0.139
Employee's perceived interaction with customer	0.893	3.759	3.439	3.974	0.535
Employee's job experience	0.888	4.021	3.962	4.054	0.092
Employee inner emotion	0.877	4.066	3.950	4.175	0.224
Job satisfaction	0.898	3.908	3.755	4.064	0.309

As reported in Table 8.5, it showed that a majority of mean values were relatively high as all of them were greater than 3.7, ranged from 3.759 (employee's perceived interaction with the customer) to 4.256 (cleanliness). Meanwhile, there were five mean values above 4.0 (including ambient conditions, workspace, cleanliness, job experience and employee inner emotion), one mean value above 3.9 (job satisfaction), two mean values above 3.8 (signs and symbols, facility aesthetics) and one mean value above 3.7 (employee's perceived interaction with the customer).

For the minimum mean value, the findings showed that these values ranged from 3.439 (employee's perceived interaction with the customer) to 4.198 (cleanliness). According to this table, there were three minimum mean values above 4.0 (ambient conditions, workspace, cleanliness), two minimum mean values above 3.9 (job experience, employee inner emotion), one value above 3.8 (facility aesthetics), two values above 3.7 (signs and symbols, job satisfaction) and one value above 3.4 (employee's perceived interaction with the customer).

Regarding maximum mean values, the result indicated that these indices distributed from 3.880 (signs and symbols) to 4.337 (cleanliness). It showed that 6 values achieved above 4.0 (ambient conditions, workspace, cleanliness, job experience, employee emotion and job satisfaction), two values above 3.9 (facility aesthetics, employee's perceived interaction with the customer) and only value above 3.8 (signs and symbols). For the range value of mean for measurements, the findings

showed that the range values existed a moderate discrepancy between factors, ranged from 0.092 (job experience) to 0.535 (employee's perceived interaction with the customer). More specifically, the result recorded one range value above 0.5 (employee's perceived interaction with the customer), one range value above 0.3 (job satisfaction), two range values above 0.2 (ambient conditions, employee emotion), three range values above 0.1 (workspace, facility aesthetics, cleanliness) and two range values below 0.1 (signs and symbols, job experience).

The result reported in Table 8.6 provides information in detail about the distribution of the mean value of variables towards constructs for the employee sample. With respect to employee's perceived ambient conditions, the findings indicated that all variables achieved high mean values as all of them were greater than 4.0, ranged from 4.05 (EAMB4 – the odor in the facility is pleasant) to 4.31 (EAMB6 - the lighting in the facility is comfortable to work). While the standard deviation values distributed from 0.789 to 0.834. In similar to the findings of ambient conditions, workspace and functionality also got the high mean values among variables as four values were greater than 4.1, ranged from 4.19 (ESPAC1, ESPAC2) to 4.25 (ESPAC4 – the facility space is comfortable to work). And the standard deviation values fluctuated from 0.784 to 0.808.

For the signs and symbols, the result indicated that the mean values of variables were relatively high as all of them were larger than 3.8, ranged from 3.82 (ESIGN1 – There is sufficient guidance in the facility) to 3.91 (ESIGN5 – The signs and symbols make a contribution to your job). Meanwhile, four values achieved 3.8 and one value achieved 3.9. The standard deviation values changed from 0.887 to 0.946. Relating to facility aesthetics, this factor was measured by 4 variables. The report showed that mean values fluctuated from 3.83 (EFAC1 – The ceiling designing of this facility is impressive) to 4.01 (EFAC4 – The facility is decorated in an attractive fashion). And the standard deviation values changed from 0.836 to 0.967.

The final dimension of the physical workplace is cleanliness which was measured by 5 variables. The findings demonstrated that the mean values of variables were very high as these values were greater than 4.2, ranged from 4.20 (ECLEA1 - The facility maintains clean walkways and exists) to 4.34 (ECLEA4 – The facility maintains clean food and drink service areas). Meanwhile, there were four values above 4.2 and one value above 4.3. The standard deviation values fluctuated from 0.727 to 0.801.

For employee's perceived interaction with the customer, this factor was measured by 8 variables. The analysis result indicated that mean values were greater than 3.4, ranged from 3.45 (EINTER6 – The customers have a good sense of humor) to 3.94 (EINTER2 – I am comfortable as communicating with customers). However, the result of standard deviation values revealed that one variable got very high value (2.246 – EINTER5: I have a harmonious relationship with customers) in comparison to the remaining variables which fluctuated from 0.792 to 0.923 exception of EINTER5.

For job experience, this factor was measured by 4 variables. The finding demonstrated that mean values of variables were relatively high as it recorded 3 values above 4.0 and one value above 3.9, ranged from 3.98 (EEXPER4 – I believe that I get a superior job experience) to 4.07 (EEXPER3 – My job provides me a sense of meaningful experience). The standard deviation values changed from 0.761 to 0.805.

For employee emotion, the mean values of variables ranged from 3.95 (EMO6 – I feel proud about my job) to 4.14 (EMO1 – I feel enthusiastic about my job), the result also recorded 4 mean values above 4.0 and two mean values above 3.9. The standard deviation values fluctuated from 0.668 to 0.851. The final factor of employee sample is job satisfaction, it showed that mean values fluctuated from 3.75 (ESAT1-This job lives up to my expectation) to 4.05 (ESAT5-My job is pleasant), the standard deviation values changed from 0.774 to 0.865.

In summary, the results of descriptive statistics demonstrated some important characteristics of measurements for the employee sample as follows: the mean values of constructs for the employee sample were relatively high when all of them were greater than 3.7. Meanwhile, the employee's perceived cleanliness achieved the largest mean value (4.256) and the employee's perceived interaction with customers got the smallest mean value (3.759). In addition, the largest minimum mean value was 4.198 by the employee's perceived cleanliness. In contrast, the smallest minimum mean value was 3.439 by employees' perceived interaction with customers. The findings provided that the smallest maximum mean value was 3.880 by employees' perceived signs and symbols, whereas the largest maximum mean value was recorded for employees' perceived cleanliness (4.337). Additionally, the analysis showed that the majority of standard deviation values were greater than 0.7.

Table 8.6. The mean value and standard deviation of items for employee sample (N2 = 608 data)

Code	Variable	Mean	Std.dev
AMBIENT CONDITIONS			
EAMB1	The temperature in the facility is comfortable	4.13	0.812
EAMB2	The air quality in the facility is good	4.14	0.790
EAMB3	The background music/sound is appropriate	4.18	0.834
EAMB4	The odor in the facility is pleasant	4.05	0.803
EAMB5	The lighting in the facility is adequate	4.27	0.809
EAMB6	The lighting in the facility is comfortable to work	4.31	0.789
WORKSPACE AND FUNCTIONALITY			
ESPAC1	The bar and kitchen location are convenient to work	4.19	0.784
ESPAC2	The equipment is located reasonably to find and use	4.19	0.798
ESPAC3	The facility space is easy to move around it	4.12	0.808
ESPAC4	The facility space is comfortable to work	4.25	0.797
SIGNS AND SYMBOLS			
ESIGN1	There is sufficient guidance in the facility	3.82	0.925
ESIGN2	The signs and symbols are located reasonably	3.86	0.887
ESIGN3	The signs and symbols are large enough to be seen	3.86	0.946
ESIGN4	The signs and symbols are easy to be understood	3.89	0.908
ESIGN5	The signs and symbols make a contribution to your job	3.91	0.966
FACILITY AESTHETICS			
EFAC1	The ceiling designing of this facility is impressive	3.83	0.967
EFAC2	The interior walls and floor color schemes are impressive	3.93	0.885
EFAC3	The facility's architecture gives it an impressive character	3.93	0.878
EFAC4	The facility is decorated in an attractive fashion	4.01	0.836
CLEANLINESS			
ECLEA1	The facility maintains clean walkways and exists	4.20	0.727
ECLEA2	The facility maintains clean chairs and tables	4.28	0.748
ECLEA3	The facility maintains clean equipment and devices	4.29	0.762
ECLEA4	The facility maintains clean food and drinks service areas	4.34	0.724
ECLEA5	The facility maintains clean restrooms	4.25	0.801
EMPLOYEE'S PERCEIVED INTERACTION WITH CUSTOMER			
EINTER1	I enjoy talking/communicating with customers	3.81	0.792
EINTER2	I am comfortable as communicating with customers	3.94	0.813
EINTER3	The customers create a warm feeling in our relationship	3.66	0.923
EINTER4	The customers relate well to me	3.75	0.860
EINTER5	I have a harmonious relationship with customers	3.89	2.246
EINTER6	The customers have a good sense of humor	3.45	0.910
EINTER7	The customers are polite as communicating with employees	3.81	0.826

EINTER8	The customers are friendly as communicating with employees	3.80	0.814
EMPLOYEE'S JOB EXPERIENCE PERCEPTION			
EEXPER1	My total job experience at the facility is memorable	4.04	0.761
EEXPER2	My total job experience at the facility is enjoyable	4.04	0.771
EEXPER3	My job provides me a sense of meaningful experience	4.07	0.786
EEXPER4	I believe that I get a superior job experience	3.98	0.805
EMPLOYEE INNER EMOTION			
EEMO1	I feel enthusiastic about my job	4.14	0.668
EEMO2	I am interested in my job	4.06	0.759
EEMO3	I feel inspired by my job	3.97	0.787
EEMO4	The job makes me feel active	4.09	0.780
EEMO5	The job makes me feel strong	4.12	0.769
EEMO6	I feel proud of my job	3.95	0.851
JOB SATISFACTION			
ESAT1	This job lives up to my expectation	3.75	0.784
ESAT2	I am content with my job	3.87	0.800
ESAT3	My job is worthwhile	3.84	0.865
ESAT4	My job is exciting	3.99	0.794
ESAT5	My job is pleasant	4.05	0.774
ESAT6	My work is satisfying	4.01	0.848

8.2. Reliability analysis of summated scales

This research collected the data from two samples including employees and customers, and the data for the analysis process was summated at the level store with $N = 185$. Based on the instructions towards the research of multiple samples, it was essential to ensure that individual ratings are reasonably stable within each store set and to test whether there is consistency across employee perceptions or customer perceptions (Salanova, 2006; Chang, 2016; Chi and Gursoy, 2009) and it is indicated that the aggregating data must be substantiated by statistical justification. Bliese (1998) revealed that intra-class correlation coefficients and within-group interrater reliability coefficients (r_{wg}) can justify aggregation to higher levels of analysis.

8.2.1. Test the interclass correlation coefficient and within-group interrater reliability coefficients

According to Bliese (1998), the intra-class correlation coefficients (ICC1 and ICC2) and the within-group interrater reliability coefficients (r_{wg}) could be employed to evaluate the reliability

of the summated scale in this research. Meanwhile, the ICC (1) coefficient represents “the proportion of variance in ratings at the individual level attributable to group membership”. The ICC (2) coefficient represents “the reliability of group-level means” (Bliese, 1998). According to McHugh (2012), the within-group inter-rater reliability measures “the extent to which data collectors assign the same score to the same variable” and the r_{wg} index has been extensively employed in the applied psychology and management literature for evaluating inter-rater agreement concerning group-level constructs (George and Bettenhausen, 1990). The analysis result is presented in Table 8.7.

Table 8.7. The results of interclass correlation coefficients for summated scales (N = 185 data)

Factor	Label	ICC1 (>0.12)	ICC2 (>0.6)	Rwg (>0.7)
(1) Customer's perceived ambient conditions	CAMB	0.517	0.865	0.96
(2) Customer's perceived spatial layout	CSPAC	0.606	0.885	0.96
(3) Customer's perceived signs and symbols	CSIGN	0.879	0.973	0.93
(4) Customer's perceived facility aesthetics	CFAC	0.724	0.913	0.95
(5) Customer's perceived cleanliness	CCLEA	0.714	0.926	0.96
(6) Customer's perceived interaction with employee	CINTER	0.524	0.898	0.96
(7) Internal interaction among customers	CINTERNAL	0.776	0.933	0.97
(8) Customer's perceived service experience	CEXPER	0.859	0.948	0.96
(9) Customer satisfaction	CSAT	0.740	0.934	0.97
(10) Customer loyalty	CLOY	0.713	0.925	0.96
(11) Employee's perceived ambient conditions	EAMB	0.571	0.889	0.91
(12) Employee's perceived workspace	ESPAC	0.715	0.910	0.91
(13) Employee's perceived signs and symbols	ESIGN	0.803	0.953	0.87
(14) Employee's perceived facility aesthetics	EFAC	0.709	0.907	0.88
(15) Employee's perceived cleanliness	ECLEA	0.653	0.904	0.93
(16) Employee's perceived interaction with customer	EINTER	0.408	0.846	0.85
(17) Employee's job experience	EEXPER	0.728	0.914	0.92
(18) Employee inner emotion	EMOT	0.614	0.905	0.93
(19) Job satisfaction	ESAT	0.652	0.918	0.91

The results reported in Table 8.7 indicated that all values of ICC1 exceeded the criterion of 0.12 (Bliese, 1998). In this section, it showed that the majority of ICC1 value was greater than 0.5, ranged from 0.408 (employee's perceived interaction with the customer) to 0.879 (customer's perceived signs and symbols). More specially, there were 3 factors achieving ICC1 above 0.5 (customer's perceived ambient conditions, customer's perceived interaction with the employee, the employee's perceived ambient conditions), 4 factors achieving ICC1 above 0.6 (customer's perceived spatial layout, employee emotion, job satisfaction and employee's perceived cleanliness), 8 factors achieving ICC1 above 0.7 (employee's perceived facility aesthetics, customer loyalty, customer's perceived cleanliness, the employee's perceived workspace and functionality, customer's perceived facility aesthetics, job experience, customer satisfaction and internal interaction among customers) and 3 factors achieving ICC1 above 0.8 (employees' perceived signs and symbols, service experience and customers' perceived signs and symbols).

Similarly, the analysis results demonstrated that all values of ICC2 for 19 constructs met the criterion of 0.6 (Bliese, 1998). All of them were greater than 0.8, ranged from 0.846 (employee's perceived interaction with the customer) to 0.973 (customer's perceived signs and symbols). The findings recorded that there were 5 factors achieving ICC2 above 0.8 (customer's perceived interaction with the employee, the employee's perceived ambient conditions, customer's perceived spatial layout, customer's perceived ambient conditions, the employee's perceived interaction with the customer), 3 factors achieving ICC2 above 0.90 (employee's perceived cleanliness, employee emotion and employee's perceived facility aesthetics), 4 factors achieving ICC2 above 0.91 (employee's perceived workspace and functionality, customer's perceived facility aesthetics, job experience and job satisfaction), 2 factors achieving ICC2 above 0.92 (customer loyalty and customer's perceived cleanliness), 2 factors achieving ICC2 above 0.93 (internal interaction among customers and customer satisfaction) and 3 factors achieving ICC2 above 0.94 (customer's perceived service experience, the employee's perceived signs and symbols and customer's perceived signs and symbols).

For the average r_{wg} values, analysis results indicated that all values of r_{wg} exceeded the criterion of 0.7 (Bliese, 1998). It showed that all values of r_{wg} were greater than 0.8, ranged from 0.85 (employee's perceived interaction with the customer) to 0.97 (customer satisfaction). The report demonstrated that there were 3 factors meeting r_{wg} above 0.85 (employee's perceived interaction with the customer, the employee's perceived signs and symbols and employee's perceived facility aesthetics), 4 factors ranged from 0.91 to 0.92 (employee's perceived ambient conditions, the

employee's perceived workspace and function, job satisfaction and job experience), 3 factors above 0.93 (employee's perceived cleanliness, employee emotion and customer's perceived signs and symbols), 7 factors ranged 0.95 to 0.96 (customer's perceived facility aesthetics, customer's perceived ambient conditions, customer's perceived spatial layout, customer's perceived interaction with the employee, customer loyalty, customer's perceived cleanliness, service experience) and 2 factors above 0.97 (internal interaction among customers and customer satisfaction).

In summary, the analysis results showed that the indices of the interclass correlation coefficient and within-group interrater reliability coefficient met the requested criterion suggested by Bliese (1998). As a consequence, it could be concluded that the summated data from two samples at the level store with $N = 185$ satisfied the reliability for the further analysis process.

8.2.2. Test common method bias

According to Podsakoff, MacKenzie and Lee (2003), it is necessary to examine the common method bias when research data is collected through the self-administered questionnaires. Especially, both dependent and independent factors are investigated by the same person. In order to address a potential common method bias caused by the survey method through the self-administered questionnaires, Harman's single-factor test was used to check for possible common method variance (Podsakoff et al., 2003). According to Harman (1967), these biases occur if a single factor accounts for the majority of the covariance in the dependent and independent variables.

Therefore, exploratory factor analysis was performed to test whether there is existing any single factor which is likely to explain a majority of the variance in the exogenous and endogenous variables. Exploratory factor analysis was carried out by using the Principal Component Method for 19 constructs, including employees' perceived servicescape (ambient conditions, workspace and functionality, facility aesthetics, signs and symbols, cleanliness), employees' perceived interaction with customers, employee job experience, employee inner emotion, job satisfaction, customers' perceived servicescape (ambient conditions, space and function, facility aesthetics, signs and symbols, cleanliness), customers' perceived interaction with employees, customer service experience, internal interaction among customers, customer satisfaction and customer

loyalty. The analysis result indicated that no single factor could explain a majority of variances, hence it could be concluded that common method bias was not a threat in this research.

In addition, exploratory factor analysis was also performed to confirm construct validity which was already ensured by the respective standard measurement scales of the selected variables for the present study. A majority of constructs are considered as single constructs (19 first-order constructs: employees' perceived ambient conditions, employees' perceived workspace and functionality, employees' perceived facility aesthetics, employees' perceived signs and symbols, employees' perceived cleanliness, employees' perceived interaction with customers, employee job experience, employee inner emotion, job satisfaction, customers' perceived ambient conditions, customers' perceived space and function, customers' perceived facility aesthetics, customers' perceived signs and symbols, customers' perceived cleanliness, customers' perceived interaction with employees, customer service experience, internal interaction among customers, customer satisfaction and customer loyalty) exception of 2 second-order constructs. As such, this section only focuses on analyzing two multiple constructs including customer's perceived servicescape and employee's perceived servicescape. According to Cheon and Stylianou (2001), a construct is regarded as validity if (1) all standardized factor loadings are greater than 0.5 and (2) each item is loading on its own construct. The results of exploratory factor analysis for two multiple constructs are exhibited in Table 8.8 and Table 8.9.

For the customer's perceived servicescape, the results of exploratory factor analysis showed that all standardized factor loadings were greater 0.5 and all items were loaded on their own constructs (Table 8.8). The findings indicated the substantial support for factoring among variables through the results of Kaiser-Meyer-Olkin (KMO) analysis and Bartlett's Test of Sphericity. While factoring included the identification of a group of factors that represented the data set very well: $KMO = 0.939$, $Chi\text{-}square = 4849.069$, $df = 300$ and $sig. = 0.000 < 0.01$. These findings revealed that observed variables were inter-correlated thus it was appropriate to conduct factor analysis. Besides, the results after VARIMAX rotation resulted in 5 factors as the initial suggestion and the number of items loaded in each factor remained and not changed. These factors were explained by approximately 78,755% of the total variance. Therefore, the findings of exploratory factor analysis for customer's perceived servicescape demonstrated that this construct was assured of validity in the context to further analysis as five dimensions were loaded as five single constructs, including ambient conditions (6 items), spatial layout (5 items), signs and symbols (5 items), facility aesthetics (4 items) and cleanliness (5 items).

Table 8.8. The results of EFA for customer's perceived servicescape (N = 185 data)

Item	Code	Component				
		1	2	3	4	5
There is sufficient guidance in the facility	CSIGN1	.799				
The signs and symbols are located reasonably	CSIGN2	.814				
The signs and symbols are large enough to be seen	CSIGN3	.852				
The signs and symbols are easy to be understood	CSIGN4	.826				
The signs and symbols are useful for customers	CSIGN5	.818				
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The temperature in the facility is comfortable	CAMB1		.805			
The air quality in the facility is good	CAMB2		.712			
The background music/sound is appropriate	CAMB3		.705			
The odor in the facility is pleasant	CAMB4		.727			
The lighting in the facility is adequate	CAMB5		.659			
The lighting in the facility is comfortable to see	CAMB6		.620			
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The facility maintains clean walkways and exists	CCLEAN1			.829		
The facility maintains clean chairs and tables	CCLEAN3			.746		
The facility maintains clean equipment and devices	CCLEAN2			.712		
The facility maintains clean food and drink service areas	CCLEAN4			.685		
The facility maintains clean restrooms	CCLEAN5			.536		
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The ceiling designing of this facility is impressive	CFAC1				.674	
The interior walls and floor color schemes are impressive	CFAC2				.716	
The facility's architecture gives it an impressive character	CFAC3				.817	
The facility is decorated in an attractive fashion	CFAC4				.805	
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The tables and chairs of this facility are located reasonably	CSPACE1					.751
The facility provides comfortable seats	CSPACE2					.711
The facility is assured of private space	CSPACE3					.644
The facility layout makes it easy to get to the restrooms	CSPACE4					.577
The facility layout makes it easy to move around	CSPACE5					.681
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Cronbach's alpha		0.820	0.821	0.928	0.858	0.871
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		KMO = 0.939				
KMO and Bartlett's test		Chi-square = 4849.069				
		df = 300, sig. = 0.000				
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Total variance explained		78.755%				

In similar to the customer's perceived servicescape, the results of exploratory factor analysis for the employee's perceived servicescape are presented in Table 8.9. The findings showed that all standardized factor loadings were greater than 0.5 and all items were loaded on their constructs exception of two variables (EAMB5 - The lighting in the facility is adequate, EAMB6 - The lighting in the facility is comfortable to work). The results of KMO analysis and Bartlett's test were as following: KMO = 0.930, Chi-square = 4168.671, df = 276, sig. = 0.000 < 0.01.

These findings demonstrated that observed variables were inter-correlated thus it was appropriate to conduct factor analysis and it substantially supported for factoring among variables. Nevertheless, the results after VARIMAX rotation revealed that two items of the employee's perceived ambient conditions loaded in employee's perceived workspace and functionality including EAMB5 (The lighting in the facility is adequate) and EAMB6 (The lighting in the facility is comfortable to work). While the remaining items loaded in the same factor as the initial suggestion.

Therefore, the reliability of constructs was again tested through Cronbach's alpha index, particularly two constructs changed the number of loaded items. While the factor "employees' perceived ambient conditions" decreased the number of variables from 6 to 4, and the factor "employees' perceived workspace and functionality" increased the number of variables from 4 up 6. Based on estimated parameters, the results showed that all indices of reliability met the criterion of 0.7. More specifically, two factors achieved Cronbach's alpha above 0.9 (employee's perceived signs and symbols; and employee's perceived workspace and functionality) and three factors above 0.8 (employee's perceived cleanliness, the employee's perceived ambient conditions and employee's perceived facility aesthetics). These factors contributed to explaining approximately 77.691% of the total variance.

As a consequence, the results of exploratory factor analysis for employee's perceived servicescape revealed that this construct was assured of validity in the context to further analysis as five dimensions were loaded as five single constructs comprising employee's perceived signs and symbols (5 items), the employee's perceived cleanliness (5 items), the employee's perceived workspace and functionality (6 items), employee's perceived ambient conditions (4 items) and employee's perceived facility aesthetics (4 items).

Table 8.9. The results of EFA for employee’s perceived servicescape (N = 185 data)

Item	Code	Component				
		1	2	3	4	5
There is sufficient guidance in the facility	ESIGN1	.773				
The signs and symbols are located reasonably	ESIGN2	.833				
The signs and symbols are large enough to be seen	ESIGN3	.811				
The signs and symbols are easy to be understood	ESIGN4	.775				
The signs and symbols make a contribution to your job	ESIGN5	.806				
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The facility maintains clean walkways and exists	ECLEA1		.713			
The facility maintains clean chairs and tables	ECLEA2		.802			
The facility maintains clean equipment and devices	ECLEA3		.762			
The facility maintains clean food and drinks service areas	ECLEA4		.685			
The facility maintains clean restrooms	ECLEA5		.685			
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The lighting in the facility is adequate	EAMB5			.618		
The lighting in the facility is comfortable to work	EAMB6			.667		
The bar and kitchen location are convenient to work	ESPAC1			.666		
The equipment is located reasonably to find and use	ESPAC2			.722		
The facility space is easy to move around it	ESPAC3			.651		
The facility space is comfortable to work	ESPAC4			.646		
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The temperature in the facility is comfortable	EAMB1				.753	
The air quality in the facility is good	EAMB2				.788	
The background music/sound is appropriate	EAMB3				.740	
The odor in the facility is pleasant	EAMB4				.685	
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The ceiling designing of this facility is impressive	EFAC1					.799
The interior walls and floor color schemes are impressive	EFAC2					.808
The facility's architecture gives it an impressive character	EFAC3					.774
The facility is decorated in an attractive fashion	EFAC4					.577
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Cronbach’s alpha (>0.7)		0.929	0.876	0.913	0.867	0.853
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KMO and Bartlett’s test		KMO = 0.930				
		Chi-square = 4168.671				
		df = 276, sig. = 0.000				
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Total variance explained		77.691%				

8.3. Measurement model analysis

In this study, the authors utilized the Partial Least Squares (PLS) method to analyze the research model with Smart PLS 3.0 software. This method is positively evaluated due to its applied competency to model latent constructs under different conditions such as non - normality distribution, small sample size and a large number of constructs as well as the complicated research model (Chin et al. 2003; Ali, 2016). Moreover, Hair et al. (2014) indicated that the partial least squares-based structural equation modeling (PLS-SEM) can be used to solve more issues than the covariance-based structural equation modeling (CB-SEM).

In this study, the research data was analyzed upon a small sample (N = 185 units) and the research model is regarded as a relatively complicated framework with first-order ninety constructs and second-order two constructs (customer's perceived servicescape and employee's perceived servicescape). Therefore, it is recommended to use a partial least squares-based structural equation modeling (PLS-SEM) for this study.

Based on instructions suggested by Anderson and Gerbing (1988) and Hair et al., (2013) for PLS-SEM analysis, the analysis procurement was carried out through two steps: we firstly checked the measurement model and later tested the structural model. In PLS, the measurement model was evaluated upon (1) indicator loadings, (2) composite reliability, (3) convergent validity and (4) discriminant validity. Additionally, the interrelation between second-order constructs and first-order constructs were tested in this section.

8.3.1. Indicator loadings and composite reliability

Indicator loadings

Indicator loadings refer to the correlation between a specific factor and its items. The high loadings reported by a set of items on a specific construct indicate that the measured variables converge on some common points or have high convergent validity. These are the standardized loading estimated which should be 0.6 or higher (Chin, Peterson, and Brown, 2008). In addition, the standardized loadings must be statistically significant also (Anderson and Gerbing, 1988). Table 8.10 presents the standardized loadings estimates for 19 factors including employees' perceived servicescape (ambient conditions, workspace and functionality, facility aesthetics, signs and

symbols, cleanliness), employees' perceived interaction with customers, employee job experience, employee inner emotion, job satisfaction, customers' perceived servicescape (ambient conditions, space and function, facility aesthetics, signs and symbols, cleanliness), customers' perceived interaction with employees, customer service experience, internal interaction among customers, customer satisfaction and customer loyalty. The significance of all standardized loadings was examined by PLS-SEM which relies on the nonparametric bootstrap procedure by using 500 subsamples to test the significance of the estimated parameters at the 5% level of significance.

The initial result showed that the standardized loadings of all items were larger 0.6 exceptions of one item (EINTER5 – 0.454). In addition, the results of descriptive statistics for the measurements of the employee sample also indicated that the standard deviation value of EINTER5 was too high in comparison to the remaining items of factor (std.dev = 2.246). Therefore, it was recommended to remove this item out the further analysis. The final results of standardized loadings are presented in Table 8.10. The findings reported in this table demonstrated that the indicator loadings of all items met the criterion of 0.6 (Chin, Peterson, and Brown, 2008). Moreover, the values written in parenthesis are the t-values which reflect significant estimates at the 5% level of significance. According to this report, it could be concluded that all standardized loadings met statistically significant.

For customer's perceived ambient conditions, the result indicated that standardized loadings of 6 items were higher 0.7, ranged from 0.743 (CAMB6) to 0.867 (CAMB2). The t-values were larger than 17. For the customer's perceived spatial layout, it was shown that the standardized loadings of 5 items were relatively high above 0.8, ranged from 0.810 (CSPAC4) to 0.899 (CSPAC2). The t-values fluctuated from 24.089 to 63.765. While the findings showed the very high standardized loadings of 5 items towards customer's perceived signs and symbols as all of them were larger than 0.9, ranged from 0.931 (CSIGN1) to 0.959 (CSIGN4). The t-values were also very large as these values distributed from 108.617 to 210.950.

Regarding customer's perceived facility aesthetics, the result indicated that the standardized loadings of 4 items were high, ranged from 0.887 (CFAC4) to 0.920 (CFAC3). The t-values changed from 46.969 to 79.127. The final dimension of servicescape is cleanliness which recorded the high value of standardized loadings for 5 items as the majority of items were larger than 0.9,

ranged from 0.865 (CCLEA1) to 0.922 (CCLEA2). The t-values distributed from 32.953 to 96.792.

For the customer's perceived interaction with the employee, the result indicated that the standardized loadings of 8 items were larger than 0.8, ranged from 0.809 (CINTER4) to 0.902 (CINTER5). The t-values changed from 29.767 to 66.771. While the standardized loadings of 4 items for customer's perceived internal interaction were very high, most of them were larger 0.9, ranged from 0.899 (CINTERNAL1) to 0.933 (CINTERNAL3). The t-values fluctuated from 58.252 to 89.628. With respect to the customer's perceived service experience, it showed that standardized loadings of 3 items were higher than 0.9, ranged from 0.949 (CEXPER3) to 0.957 (CEXPER2). The t-values exceeded 90.

Regarding customer satisfaction, the results demonstrated that the standardized loadings of 5 items were larger than 0.8, ranged from 0.873 (CSAT5) to 0.937 (CSAT4). The t-values changed from 38.064 to 102.367. Likewise, the standardized loadings of 5 items for customer loyalty were relatively high, all of them were above 0.8, ranged from 0.864 (CLOY4) to 0.943 (CLOY3). For employee's perceived ambient conditions, it showed that the standardized loadings of 4 items distributed from 0.798 (EAMB3) to 0.852 (EAMB4). The t-values changed from 24.396 to 58.609. While the standardized loadings of 6 items for employee's perceived workspace and function ranged from 0.777 (EAMB5) to 0.868 (ESPAC2). And the t-values fluctuated from 20.042 to 51.435. With respect to the employee's perceived signs and symbols, the standardized values of 5 items were larger than 0.8, ranged from 0.870 (ESIGN1) to 0.950 (ESIGN3). The t-values changed from 39.286 to 123.539.

Relating to employee's perceived facility aesthetics, it showed that the standardized loadings of 4 items ranged from 0.823 (EFAC4) to 0.928 (EFAC3). The t-values fluctuated from 32.752 to 74.570. The final dimension of the physical workplace was cleanliness which indicated that the standardized loadings of 5 items ranged from 0.796 (ECLEA5) to 0.863 (ECLEA1). And the t-values changed from 18.344 to 49.703. For employee's perceived interaction with the customer, the result reported in table 25 showed that the standardized loadings of 7 items (removed EINTER5) ranged from 0.734 (EINTER1) to 0.859 (EINTER7). The t-values changed from 19.419 to 49.342. For employee's perceived job experience, the standardized loadings of 4 items were relatively high, ranged from 0.843 (EEXPER1) to 0.923 (EEXPER3). The t-values changed from 33.647 to 88.865. While the standardized loadings of 6 items for employee emotion

distributed from 0.763 (EEMO1) to 0.885 (EEMO2). The t-values changed from 19.342 to 57.205. The final factor is employee job satisfaction, the result indicated that the standardized loadings of 6 items were larger than 0.8, ranged from 0.828 (ESAT5) to 0.878 (ESAT3, 6). The t-values fluctuated from 26.946 to 48.538.

Composite reliability of constructs

The next step relates to the assessment of constructs' internal consistency reliability. In this study, the composite reliability was used to evaluate whether the sets of latent indicators of the construct are consistent in their measurement (Joreskog, 1971). The results of composite reliability for 19 constructs are presented in Table 8.10 and Figure 8.1. The findings showed that the composite reliability of all constructs met the criterion of 0.7 (Klime, 2005). These constructs were considered "excellent" because their composite reliabilities were strongly high as all of them were larger than 0.9, ranged from 0.91 (employee's perceived ambient conditions) to 0.979 (customer's perceived sign and symbol) (Figure 8.1).

More specially, the analysis results revealed that there was 1 factor achieving the criterion of 0.91 (employee's perceived ambient conditions), 1 factor satisfying the criterion of 0.92 (customer's perceived spatial layout), 5 factors achieving the criterion of 0.93 (employee's perceived interaction with the customer, employee emotion, the employee's perceived cleanliness, employee's facility aesthetics and employee's perceived workspace and function), 3 factors above 0.94 (job satisfaction, employee's perceived job experience and customer's perceived facility aesthetics), 4 factors achieving the criterion of 0.95 (customer satisfaction, internal interaction among customers, customer's perceived interaction with employees and customer's perceived cleanliness), 3 factors above 0.96 (employee's perceived signs and symbols, customer loyalty and customer's perceived service experience) and 1 factor achieving the criterion of 0.97 (customer's perceived signs and symbols). As a consequence, it could be concluded that all observed variables consistently represent the same latent construct according to the rule of thumb for a good reliability estimate (Joreskog, 1971) and the measurement model is available for the following analysis.

8.3.2. Construct validity

The validity of a construct is a concept used to evaluate its accuracy of the measurement. The validity analysis of constructs was performed to ensure that the measurement of constructs taken from the sample truly represents the population. In the measurement model, the construct validity was typically assessed through two major components including convergent validity and discriminant validity.

Convergent validity

According to Fornell and Larcker (1981), Average Variance Extracted (AVE) is considered as a good indicator for the assessment of convergent validity for a specific construct. AVE is “the average of all squared standardized factor loadings of a set of construct items” (Fornell and Larcker, 1981). The results of AVEs are presented in Table 8.10 and Figure 8.2. Based on these reports, it demonstrated that all AVEs of 19 constructs satisfied the criterion of 0.5 (Fornell and Larcker, 1981). These constructs achieved AVE above 0.6, the largest AVE was 0.909 by customer’s perceived service experience (CEXP) and the smallest was 0.652 by customer’s perceived ambient conditions (CAMB).

More specifically, the findings showed that 4 factors achieved the criterion of 0.6 (employee’s perceived interaction with customer, employee emotion, employee’s perceived workspace and function and customer’s perceived ambient conditions), 8 factors achieving the criterion of 0.7 (employee satisfaction, employee’s perceived job experience, employee’s perceived cleanliness, employee’s perceived facility aesthetics, employee’s perceived ambient conditions, customer’s perceived interaction with employee, customer’s perceived cleanliness and customer’s perceived spatial layout), 5 factors achieving the criterion of 0.8 (employee’s perceived signs and symbols, customer loyalty, customer satisfaction, internal interaction among customers and customer’s perceived facility aesthetics) and 2 factors achieving the criterion of 0.9 (customer’s perceived service experience and customer’s perceived signs and symbols). Therefore, it could be concluded that all constructs move in the same direction and the measurement model satisfy the convergent validity.

Discriminant validity

According to Hair et al., (2018), discriminant validity refers to “the extent to which a construct is empirically distinct from other constructs in the path model, both in terms of how much it

correlates with other constructs and in terms of how distinctly the indicators represent only this single construct". Meanwhile, the most common criterion to evaluate the discriminant validity was suggested by Fornell and Larcker (1981). According to this approach, it compares the correlation between constructs with the square root of AVE. In order to ensure adequate discriminant validity, the correlation estimates should be less than the squared root of AVEs on the same row and column. The rationale behind this is that a construct must be more strongly related to its measured items than other constructs, to state its distinctiveness. The results of the Fornell and Larcker test was also reported in the findings of PLS-SEM by using Smartpls 3.0.

The results of discriminant validity for 19 constructs are presented in Table 8.11. On the basis of this table, it showed that all correlation coefficients of constructs (off-diagonal) were lower than the square root of AVEs (on-diagonal) on the same row and column. For instance, the square root of AVE for customer's perceived cleanliness (CCLEA) is 0.891 (the bold-highlighted diagonal element) which was larger than all its correlations with other constructs (correlation between CCLEA and CEMB is 0.625, CCLEA and CEXPER is 0.660, CCLEA and CFAC is 0.659, CCLEA and CINTER is 0.723, CCLEA and CINTERNA is 0.700, CCLEA and CLOY is 0.768, CCLEA and CSAT is 0.796, CCLEA and CSIGN is 0.733, CCLEA and CSPAC is 0.701, CCLEA and EAMB is 0.237, CCLEA and ECLEA is 0.307, CCLEA and EEXPER is 0.283, CCLEA and EFAC is 0.367, CCLEA and EINTER is 0.291, CCLEA and EMOT is 0.312, CCLEA and ESAT is 0.166, CCLEA and ESIGN is 0.318, CCLEA and ESPAC is 0.362).

In another sample, it demonstrated that the square root of AVE for customer loyalty (CLOY) was 0.910 (the bold-highlighted diagonal element) which was higher than all its correlations with the remaining constructs on the same row and column (correlation between CLOY and CSAT is 0.905, CLOY and CSIGN is 0.698, CLOY and CSPAC is 0.656, CLOY and EAMB is 0.191, CLOY and ECLEA is 0.176, CLOY and EEXPER is 0.228, CLOY and EFAC is 0.289, CLOY and EINTER is 0.262, CLOY and EMOT is 0.244, CLOY and ESAT is 0.150, CLOY and ESIGN is 0.283, CLOY and ESPAC is 0.248). Similarly, the findings also indicated the same results for the rest of the table. Therefore, the results reported in Table 8.11 provided clear evidence that all 19 constructs in the measurement model were found distinct with each other based on the same criteria, the measurement model then satisfied the discriminant validity.

Table 8.10. Results of testing indicator loadings, composite reliability and convergent validity

Construct	Label	Indicator loading - t value	C.R (> 0.7)	AVE (> 0.5)
	CAMB		0.918	0.652
(1) Customer's perceived ambient conditions	CAMB1	0.760 (23.041)		
	CAMB2	0.867 (54.317)		
	CAMB3	0.794 (29.476)		
	CAMB4	0.862 (44.506)		
	CAMB5	0.814 (32.074)		
	CAMB6	0.743 (17.593)		
	CSPAC		0.927	0.717
(2) Customer's perceived spatial layout	CSPAC1	0.824 (24.089)		
	CSPAC2	0.899 (63.765)		
	CSPAC3	0.867 (49.608)		
	CSPAC4	0.810 (26.889)		
	CSPAC5	0.830 (30.249)		
	CSIGN		0.979	0.905
(3) Customer's perceived signs and symbols	CSIGN1	0.931 (108.617)		
	CSIGN2	0.958 (159.766)		
	CSIGN3	0.952 (135.434)		
	CSIGN4	0.959 (210.950)		
	CSIGN5	0.956 (181.982)		
	CFAC		0.948	0.819
(4) Customer's perceived facility aesthetics	CFAC1	0.896 (62.188)		
	CFAC2	0.916 (69.433)		
	CFAC3	0.920 (79.127)		
	CFAC4	0.887 (46.969)		
	CCLEA		0.951	0.795
(5) Customer's perceived cleanliness	CCLEA1	0.865 (40.158)		
	CCLEA2	0.922 (96.792)		
	CCLEA3	0.922 (76.504)		
	CCLEA4	0.919 (78.335)		
	CCLEA5	0.825 (32.953)		
	CINTER		0.955	0.725
(6) Customer's perceived interaction with employee	CINTER1	0.830 (36.242)		

	CINTER2	0.863 (36.564)		
	CINTER3	0.871 (57.568)		
	CINTER4	0.809 (29.767)		
	CINTER5	0.902 (66.771)		
	CINTER6	0.828 (37.246)		
	CINTER7	0.864 (52.711)		
	CINTER8	0.839 (39.332)		
	CINTERNAL		0.954	0.839
(7) Customer's perceived internal interaction	CINTERNAL1	0.899 (58.252)		
	CINTERNAL2	0.911 (74.324)		
	CINTERNAL3	0.933 (89.628)		
	CINTERNAL4	0.920 (79.365)		
	CEXPER		0.968	0.909
(8) Customer's perceived service experience	CEXPER1	0.955 (150.876)		
	CEXPER2	0.957 (141.667)		
	CEXPER3	0.949 (92.718)		
	CSAT		0.957	0.816
(9) Customer satisfaction	CSAT1	0.878 (44.780)		
	CSAT2	0.890 (66.988)		
	CSAT3	0.937 (90.544)		
	CSAT4	0.937 (102.367)		
	CSAT5	0.873 (38.064)		
	CLOY		0.960	0.828
(10) Customer loyalty	CLOY1	0.905 (68.372)		
	CLOY2	0.937 (108.082)		
	CLOY3	0.943 (118.529)		
	CLOY4	0.864 (50.566)		
	CLOY5	0.899 (61.233)		
	EAMB		0.910	0.717
(11) Employee's perceived ambient conditions	EAMB1	0.840 (34.437)		
	EAMB2	0.894 (58.609)		
	EAMB3	0.798 (24.396)		
	EAMB4	0.852 (41.384)		
	ESPAC		0.933	0.698
(12) Employee's perceived workspace and functionality	EAMB5	0.777 (20.042)		
	EAMB6	0.817 (25.489)		
	ESPAC1	0.858 (40.115)		

	ESPAC2	0.868 (51.435)		
	ESPAC3	0.831 (42.373)		
	ESPAC4	0.860 (36.712)		
	ESIGN		0.965	0.846
(13) Employee's perceived signs and symbols	ESIGN1	0.870 (39.286)		
	ESIGN2	0.927 (73.144)		
	ESIGN3	0.950 (123.539)		
	ESIGN4	0.928 (75.350)		
	ESIGN5	0.921 (74.286)		
	EFAC		0.937	0.789
(14) Employee's perceived facility aesthetics	EFAC1	0.890 (52.836)		
	EFAC2	0.909 (60.980)		
	EFAC3	0.928 (74.570)		
	EFAC4	0.823 (32.752)		
	ECLEA		0.931	0.731
(15) Employee's perceived cleanliness	ECLEA1	0.863 (37.054)		
	ECLEA2	0.885 (36.221)		
	ECLEA3	0.885 (49.703)		
	ECLEA4	0.843 (22.418)		
	ECLEA5	0.796 (18.344)		
	EINTER		0.932	0.664
(16) Employee's perceived interaction with customer	EINTER1	0.734 (19.419)		
	EINTER2	0.824 (27.668)		
	EINTER3	0.855 (49.342)		
	EINTER4	0.826 (28.292)		
	<u>EINTER5</u>	<u>a</u>		
	EINTER6	0.799 (28.212)		
	EINTER7	0.859 (43.132)		
	EINTER8	0.798 (25.948)		
	EEXPER		0.941	0.799
(17) Employee's perceived job experience	EEXPER1	0.843 (33.647)		
	EEXPER2	0.912 (70.239)		
	EEXPER3	0.923 (88.865)		
	EEXPER4	0.896 (73.711)		
	EMOT		0.932	0.696
(18) Employee inner emotion	EMOT1	0.763 (19.342)		
	EMOT2	0.859 (49.671)		

	EMOT3	0.885 (57.205)		
	EMOT4	0.844 (41.726)		
	EMOT5	0.827 (26.616)		
	EMOT6	0.823 (31.291)		
	ESAT		0.943	0.733
	ESAT1	0.848 (32.994)		
	ESAT2	0.838 (32.273)		
(19) Job satisfaction	ESAT3	0.878 (47.025)		
	ESAT4	0.865 (47.544)		
	ESAT5	0.828 (26.946)		
	ESAT6	0.878 (48.538)		

Note. a – item was removed during the analysis process

The values written in parenthesis are the t-values which reflect significant estimates at 5% level of significance

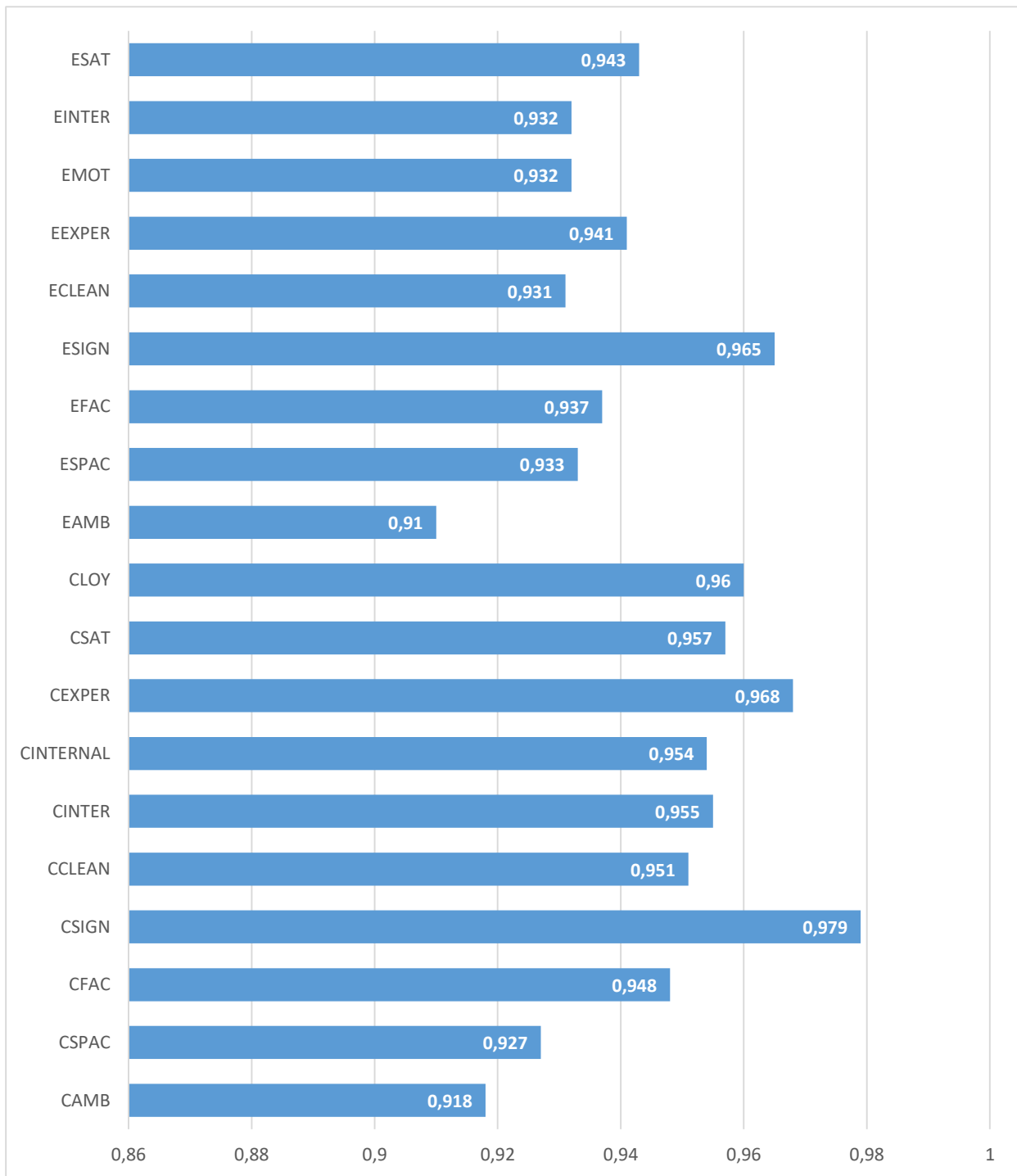


Figure 8.1. The result of composite reliability for measurements (N = 185 data)

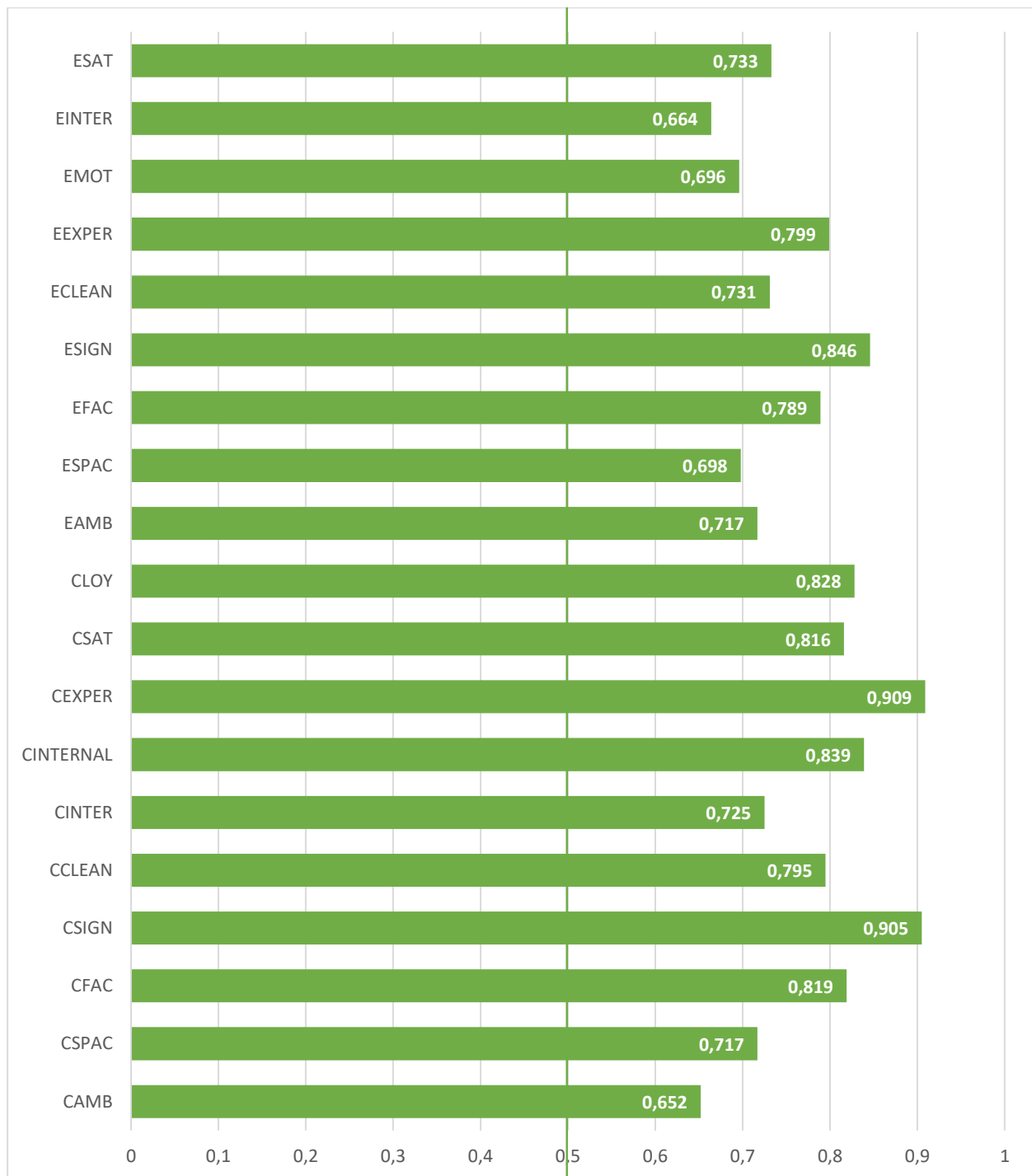


Figure 8.2. The result of average variance extracted for measurements (N = 185 data)

Table 8.11. Discriminant validity assessment (Fornell-Larcker Criterion)

	Camb	Cclea	Cexper	Cfac	Cinter	Cintena	Cloy	Csat	Csign	Cspac	Eamb	Eclea	Eexper	Efac	Einter	Emot	Esat	Esign	Espac	
Camb	0.808																			
Cclea	0.625	0.891																		
Cexper	0.587	0.660	0.954																	
Cfac	0.587	0.659	0.674	0.905																
Cinter	0.553	0.723	0.637	0.522	0.851															
Cintena	0.658	0.700	0.790	0.637	0.699	0.916														
Cloy	0.597	0.768	0.766	0.682	0.723	0.785	0.910													
Csat	0.648	0.796	0.790	0.707	0.759	0.810	0.905	0.903												
Csign	0.623	0.733	0.567	0.611	0.688	0.671	0.698	0.708	0.951											
Cspac	0.628	0.701	0.651	0.706	0.576	0.688	0.656	0.677	0.682	0.847										
Eamb	0.382	0.237	0.146	0.270	0.254	0.243	0.191	0.243	0.230	0.165	0.847									
Eclea	0.274	0.307	0.108	0.230	0.313	0.240	0.176	0.280	0.371	0.232	0.537	0.855								
Eexper	0.214	0.283	0.222	0.294	0.278	0.265	0.228	0.283	0.344	0.230	0.507	0.591	0.894							
Efac	0.384	0.367	0.289	0.429	0.321	0.326	0.289	0.346	0.388	0.343	0.628	0.592	0.601	0.888						
Einter	0.333	0.291	0.275	0.326	0.375	0.347	0.262	0.284	0.391	0.295	0.476	0.541	0.658	0.536	0.815					
Emot	0.295	0.312	0.252	0.332	0.313	0.274	0.244	0.290	0.374	0.278	0.573	0.593	0.762	0.560	0.693	0.834				
Esat	0.257	0.166	0.172	0.299	0.188	0.203	0.150	0.231	0.246	0.176	0.575	0.515	0.729	0.566	0.631	0.816	0.856			
Esign	0.350	0.318	0.171	0.275	0.397	0.307	0.283	0.391	0.497	0.288	0.550	0.623	0.644	0.648	0.646	0.646	0.635	0.920		
Espac	0.353	0.362	0.203	0.269	0.355	0.300	0.248	0.314	0.396	0.290	0.652	0.735	0.605	0.629	0.575	0.652	0.559	0.671	0.836	

Note. The values of the square roots of AVE are presented through the bold-highlighted diagonal elements. The other elements present a mutual correlation among constructs.

8.3.3. Test second-order constructs

In this study, the research framework includes 19 first-order constructs and 2 second-order constructs including customer's perceived servicescape (CSER) and employee's perceived servicescape (ESER). Meanwhile, customer's perceived servicescape is a multi-dimensional structure comprising customer's perceived ambient conditions (CAMB - 6 items), customer's perceived spatial layout (CSPAC - 5 items), customer's perceived facility aesthetics (CFAC - 4 items), customer's perceived signs and symbols (CSIGN - 5 items) and customer's perceived cleanliness (CCLEA - 5 items).

Similarly, employee's perceived servicescape is also a second-order factor with 5 dimensions consisting of employee's perceived ambient conditions (EAMB - 4 items), employee's perceived workspace and functionality (ESPAC - 6 items), employee's perceived signs and symbols (ESIGN - 5 items), employee's perceived facility aesthetics (EFAC - 4 items) and employee's perceived cleanliness (ECLEA - 5 items). Therefore, the relationship between second-order constructs and first-order constructs was tested by the regression analysis in PLS-SEM.

The analysis results of relational weights between first-order constructs and second-order constructs are presented in Table 8.12. For the customer's perceived servicescape, the composite reliability met the criterion of 0.7 (0.962) and Average Variance Extracted exceeded the condition of 0.5 (0.573) for the convergent validity. The findings reported in this table provided clear evidence that customer's perceived servicescape was significantly recognized as a second-order factor with five first-order factors consisting customer's perceived ambient condition, customer's spatial layout, customer's perceived facility aesthetics, customer's perceived signs and symbols and customer's perceived cleanliness when all t-values were very high and p-values were smaller than 0.01.

Meanwhile, the largest weight was 0.365 by customer's perceived signs and symbols, the smallest weight was 0.125 by customer's perceived facility aesthetics. T-values were 25.960 and 13.817, respectively. In addition, the relational weight between customer's perceived spatial layout and customer's perceived servicescape was 0.237 (t-value = 21.001), the relational weight between customer's perceived ambient conditions and customer's perceived servicescape was 0.252 (t-value = 15.298), the relational weight between customer's perceived cleanliness and customer's perceived servicescape was 0.203 (t-value = 18.221).

For the employee's perceived servicescape, the composite reliability also met the criterion of 0.7 (0.965) and AVE values satisfied the condition of 0.5 (0.534). The analysis results demonstrated that employee's perceived servicescape was significantly regarded as a second-order factor with five first-order factors including employee's perceived ambient conditions, employee's perceived workspace and function, employee's perceived facility aesthetics, employee's perceived signs and symbols and employee's perceived cleanliness when t-values were high and p-values were smaller than 0.01.

The largest weight was 0.296 by the employee's perceived signs and symbols, while the smallest weight was 0.167 by the employee's perceived ambient conditions. T-values were 17.342 and 15.287, respectively. Additionally, the report also exhibited that the relational weight between employee's perceived workspace & functionality and employee's perceived servicescape was 0.288 (t-value = 25.088), the relational weight between employee's perceived facility aesthetics and employee's perceived servicescape was 0.199 (t-value = 19.759), the relational weight between employee's perceived cleanliness and employee's perceived servicescape was 0.236 (t-value = 18.150).

Table 8.12. Relation weights between first-order construct and second-order constructs

Second-order construct	Label	CR	AVE	First-order constructs	Weight	T-value	P-value
(1)Customer's perceived servicescape	CSER	0.962	0.573	Ambient conditions	0.252	15.298	0.000
				Spatial layout	0.237	21.001	0.000
				Facility aesthetics	0.125	13.817	0.000
				Signs and symbols	0.365	25.960	0.000
				Cleanliness	0.203	18.221	0.000
(2)Employee's perceived servicescape	ESER	0.965	0.534	Ambient conditions	0.167	15.287	0.000
				Workspace and function	0.288	25.088	0.000
				Facility aesthetics	0.199	19.759	0.000
				Signs and symbols	0.296	17.342	0.000
				Cleanliness	0.236	18.150	0.000

8.4. Structural model analysis

On the basis of instructions suggested by Anderson and Gerbing (1988), SEM analysis is a process including two steps. In the first step, the measurement model was evaluated in terms of reliability and validity. In the second step, the structural model was evaluated by PLS-SEM in order to identify interrelations among constructs. To assess the structural model in PLS-SEM, Hair et al. (2013) suggested that it is essential to consider some critical indices including the coefficient of determination (R^2), the statistical significance (t-values), the relevance of path coefficients (beta), the predictive relevance (Q^2) and the effect sizes (f^2).

8.4.1. Evaluation of collinearity

Before evaluating the structural model, it should be checked the collinearity issues among constructs to assure that regression results are not shaped by these issues (Hair et al., 2018). The collinearity issue of constructs was assessed by validating variance inflation factor values (VIF) which should be less than 5 (Becker et al., 2015). In the report of PLS-SEM by using Smartpls 3.0, collinearity issues among constructs are also reported. Based on this analysis, the results of collinearity statistics are shown in Table 8.13. In this research, because all constructs were reflective measures, the table of inner VIF values was thus used to evaluate the presence of collinearity issues. In addition, the research framework is relatively complicated with various regression analyses. Therefore, VIF values were tested upon each a specific dependent factor within the structural model.

For instance, in order to evaluate the collinearity issue for customer loyalty (CLOY) which was considered as a dependent factor affected by four independent factors including customer's perceived service experience (CEXP), customer's perceived interaction with employees (CINTER), internal interaction among customers (CINTERNAL) and customer satisfaction (CSAT). While the collinearity issues were tested for independent factors. As a result, the results reported in Table 8.13 showed that the VIF values of four independent factors were smaller 5. More specifically, VIF for CEXP was 3.22, CINTER was 2.48, CINTERNAL was 3.67 and CSAT was 4.30. Likewise, the same procedures were performed for the remaining factors. The results showed that all VIF values were smaller than 5. As such, it could be concluded that the collinearity issue is not present between constructs in the structural model.

Table 8.13. Collinearity statistics of structural model (Inner VIF values)

	Camb	Cclea	Cexper	Cfac	Cinter	Cinternal	Cloy	Csat	Cser	Csign	Cspa	Eamb	Eclea	Eexper	Efac	Einter	Emot	Esat	Eser	Esig	Espac	
Camb									2.00													
Cclea									2.81													
Cexper							3.22	2.77														
Cfac									2.31													
Cinter			2.33				2.48	2.12														
Cinternal			2.85				3.67	3.23														
Cloy																						
Csat							4.30															
Cser			3.08		1.15	1.00																
Csign									2.60													
Cspa									2.77													
Eamb																						2.02
Eclea																						2.40
Eexper																						2.59
Efac																						2.23
Einter														2.17								2.09
Emot					1.15			3.26						2.53								2.82
Esat								3.05														
Eser														2.39		1.00	1.00					
Esig																						2.23
Espac																						3.03

8.4.2. Significance and relevance of research hypotheses

In Smart-PLS, PLS algorithm calculation provides path coefficients or relationships among constructs for the structural model. Path coefficient values (beta) are standardized on a range from -1 to +1, while coefficients closer to +1 represent strong positive relationships and coefficients closer to -1 indicate strong negative relationships (Sarstedt, 2014). In order to evaluate the significance of path coefficients, a bootstrapping procedure was conducted with a large number of resampling (typically 500 for exploratory purposes) from the original data and re-estimates the model for each subsample. The result of the bootstrapping procedure provides “t statistic” and “p-value”.

While empirical t value is compared with critical value to look if it is greater than the critical value which is desired. In this study, the critical t values are expected to be larger than 1.96 for a significance level of 5% (two-tailed tests) in the bootstrapping procedure. Based on the above process, the final results of the bootstrapping procedure were exhibited in Figure 8.3 and Table 8.14 (The detailed model is presented in Appendix 4). Generally, the final findings revealed that there were 21 accepted hypotheses and 2 rejected hypotheses in a total of 23 research hypotheses:

H1: Customer’s perceived servicescape positively affects customer’s perceived interaction with the employee

The first hypothesis investigates the relation between customer’s perceived servicescape (CSER) and social interactions that customers have with service employees (CINTER) in the coffee store context. As presented in Table 8.14, the path coefficient of this correlation (β_1) was 0.659 and the t-value exceeded the criterion of 1.96 (15.088). Therefore, this finding indicated that hypothesis 1 was significantly accepted. It could be concluded that the perception of customers towards various stimulus of service environment considerably and positively impact on service experience customers have towards a specific coffee store.

H2: Customer’s perceived servicescape positively affects customer’s perceived internal interaction

Table 8.14 showed that the path coefficient (β_2) for the relationship between customer’s perceived servicescape (CSER) and internal interactions among customers (CINTERNAL) was 0.780 and

the t-value satisfied the criterion of 1.96 (30.029). It indicated that the influence of customer's perceived servicescape on internal among is very strong and positive. As such, hypothesis 2 was supported.

H3: Customer's perceived servicescape positively affects customer service experience

For the third hypothesis, the result reported in Table 8.14 provided clear evidence that the perception of customers towards servicescape (CSER) in the coffee shop setting strongly and positively influences the customer's perceived service experience (CEXPER). The path coefficient (β_3) was 0.184 and the t-value was 2.387 which satisfied the criterion of 1.96 for the two-tailed test at a 5% level of significance. Thus, hypothesis 3 was supported in the present study.

H4: Customer's perceived interaction with employee positively affects customer's service experience

As predicted that hypothesis 4 regarding the relationship between customer's perceived interaction with employee (CINTER) and customer service experience (CEXPER) was supported. The report recorded that the path coefficient of this correlation (β_4) was 0.144 and the t-value was larger than 1.96 (2.218). Therefore, it was revealed that social interactions customers have with employees are significantly relative to their perceived service experience in the café setting.

H5: Customer's perceived internal interaction positively affects customer service experience

The fifth hypothesis examines the relationship between the customer's perceived internal interaction (CINTERNAL) and their service experience (CEXPER). As noted in Table 8.14, the path coefficient of this correlation (β_5) was 0.539 and the t-value exceeded the criterion of 1.96 (7.008). Based on this estimate, hypothesis 5 was thus supported. Accordingly, it can be given that social interactions customers with their friends and colleagues are remarkably associated with their perceived service experience in the café context.

H6: Customer's perceived interaction with employee positively affects customer service satisfaction

Regarding the relationship between the perceived social interaction of customers with employees (CINTER) and customer satisfaction (CSAT), the analysis result recorded a significant linkage between two factors. The parameter estimates showed that the path coefficient (β_6) was 0.311 and the t-value exceeded the criterion of 1.96 (4.788). As a result, hypothesis 6 was supported. It could be confirmed that there is a remarkable and positive effect of customer's perceived interaction with the employee on customer satisfaction towards the service provided by coffee stores.

H7: Customer service experience positively affects customer service satisfaction

For the relationship between customer service experience (CEXP) and customer satisfaction (CSAT), the estimated result showed that the path coefficient (β_7) was 0.310 and the t-value was greater than 4.746 (1.96). This hypothesis was thus supported. According to this finding, it revealed that there is a substantial and positive connection between service experience and customer satisfaction in the coffee store setting.

H8: Customer's perceived internal interaction positively affects customer service satisfaction

In addition to the effects of customer's perceived interaction with employees on customer satisfaction, the relationship between the peer-to-peer interaction (CINTERNAL) and customer satisfaction (CSAT) was also investigated in this study. As presented in Table 8.14, it indicated that the path coefficient of this relationship (β_8) was 0.310 and the t-value satisfied the condition of 1.96 (6.226). On the basis of these parameters, it revealed that hypothesis 8 was supported. Therefore, the present study demonstrated that the peer-to-peer interaction positively and significantly influences on customer satisfaction towards the service provided by coffee stores.

H9: Customer's perceived interaction with employee positively affects customer loyalty

For hypothesis 9, it examines the relationship between social interactions customers have with employees (CINTER) and customer loyalty (CLOY) in the coffee store setting. As exhibited in Table 8.14, it indicated that the path coefficient of this relationship (β_9) was 0.144 and the t-value was larger than 1.96 (2.170). On the basis of these parameters, hypothesis 9 was thus supported. It could be revealed that there is a significant and positive linkage between customer's perceived interaction with employees and customer loyalty to coffee stores.

H10: Customer' service experience quality positively affects customer loyalty

Regarding the relationship customer's perceived service experience (CEXP) and customer loyalty (CLOY), the analysis result identified a substantial and positive connection between these two factors. The parameter estimates showed that the path coefficient of this link (β_{10}) was 0.147 and the t-value was larger than 1.96 (2.645). Therefore, hypothesis 10 was supported. It was given that increasing the quality of service experience positively contributes to improving customer loyalty in the coffee store setting.

H11: Customer's perceived internal interaction positively affects customer loyalty

For hypothesis 11, it investigates the relationship between the peer-to-peer interaction (CINTERNAL) and customer loyalty (CLOY) in the coffee store environment. Based on the result provided in Table 8.14, it showed that the path coefficient (β_{11}) was 0.147 and the t-value was 2.497 (>1.96). Hypothesis 11 was thus supported. As a result, increasing interaction quality among customers is significantly associated with their commitment and loyalty towards the service delivered by coffee stores.

H12: Employee's perceived physical work environment positively affects the employee's perceived interaction with the customer

For hypothesis 12, the findings in Table 8.14 indicated that the perception of employees towards the various dimensions of the physical workplace (ESER) greatly and positively influences their perception as interaction with customers (EINTER) in the coffee store. The report showed that the path coefficient of this correlation (β_{12}) was 0.672 and the t-value exceeded the criterion of 1.96 (16.457). Thereby, hypothesis 12 was supported.

H13: Employee's perceived physical work environment positively affects employee inner emotion

The thirteen hypothesis investigates the effects of the employee's perceived physical work environment (ESER) on employee inner emotion (EMOT) in the coffee store setting. According to Table 8.14, the path coefficient (β_{13}) was 0.737 and the t-value satisfied the condition of 1.96 (19.624). Therefore, hypothesis 13 was accepted. It can be concluded that the perception of

employees towards the stimulus of the café shop environment significantly and positively impact on employee's inner emotional reactions.

H14: Employee's perceived physical work environment positively affects the employee's perceived job experience

This hypothesis examines the relationship between the perception of employees towards the characteristics of the physical work environment (ESER) and their job experience (EEXPER) in the coffee store setting. As shown in Table 8.14, the path coefficient (β_{14}) of this correlation was 0.268 and the t-value met the condition of 1.96 (3.591). Consequently, it provided clear evidence for the acceptance of hypothesis 14. It could be stated that the perception of employees towards various stimuli from the physical workplace significantly and positively influences their job experience in the coffee store context.

H15: Employee's perceived interaction with customer positively affects the employee's perceived job experience

For the relationship between the perceived interaction of employees towards customers (EINTER) and their job experience (EEXPER) in the café setting, the analysis results signified that there was a close link between two factors as the path coefficient (β_{15}) was 0.163 and t-value was 2.097 (>1.96). Although the strength of the path coefficient was lightly low, yet it was available for the acceptance of hypothesis 15.

H16: Employee's inner emotional responses positively affect employee's perceived job experience

In addition to the effects of social interaction on the job experience, the truly emotional states (EMOT) were recognized as an important determinant of job experience (EEXPER) in the service environment. The results reported that the path coefficient (β_{16}) for such effect was 0.450 and the t-value was larger than 1.96 (5.692) for the two-tailed test at a 5% level of significance. As such, hypothesis 16 was supported in this study. Base on this finding, it was revealed that the employee's inner emotional responses toward the job were closely relevant to the assessment of perceived job experience in the coffee store context.

H17: Employee's perceived interaction with customer positively affects employee's job satisfaction

Regarding the correlation between social interactions employees have with customers (EINTER) and their job satisfaction (ESAT) in the coffee shop environment, it showed that the path coefficient was very small ($\beta_{17} = 0.013$) and t-value was smaller than 1.96 (0.223). As such, hypothesis 17 was rejected. Based on this result, it was given that the direct effect of employee's perceived interaction with the customer on their job satisfaction was not recognized in this study.

H18: Employee's job experience positively affects employee's job satisfaction

The hypothesis 18 investigates the impacts of job experience (EEXPER) on employee's job satisfaction (ESAT) in the coffee store setting. The analysis result recorded that the path coefficient of this relationship (β_{18}) was 0.260 and the t-value exceeded the criterion of 1.96 (3.530). According to these parameter estimates, this hypothesis was thus supported. It could be concluded that job satisfaction was significantly and positively determined by the employee's perceived job experience in the work environment of café.

H19: Employee's inner emotional reactions positively affect employee's job satisfaction

For the relationship between employee's emotional responses (EMOT) and job satisfaction (ESAT), the analysis result found that the path coefficient (β_{19}) was 0.594 and the t-value exceeded the criterion of 1.96 (9.232). Therefore, it was confirmed that hypothesis 19 was supported. It showed that employee's inner emotional reactions strongly and positively influence job satisfaction.

H20: Employee's inner emotional responses positively affect customer's perceived interaction with the employee

Regarding the relationship between employee's inner emotional responses (EMOT) and the perceived interaction of customers towards employees (CINTER), the findings showed that the path coefficient was 0.133 (β_{20}) and the t-value was larger than 1.96 (2.319). Thereby, hypothesis 20 was supported. It can be concluded that the employee's truly emotional states were

significantly associated with the customer's perceived interaction with employees in the café environment.

H21: Employee's inner emotional reactions positively affect customer's service satisfaction

For hypothesis 21, it investigates the positive effect of employee emotional reactions (EMOT) on customer satisfaction (CSAT) towards the service provided by coffee stores. Nevertheless, the results reported in Table 8.14 recognized the negative relationship between emotional responses and customer satisfaction. As shown in this report, the path coefficient (β_{21}) was -0.179 and the t-value was greater than 1.96 (2.380). Although this relationship was significant but it was opposite to the initial hypothesis. On the basis of this result, it revealed that employee's inner emotional states were negatively relevant to customer satisfaction towards coffee stores. Further discussions were presented in the next chapter.

H22: Employee's job satisfaction positively affects customer satisfaction

With respect to hypothesis 22, it examines the effects of job satisfaction (ESAT) and customer satisfaction (CSAT) in the coffee store environment. According to the findings reported in Table 8.14, it showed that the path coefficient of this relationship (β_{22}) was 0.186 and the t-value exceeded the criterion of 1.96 (2.380). Therefore, hypothesis 22 was supported in this study. On the basis of this result, it could be concluded that increasing the satisfaction of employees towards the current job is closely associated with the development of customer satisfaction towards the service provided by coffee stores.

H23: Customer's service satisfaction positively affects customer loyalty

The final hypothesis of the research framework concerns validating the relationship between customer satisfaction (CSAT) and customer loyalty (CLOY) towards the provided service in the coffee store setting. As presented in Table 8.14, it showed that the path coefficient of this relationship (β_{23}) was 0.545 and the t-value exceeded the criterion of 1.96 (8.653). Based on these estimated parameters, it proved for the acceptance of hypothesis 23. As a consequence, it was revealed that there is a substantial and positive relationship between increasing the level of customer satisfaction and the development of customer loyalty towards the service delivered by coffee establishments.

In summary, the analysis results demonstrated that a majority of research hypotheses were supported in this study (21/23) exception of two hypotheses including the relationship between employee's perceived interaction with customer and job satisfaction (H17) as well as the relationship between employee's inner emotional responses and customer satisfaction (H21). Meanwhile, hypothesis 17 was rejected as the estimated parameters did not meet the requested conditions. In contrast, although hypothesis 21 was still significant upon statistical parameters but the result was opposite to the initial suggestion.

In terms of the significant hypotheses, the largest path coefficient was 0.780 by the correlation between customer's perceived servicescape (CSER) and the peer-to-peer interaction (CINTERNAL) (t-value = 30.029), while the smallest path coefficient was 0.133 by the correlation between employee's inner emotional responses (EMOT) and customer's perceived interaction with employees (CINTER) (t-value = 2.319).

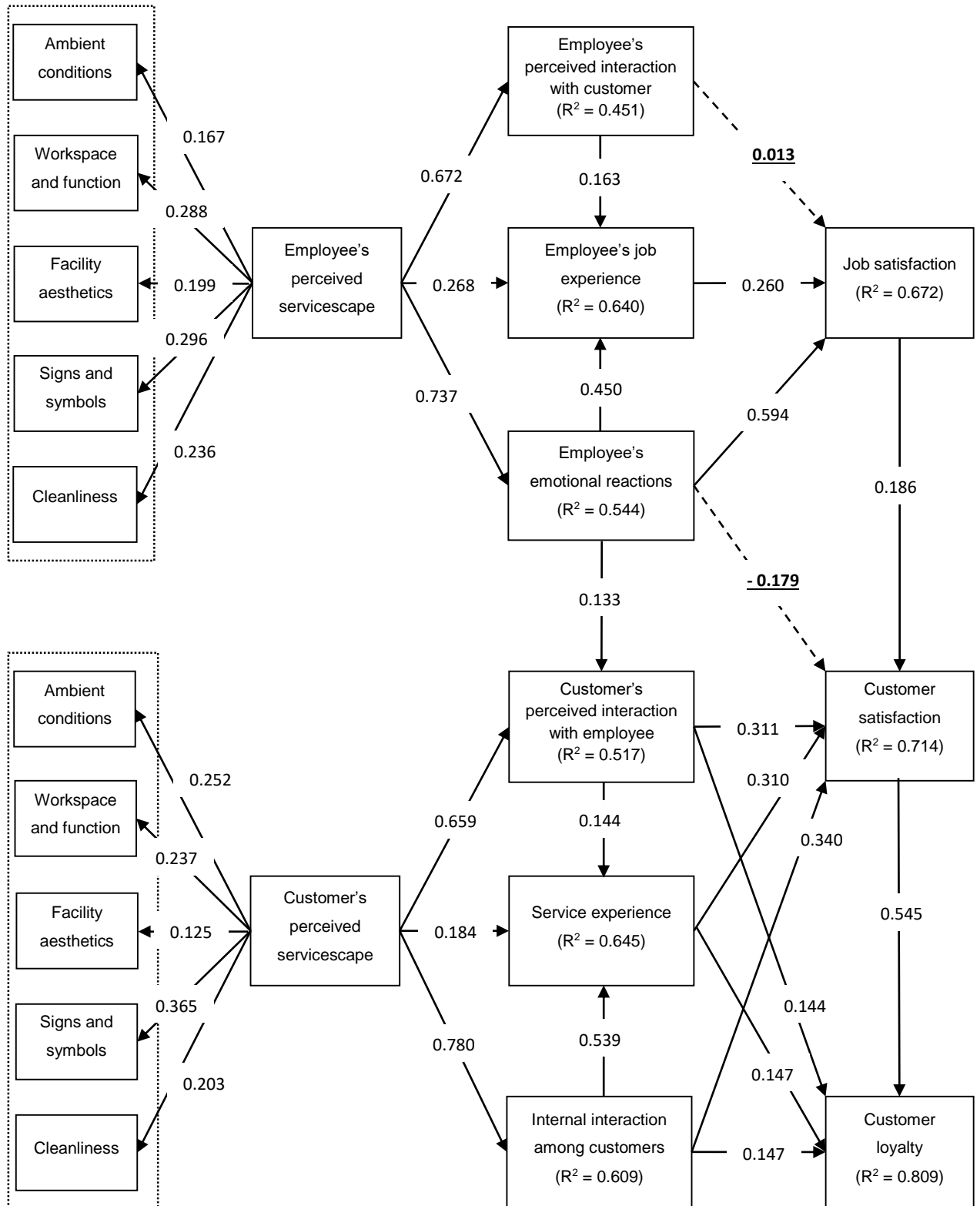
Table 8.14. The significance and relevance of path coefficients

Hypotheses	Path coefficients	T-value	P-value	Conclusion
1.CSER → CINTER	0.659	15.088	0.000	Supported
2.CSER → CINTERNAL	0.780	30.029	0.000	Supported
3.CSER → CEXPER	0.184	2.387	0.023	Supported
4.CINTER → CEXPER	0.144	2.218	0.038	Supported
5.CINTERNAL → CEXPER	0.539	7.008	0.000	Supported
6.CINTER → CSAT	0.311	4.788	0.000	Supported
7.CEXPER → CSAT	0.310	4.746	0.000	Supported
8.CINTERNAL → CSAT	0.340	6.226	0.000	Supported
9.CINTER → CLOY	0.144	2.170	0.029	Supported
10.CEXPER → CLOY	0.147	2.645	0.021	Supported
11.CINTERNAL → CLOY	0.147	2.497	0.011	Supported
12.ESER → EINTER	0.672	16.457	0.000	Supported
13.ESER → EMOT	0.737	19.624	0.000	Supported
14.ESER → EEXPER	0.268	3.591	0.000	Supported
15.EINTER → EEXPER	0.163	2.097	0.049	Supported
16.EMOT → EEXPER	0.450	5.692	0.000	Supported
17.EINTER → ESAT	0.013	0.223	0.823	Rejected
18.EEXPER → ESAT	0.260	3.530	0.000	Supported
19.EMOT → ESAT	0.594	9.232	0.000	Supported
20.EMOT → CINTER	0.133	2.319	0.017	Supported
21.EMOT → CSAT	-0.179	2.380	0.029	Supported
22.ESAT → CSAT	0.186	2.380	0.010	Supported
23.CSAT → CLOY	0.545	8.653	0.000	Supported

Note. CSER = Customer's perceived servicescape; CINTER = Customer's perceived interaction with employee; CINTERNAL = Internal interaction among customers; CEXPER = Customer's service experience perception; CSAT = Customer satisfaction; CLOY = Customer loyalty; ESER = Employee's perceived workspace; EMOT = Employee inner emotion; EINTER = Employees' perceived interaction with customer, EEXPER = Employee's perceived job experience; ESAT = job satisfaction.

T-value > 1.96 for two-tailed test at 5% level of significance.

Level of employee



Level of customer

Figure 8.3. The final result of structural model analysis

8.4.3. Coefficient of determination

In the next step, the coefficient of determination (R^2 value) for each dependent construct was evaluated. The R^2 refers to the variance explained in the dependent variables by independent variables (Sarstedt, 2014; Hair et al., 2018). The R^2 values range from 0 to 1, with a higher level predicting a greater accuracy degree. The results of R^2 values are presented in Figure 8.3 and Table 8.15.

According to this report, it showed that the coefficient of determination for employee's perceived interaction with customers (EINTER) was 0.451. Therefore, it demonstrated that employee's perceived servicescape (ESER) contributed to explaining approximately 45.1% of the variance in employee's perceived interaction with customers. Similarly, the findings indicated that employee's perceived interaction with customers (EINTER), employee's perceived servicescape (ESER) and employee's emotional reactions (EMOT) contributed to shaping the outcome of job experience (EEXPER) in the coffee store setting. According to the rule of thumb, these factors were likely to moderately interpret approximately 64% of the variance in employee's job experience ($R^2 = 0.640$). Regarding employee's emotional reactions (EMOT), this construct was directly affected by the employee's perceived servicescape (ESER) with $R^2 = 0.544$. As such, employee's perceived servicescape moderately contributed to explaining 54.4% of the variance in employee's emotional reactions.

With respect to the customer's perceived interaction with employees (CINTER), the coefficient of determination was 0.517. Thereby, it stated that customer's perceived servicescape (CSER) along with employee's emotional reactions (EMOT) were likely to interpret approximately 51.7% of the variance in customer's perceived servicescape. For customer's service experience (CEXPER), the coefficient of determination was 0.645. It demonstrated the great effects of 3 factors on service experience including customer's perceived interaction with employees (CINTER), customer's perceived servicescape (CSER) and internal interaction among customers (CINTERNAL) as they contributed to explaining more than 64.5% of the variance in the service experience. Likewise, the coefficient of determination for internal interaction among customers (CINTERNAL) was 0.609. Meanwhile, it was directly shaped by the customer's perceived servicescape (CSER) with the path coefficient = 0.780. Therefore, the customer's perceived servicescape was likely to interpret approximately 60.9% of the variance in internal interaction among customers.

For employee's job satisfaction (ESAT), the result showed that the coefficient of determination was 0.672. It presented a rate of moderate accuracy in the explanation of variance for endogenous variables. Meanwhile, this factor was significantly determined by two factors comprising employee's job experience (EEXPER) and employee's emotional reactions (EMOT). The effect of employee's perceived interaction with the customer on job satisfaction was not taken consideration in this case due to the insignificant path coefficient ($\beta_{12} = 0.013$, T-value = 0.223). As a result, it could be concluded that employee's job experience and employee's emotional reactions were likely to interpret approximately 67.2% of the variance in job satisfaction.

Regarding customer satisfaction, the analysis results showed that the coefficient of determination was moderate accuracy with $R^2 = 0.714$. Customer satisfaction was significantly impacted by 5 factors including job satisfaction (ESAT), employee emotion (EMOT), customer's perceived interaction with employees (CINTER), service experience (CEXPER) and internal interaction among customers (CINTERNAL). Therefore, five factors contributed to explaining 71.4% of the variance in customer satisfaction in this study. Lastly, the estimated result demonstrated that the coefficient of determination for customer loyalty was substantial accuracy as exceeding the criterion of 0.75 ($R^2 = 0.809$). Consequently, it could be concluded that four factors including customer satisfaction (CSAT), customer's perceived interaction with employees (CINTER), service experience (CEXPER) and internal interaction among customers (CINTERNAL) were likely to interpret approximately 80.9% of the variance in customer loyalty.

In summary, the research framework presented the coefficient of determination for 9 endogenous constructs (Table 8.15). Generally, all coefficients of determination were larger than 0.45, the largest coefficient was 0.809 by customer loyalty (CLOY) while the smallest coefficient was 0.451 by the employee's perceived interaction with customers (EINTER). Meanwhile, the employee's perceived interaction with customers was considered as a weak accuracy ($R^2 < 0.5$). In addition, there were 7 constructs which were regarded as a moderate accuracy ($R^2 > 0.5$) including employee's job experience (EEXPER), employee's emotional reactions (EMOT), customer's perceived interaction with employees (CINTER), service experience (CEXPER), internal interaction among customers (CINTERNAL), job satisfaction (ESAT) and customer satisfaction (CSAT). And there was only one construct considered as a substantial accuracy ($R^2 > 0.75$) by customer loyalty.

Table 8.15. The coefficient of determination (R^2 value)

Endogenous constructs	R^2 value	Explained by Exogenous constructs
1.Employee's perceived interaction with customer (EINTER)	0.451	Employee's perceived servicescape (ESER)
2.Employee job experience (EEXPER)	0.640	Employee's perceived interaction with customer (EINTER) Employee's perceived servicescape (ESER) Employee inner emotion (EMOT)
3.Employee inner emotion (EMOT)	0.544	Employee's perceived servicescape (ESER)
4.Customer's perceived interaction with employee (CINTER)	0.517	Employee inner emotion (EMOT) Customer's perceived servicescape (CSER)
5.Customer's perceived service experience (CEXPER)	0.645	Customer's perceived servicescape (CSER) Customer's perceived interaction with employee (CINTER) Internal interaction among customers (CINTERNAL)
6.Internal interaction among customers (CINTERNAL)	0.609	Customer's perceived servicescape (CSER)
7.Job satisfaction (ESAT)	0.672	Employee's perceived interaction with customer (EINTER) Employee job experience (EEXPER) Employee inner emotion (EMOT)
8.Customer satisfaction (CSAT)	0.714	Job satisfaction (ESAT) Employee inner emotion (EMOT) Customer's perceived interaction with employee (CINTER) Customer's perceived service experience (CEXPER) Internal interaction among customers (CINTERNAL)
9.Customer loyalty (CLOY)	0.809	Customer satisfaction (CSAT) Customer's perceived interaction with employee (CINTER) Customer's perceived service experience (CEXPER) Internal interaction among customers (CINTERNAL)

8.4.4. Measurement of effect sizes

In addition to the coefficient of determination (R^2 value), the effect size of predictor constructs (f^2) was suggested to evaluate whether a specific independent variable has a substantial impact on the coefficient of determination for dependent constructs or not (Cohen, 1998). As the effect size (f^2) determines the variation in the R^2 when an independent variable is removed from the model. The higher value of f^2 predicts a larger effect size. According to the rule of thumb, f^2 values higher

than 0.02 depict small effect sizes, f^2 values higher than 0.15 are considered as medium effect sizes, these values above 0.35 are regarded as large effect sizes (Cohen, 1988). The result of effect sizes is presented in Table 8.16.

Table 8.16. The measurement of effect sizes

	CEXPER	CINTER	CINTERNAL	CLOY	CSAT	EEXPER	EINTER	EMOT	ESAT
CEXPER				0.037	0.123				
CINTER	0.026			0.048	0.158				
CINTERNAL	0.292			0.033	0.134				
CLOY									
CSAT				0.463					
CSER	0.032	0.774	1.557						
EEXPER									0.081
EINTER						0.034			0.000
EMOT		0.032			0.035	0.212			0.376
ESAT					0.042				
ESER						0.082	0.822	1.191	

Note. CSER = Customer’s perceived servicescape; CINTER = Customer’s perceived interaction with employee; CINTERNAL = Internal interaction among customers; CEXPER = Customer’s perceived service experience; CSAT = Customer satisfaction; CLOY = Customer loyalty; ESER = Employee’s perceived servicescape; EMOT = Employee inner emotion; EINTER = Employee’s perceived interaction with customer, EEXPER = Employee’s perceived job experience; ESAT = Employee job satisfaction.

According to this table, it showed that internal interaction among customers (CINTERNAL) played a greater role in producing R^2 for customer’s service experience (CEXPER) than customer’s perceived interaction with employees (CINTER) and customer’s perceived servicescape (CSER) as the effect size of internal interaction among customers towards service experience was medium with $f^2 = 0.292 > 0.15$. While the effect sizes of customer’s perceived interaction with employees and customer’s perceived servicescape were 0.026 and 0.032, respectively. Both two effect sizes depicted small effect sizes as f^2 was larger 0.02.

For the customer’s perceived interaction with employees (CINTER), the customer’s perceived servicescape had a very large effect size in producing R^2 for customer’s perceived interaction with

employees as the effect size exceeded the criterion of 0.35 with $f^2 = 0.774$. While employee emotion played a small role in producing R^2 for customer's perceived interaction with employees as the effect size was $0.032 > 0.02$. Regarding the internal interaction among customers (CINTERNAL), the employee's perceived interaction with customers (EINTER) and employee emotion (EMOT), these factors were impacted by only one exogenous factor in the research model. Thus, the effects sizes of exogenous factors in producing R^2 for endogenous factors were very high. They were 1.557, 0.882 and 1.191, respectively.

With respect to customer loyalty (CLOY), this factor was significantly determined by four factors including customer's perceived service experience (CEXPER), customer's perceived interaction with employees (CINTER), internal interaction among customers (CINTERNAL) and customer satisfaction (CSAT). Meanwhile, customer satisfaction played a larger role in producing R^2 for customer loyalty in comparison to the remaining variables with $f^2 = 0.463$ which was considered as a large effect size. On another hand, the effect sizes of the remaining variables were smaller than 0.15 (0.037, 0.048, 0.033 respectively).

Regarding to customer satisfaction (CSAT), this factor was significantly affected by five factors comprising customer's perceived service experience (CEXPER), customer's perceived interaction with employees (CINTER), internal interaction among customers (CINTERNAL), employee emotion (EMOT) and employee satisfaction (ESAT). The results reported in Table 8.16 showed that one effect size was larger than 0.15 ($f^2 = 0.158$ for CINTER), two effect sizes were close to 0.15 ($f^2 = 0.123$ for CEXPER, $f^2 = 0.134$ for CINTERNAL) and two effect sizes were larger than 0.02 ($f^2 = 0.035$ for EMOT, $f^2 = 0.042$ for ESAT).

For employee's job experience (EEXPER), three factors significantly influenced job experience including employee's perceived interaction with customers (EINTER), employee emotion (EMOT) and employee's perceived servicescape (ESER). Meanwhile, employee emotion played a greater role in producing R^2 for job experience than the remaining two variables. The effect size of employee emotion was larger than 0.15 ($f^2 = 0.212$). While the effect size of employee's perceived servicescape and employee's perceived interaction with customers were weak with $f^2 = 0.034$ and 0.082 , respectively.

Finally, the analysis results showed the effect sizes for employee's job satisfaction (ESAT). Although job satisfaction was shaped by three factors, but there were two significant relationships

in the research model. Therefore, the employee's perceived interaction with customers (EINTER) had not to effect size in producing R^2 for job satisfaction ($f^2 = 0.000$). While the finding indicated that employee emotion had a great effect size in producing R^2 for job satisfaction ($f^2 = 0.376 > 0.35$). In other words, it showed that the effect size of employee's perceived job experience in producing R^2 for job satisfaction was weak with $f^2 = 0.081 < 0.15$.

In summary, the analysis findings showed the measurement of effect sizes for exogenous variables towards endogenous variables. Meanwhile, one exogenous factor (employee's perceived interaction with customers - EINTER) has not to effect size in producing R^2 for the endogenous factor (employee satisfaction - ESAT) with $f^2 = 0.000$. This was in line with the result of the path coefficient and the statistical significance as this relationship was insignificant. The largest effect size was 1.557 by customer's perceived servicescape (CSER) in producing R^2 for the internal interaction among customers (CINTERNAL). Generally, there were 6 large effect sizes as these values were higher than 0.35, 3 medium effect sizes as these values were higher than 0.15 and 13 weak effect sizes as these values were higher than 0.02.

8.4.5. Evaluation of the predictive relevance

Another way to evaluate the predictive relevance of the path model is blindfolding Q^2 (Stone, 1974). The Q^2 builds on "the blindfolding procedure, which omits a part of the data matrix, estimates the model parameters and predicts the omitted part using the previously computed estimates" (Sarstedt, 2014). According to this approach, the smaller the difference between predicted and original values is the greater Q^2 and it thus increases the predictive accuracy of the path model (Rigdon, 2014; Sarstedt, 2014). Q^2 value was calculated by using the Blindfolding technique in the Smartpls 2.0 software.

On the basis of a thumb rule, it is suggested that the Q^2 value higher than 0.02 reflects small predictive relevance, the Q^2 value higher than 0.15 presents medium predictive relevance and the Q^2 value higher than 0.35 reflects the large predictive relevance of an independent construct for a selected dependent construct. Table 8.17 presents the result of the Q^2 value for each dependent factor based on using a cross-validated redundancy method.

According to this table, it showed the Q^2 values for 9 endogenous constructs in the structural model. Generally, a majority of Q^2 values exhibited the large predictive relevance as most of them

were larger than the criterion of 0.35 exception of Q^2 value for employee emotion. While the largest Q^2 value was 0.688 by customer satisfaction, the smallest Q^2 value was 0.298 by employee emotion. For customer satisfaction (CSAT), five factors including customer's perceived interaction with employees, customer's perceived service experience, internal interaction among customers, employee emotion and employee's perceived job satisfaction had a large predictive relevance for customer satisfaction ($Q^2 = 0.688$).

Similarly, three factors consisting of customer's perceived servicescape, customer's perceived interaction with employees and internal interaction among customers had a large predictive relevance for customer's perceived service experience (CEXPER) as Q^2 value exceeded the criterion of 0.35 (0.581). The Q^2 value was similar to the construct of customer loyalty (CLOY) since four factors including customer's perceived interaction with employees, customer's perceived service experience and internal interaction among customers had great predictive relevance for customer loyalty ($Q^2 = 0.581$).

With respect to the employee's perceived job experience (EEXPER), this construct was significantly shaped by employee emotion, employee's perceived physical workplace and employee's perceived interaction with customers. The findings indicated that these factors expressed a great predictive relevance for employee's perceived job experience since the Q^2 value exceeded the criterion of 0.35 (0.573). Likewise, the customer's perceived servicescape had a large predictive relevance for the internal interaction among customers (CINTERNAL) as Q^2 value satisfied the criterion of 0.35 (0.526). For employee's perceived interaction with customers (EINTER), such a construct was significantly determined by only employee's perceived physical workplace which presented a large predictive relevance for employee's perceived interaction with customers ($Q^2 = 0.503$).

For customer's perceived interaction with employees, this factor was significantly influenced by customer's perceived servicescape and employee emotion. Both of them showed a large predictive relevance for the perception of interaction with employees since the Q^2 value was larger than 0.35 (0.389). The same result was also recognized for the construct of job satisfaction (ESAT), three factors comprising employee emotion, employee's perceived service experience and employee's perceived interaction with customers showed a large predictive relevance for job satisfaction with $Q^2 = 0.381$. Among nine dependent constructs in the structural model, there was only one construct of employee emotion with the Q^2 value closing to 0.35. Therefore, it showed that employee's

perceived physical workplace presented a medium predictive relevance for employee emotion with $Q^2 = 0.298$.

Table 8.17. The result of predictive relevance (Q^2 value)

Construct Cross Validated Redundancy		
Endogenous constructs	Label	Q^2 value
1.Customer satisfaction	CSAT	0.688
2.Customer's perceived service experience	CEXPER	0.581
3.Customer loyalty	CLOY	0.581
4.Employee's perceived job experience	EEXPER	0.573
5.Internal interaction among customers	CINTERNAL	0.526
6.Employee's perceived interaction with customers	EINTER	0.503
7.Customer's perceived interaction with employees	CINTER	0.389
8.Employee's job satisfaction	ESAT	0.381
9.Employee's inner emotional reactions	EMOT	0.298

8.4.6. Results of mediating role tests

In order to further explore the indirect effects of critical factors in the structural model, the mediating test was performed by Smart-PLS software and bootstrapping procedures (Preacher and Hayes, 2004, 2008). To identify a mediating role of specific construct between an independent factor and a dependent factor, it is essential to answer the three issues: (1) there is a direct effect between the independent factor and the dependent factor or not, (2) there is an indirect effect via the mediator factor or not and (3) How much the strength of mediation is (Kim, 2017).

The results of the mediating test for 14 factors are presented in Table 8.18. For the mediating role of customer's perceived interaction with the employee (CINTER) for the relationship between customer's perceived servicescape (CSER) and customer's perceived service experience (CEXPER), the analysis result showed that the direct effect of customer's perceived servicescape on service experience was significant ($\beta_1 = 0.184$, p -value < 0.05 , t -value > 1.96). Further, the bootstrapping estimation indicated that the indirect effect of customer's perceived servicescape on service experience through the customer's perceived interaction with employees was supported (0.095, t -value > 1.96). Moreover, the total effects of customer's perceived servicescape on service experience were confirmed as well (0.7, t -value > 1.96). Nevertheless, as analyzing the strength

of mediation for this relationship, the VAF value was lower than 20% (VAF = 0.136). As a result, it could be concluded that customer's perceived interaction with employees (CINTER) does not affect the relationship between customer's perceived servicescape (CSER) and customer's perceived service experience (CEXPER).

For the mediating effect of internal interaction among customers (CINTERNAL) on the relationship between customer's perceived servicescape (CSER) and service experience (CEXPER), the estimated result found that the direct effect of customer's perceived servicescape on service experience was significant ($\beta_1 = 0.184$, p-value < 0.05, t-value > 1.96). The indirect effect through internal interaction among customers was also validated through the bootstrapping test (0.421, t-value > 1.96). And the total effects of customer's perceived servicescape on service experience were significant as well (0.7, t-value > 1.96). While VAF value was greater than 20% (VAF = 0.601). Therefore, it showed that internal interaction among customers (CINTERNAL) holds a partial mediating role in the relationship between the customer's perceived servicescape (CSER) and service experience (CEXPER).

Similarly, the procedure was repeated for testing the mediating role of customer satisfaction (CSAT) for three relationships, in turn between customer's perceived interaction with employees (CINTER), service experience (CEXPER), customer-to-customer interaction (CINTERNAL) and customer loyalty (CLOY). The result reported in Table 8.18 demonstrated that the direct effects, indirect effects and total effects were significant at all. Furthermore, the VAF values were greater than 20% (0.474; 0.535; 0.368, respectively). Consequently, the analysis result proved that customer satisfaction plays a partial mediating role in three relationships including customer's perceived interaction with employees (CINTER) and customer loyalty (CLOY), service experience (CEXPER) and customer loyalty (CLOY), customer-to-customer interaction (CINTERNAL) and customer loyalty (CLOY).

For the mediating effect of employee emotion (EMOT) towards the relation between employee's perceived physical workplace (ESER) and job experience (EEXPER), it has been found that the direct effect of the employee's perceived physical workplace on job experience was significant ($\beta_4 = 0.268$, p-value < 0.05, t-value > 1.96). The indirect effect through employee emotion was recognized (0.331, t-value > 1.96). And the total effects of employee's perceived physical work environment on job experience were significantly recorded as well (0.709, t-value > 1.96). The VAF value exceeded the condition of 20 percent (0.467). As such, it was suggested that employee

emotion partially mediates the employee's perceived physical work environment - job experience relationship.

With respect to the mediating role of employee's perceived interaction with customers (EINTER) towards the relation between the employee's perceived physical work environment (ESER) and job experience (EEXPER), the estimated result demonstrated that the direct effect of the employee's perceived work environment on job experience was significant ($\beta_4 = 0.268$, p-value < 0.05 , t-value > 1.96). However, the indirect effect through employee's perceived interaction with customers was insignificant (0.109, t-value < 1.96) and the VAF value was smaller than 20% (0.154). As a result, it could be concluded that employee's perceived interaction with customers (EINTER) has no mediating effect on the relationship between employee's perceived physical work environment (ESER) and job experience (EEXPER).

Regarding the mediating role of job experience (EEXPER) towards the relation between employee emotion (EMOT) and job satisfaction (ESAT), it has been found that the direct effects, indirect effects and total effect were significant at all. Nevertheless, the VAF value was smaller than 20% (VAF = 0.165). Consequently, it showed that job experience (EEXPER) has no mediating effect on the relationship between employee emotion (EMOT) and job satisfaction (ESAT).

In other words, the mediating role of job experience (EEXPER) in the relationship between employee's perceived interaction with customers (EINTER) and job satisfaction (ESAT) was also tested. But, the report showed that the direct effect, indirect effect and total effect were insignificant at all although the VAF value was greater than 20% (0.75). Therefore, it could be concluded that job experience (EEXPER) does not mediate the relation between employee's perceived interaction with customers (EINTER) and job satisfaction (ESAT).

For the mediating role of customer's perceived interaction with employees (CINTER) in the relationship between employee emotion (EMOT) and customer satisfaction (CSAT), the research findings showed that the direct effect of employee emotion on customer satisfaction was significant, but negatively ($\beta_{15} = -0.179$, p-value < 0.05 , t-value > 1.96). The indirect effect through the customer's perceived with employees was significant as well (0.041, t-value > 1.96). Nevertheless, it has been found that the total effect was insignificant (t-value < 1.96 and p-value > 0.05) and the VAF value was too large (VAF = 41). As such, it was suggested that the customer's

perceived interaction with employees (CINTER) does not mediate the relation between employee emotion (EMOT) and customer satisfaction (CSAT).

The same conclusion was also derived from the result of the mediating test for the relationship between employee's perceived interaction with customers (EINTER) and customer satisfaction (CSAT) through employee job satisfaction (ESAT). When both the direct effect and indirect effect were significant, yet the total effect was insignificant and VAF was too large. Consequently, this finding revealed that employee job satisfaction (ESAT) does not mediate the relation between employee's perceived interaction with customers (EINTER) and customer satisfaction (CSAT).

With respect to the mediating role of employee job satisfaction (ESAT) in the relationship between employees' perceived interaction with customers (EINTER) and customer satisfaction (CSAT), the findings indicated that the direct effect of this relation was not available in this research. While the indirect effect through employee job satisfaction and the total effect were insignificant (0.002 and 0.01, respectively). Therefore, it could be concluded that employee job satisfaction (ESAT) has not a mediating role in the relationship between employees' perceived interaction with customers (EINTER) and customer satisfaction (CSAT).

Lastly, the mediating test revealed that employee job satisfaction (ESAT) plays a full mediator in the relation between job experience (EEXPER) and customer satisfaction (CSAT). It has been found that the direct link between job experience and customer satisfaction was not available in this research. While the indirect effect through employee job satisfaction was significant (0.049, t -value > 1.96). Moreover, the total effect of employee job experience on customer satisfaction was confirmed as well (0.049, t -value > 1.96). The VAF value achieved the value of 1 (100%). A similar analysis also demonstrated that customer satisfaction (CSAT) fully mediates the relation between employee job satisfaction (ESAT) and customer loyalty (CLOY).

Table 8.18. The result of mediating role tests

Path of mediating role (1)	Direct effect (2)	Indirect Effects (3)	Total Effects (4)	VAF (5) = (3/4)	Mediating roles (6)
1.CSER → CINTER → CEXPER	0.184* (Cser → Cexper)	0.095* (through Cinter)	0.7* (Cser → Cexper)	0.136	No effect
2.CSER → CINTERNAL → CEXPER	0.184* (Cser → Cexper)	0.421* (through Cinternal)	0.7* (Cser → Cexper)	0.601	Partial mediator
3.CINTER → CSAT → CLOY	0.144* (Cinter → Cloy)	0.17* (through Csat)	0.359* (Cinter → Cloy)	0.474	Partial mediator
4.CEXPER → CSAT → CLOY	0.147* (Cexper → Cloy)	0.169* (through Csat)	0.316* (Cexper → Cloy)	0.535	Partial mediator
5.CINTERNAL → CSAT → CLOY	0.147* (Cinternal → Cloy)	0.185* (through Csat)	0.503* (Cinternal → Cloy)	0.368	Partial mediator
6.ESER → EMOT → EEXPER	0.268* (Eser → Eexper)	0.331* (through Emot)	0.709* (Eser → Eexper)	0.467	Partial mediator
7.ESER → EINTER → EEXPER	0.268* (Eser → Eexper)	0.109 (through Einter)	0.709* (Eser → Eexper)	0.154	No effect
8.EMOT → EEXPER → ESAT	0.594* (Emot → Esat)	0.117* (through Eexper)	0.711* (Emot → Esat)	0.165	No effect
9.EINTER → EEXPER → ESAT	0.013 (Einter → Esat)	0.042 (through Eexper)	0.056 (Einter → Esat)	0.75	No effect
10.EMOT → CINTER → CSAT	-0.179* (Emot → Csat)	0.041* (through Cinter)	0.001 (Emot → Csat)	41	No effect
11.EMOT → ESAT → CSAT	-0.179* (Emot → Csat)	0.111* (through Esat)	0.001 (Emot → Csat)	111	No effect
12.EINTER → ESAT → CSAT	n.a. (Einter → Csat)	0.002 (through Esat)	0.01 (Einter → Csat)	0.2	No effect
13.EEXPER → ESAT → CSAT	n.a. (Eexper → Csat)	0.049* (through Esat)	0.049* (Eexper → Csat)	1	Fully mediator
14.ESAT → CSAT → CLOY	n.a. (Esat → Cloy)	0.102* (through Csat)	0.102* (Esat → Cloy)	1	Fully mediator

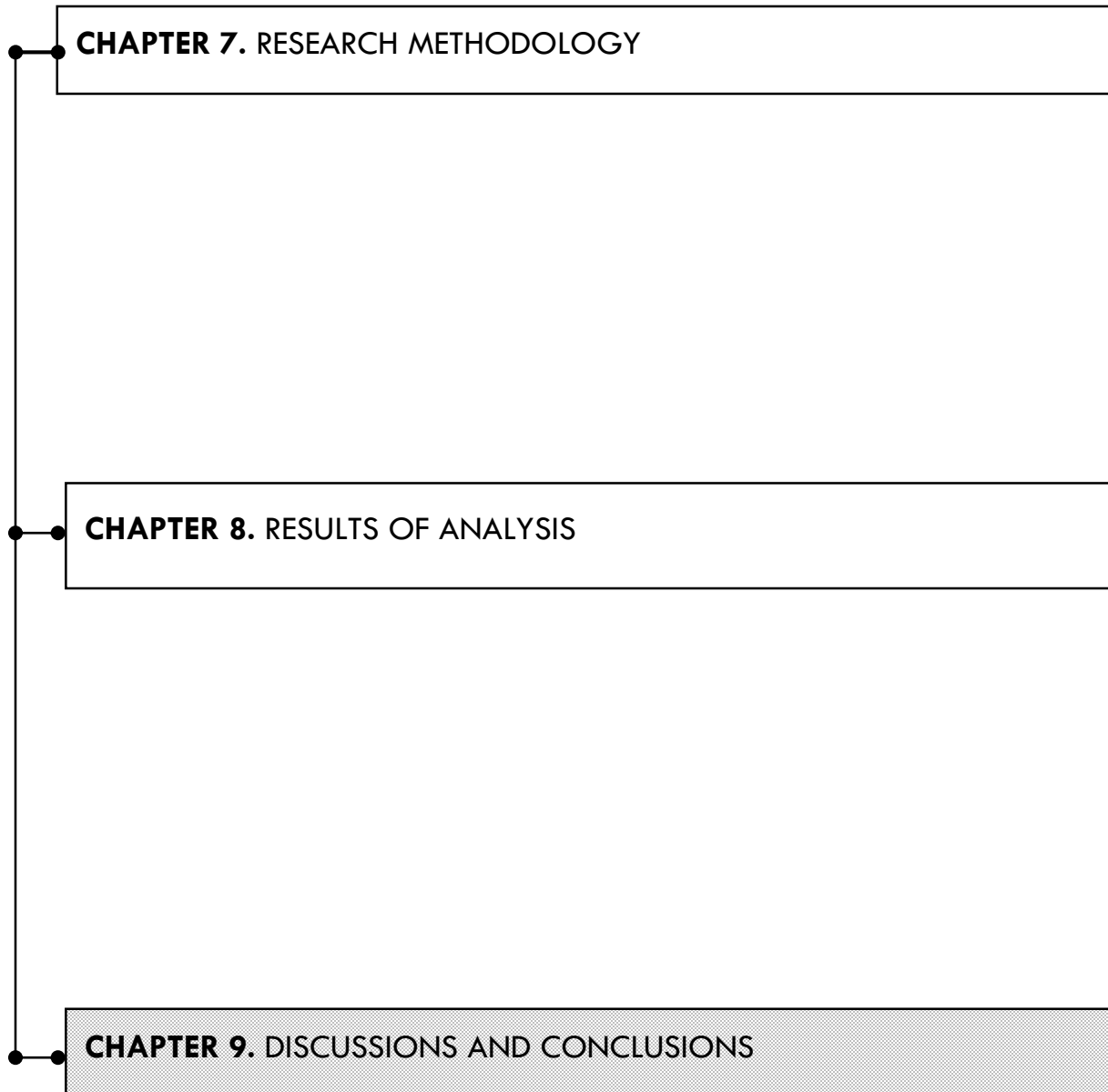
*Result is significant at 5% level of significance (two-tailed, $t > 1.96$)

n/a: not available

PART 2.

RESEARCH METHODOLOGY,

RESULTS AND DISCUSSIONS



CHAPTER 9

DISCUSSIONS AND CONCLUSIONS

This chapter firstly concentrates on discussing the findings of the analysis process. Subsequently, theoretical and managerial contributions are presented in the next section. We lastly discuss limitations and recommend some future research directions, follow by general conclusions.

9.1. Research discussion

In the literature of service marketing, relatively little research concerning the relationship between the physical environment and social interaction was investigated in previous studies. More specifically, very few studies explore the role of servicescape attributes in creating social interaction experiences towards both customers and employees and their effects on service experience, job experience, satisfaction and loyalty in the coffee shop context. In order to fill these research gaps, the present study was developed to provide deeper insight into creating customer satisfaction and loyalty through the café servicescape, social interaction and service experience. Besides, this study provided significant findings on the effects of physical workplaces on job satisfaction through social interaction, emotional responses and job experience in the coffee store setting.

Data for the research was collected from 185 coffee shops located in three cities in Vietnam with approximately 1779 responses from customers and 608 answers for employees. The final data was then synthesized based on the unit level of the coffee store ($N = 185$). The descriptive statistics denoted that there were 48.5% female-customers, 50.4% male-customers in a total of 1779 respondents. Most of the customers were students, employees and businesses; aged from 18 to 30. A majority of customers already visited the coffee shop a few times in the past. Respondents typically go to the coffee store with their friends, relatives and lovers. Additionally, they often spent a moderate amount of time for each visit to the coffee store, at least 30 minutes until 2 hours. While the results found that among 608 employees were invited to enjoy the survey process, 60.7%

of them were female, 37% of them were male and 1.5% of them did not respond to the gender issue. Most of the employees were very young, ranged from 18 to 22 years old. These employees majorly worked under a part-time job in a short time as the finding revealed that around 60% of respondents have worked lower than 6 months. The majority of employees spent from 4 to 8 hours per day for each work shift at the coffee shop.

The summated data was synthesized from the respondents of customers and employees at each specific café outlet by averaging all responses. It was then tested on the reliability through testing the interclass correlation coefficient and common method bias. The analysis process was performed via 2 steps, including measurement model analysis and structural model analysis. In the first step, the measurement model was evaluated through some critical indices such as indicator loadings, composite reliability, convergent validity, and discriminant validity. When the measurement model satisfied the reliable criterion, the structural model analysis was later evaluated. The results of correlation analysis among constructs are discussed in detail as below:

9.1.1. The effects of servicescape on customer satisfaction and loyalty – centered on social interaction and service experience

Regarding the effects of servicescape on social interaction

In the present study, the servicescape of café shops from the perspective of customers was investigated by five dimensions including ambient conditions, spatial layout and functionality, facility aesthetics, signs and symbols, and cleanliness. The results of exploratory factor analysis and relational weights analysis confirmed that the factor “customer’s perceived café servicescape” should be treated as a second-order construct with five first-order dimensions. As presented in the research objects, one of the foremost objects is to uncover the effects of servicescape characteristics on social interaction experience customers have in the coffee shop setting, including customer-to-employee interaction and customer-to-customer interaction. Based on empirical findings, we found strong supports for these relationships.

Firstly, the findings showed that customers' positive responses to the physical aspects of coffee shops substantially influence customers' perceived interaction with employees. The more positive evaluation of the café environment leads to a more positive perception of service interaction quality by customers. Even, this effect is regarded as "very strongly" as the path coefficient achieved a value of 0.659. This finding remarkably contributes to supporting the early conclusions relating to the possibility of manipulating the customer-to-employee interaction quality through the favorable presence of stimuli in the service environment (Wu, 2017; Caru and Cova, 2015; Sethjinda, 2019; Choi and Kim, 2015). For instance, using the appropriate scent or music in the physical space improves positive emotions to service providers and makes customers feel more polite and courteous from the service employees (Fowler, 2012) or the seating arrangement, size and flexibility of space contribute to advancing or restricting interacted possibilities between customers and service providers (Walter, 2012). This finding supports research by Choi & Kim (2015), whose findings illustrated that the aspects of servicescape such as layout, music, lighting or comfortable seats could be employed to enhance interaction quality between customers and employees in hedonic environments. Accordingly, this study confirms that the customer's positive responses towards the physical aspects of coffee shops are very critical in shaping the customer-to-employee interaction.

Interestingly, the current study forwards empirical evidence that the positive responses with environmental stimuli deeply affect customer-to-customer interaction quality in coffee stores. As given that the path coefficient of this relationship achieved the largest value in the structural model ($\beta_2 = 0.780$). In addition, customer's perceived servicescape is likely to interpret approximately 60.9% of the variance in the customer-to-customer interaction, it thereby represents a remarkably great accuracy degree in predicting the fluctuation of the endogenous factor. This finding implies that the customer-to-customer interaction quality can be substantially facilitated by manipulating the parameters of the physical environment in coffee shops. For instance, spreading the essential oil of geranium in the casino context results in boosting the number of interact behaviors among customers (Zemke & Shoemaker, 2007). This is also line with the viewpoint that the expectations and social rules are represented by physical contexts in a given behavioral setting, and it influences the nature and quality of human interaction (Forgas, 1979).

Similarly, the disorganized seating arrangement in a concert hall may signal not only a bad service experience but also the unreliability of peer-to-peer interaction (Choi and Kim, 2015). This finding accords with the conclusion by Fakharyan et al., (2014), whose findings indicated that the design features of service atmospherics contribute to improving the customer-to-customer interaction quality and customer's satisfaction in the hotel setting. This result supports research investigated by Moore et al., (2005) which confirmed that the atmospheric of the hair salon is a significant contributor to customer-to-customer interaction. This finding is particularly valuable to the literature of service marketing as identifying a significant and great linkage between a controllable factor (servicescape) and an uncontrollable factor (peer-to-peer interaction). It thus recommends a prospective way to influence and control the interaction quality among customers which has long been treated as a non-predictive parameter. Consequently, this study suggests that it is likely to manipulate the physical environment aspects to influence internal interaction behaviors among customers in the coffee shop setting.

As a result, the findings from the current study illustrate that the physical aspects of the coffee shop environment are likely to strongly stimulate or restrict human behavioral responses between customers and employees as well as between customers. Such two interactions should be treated as an integral part of social interactions customers have in service contexts such as restaurants and coffee shops. The strong support for this finding contributes to providing deeper insight into the relationship between physical surroundings and social interaction in the service industry generally.

Regarding the effects of servicescape and social interaction on customer service experience

The result of this study revealed that customer's responses towards the stimuli of the physical service environment directly influences customer service experience in the coffee store setting. This validates the propositions of the previous research frameworks in identifying servicescape as a determinant of service experience quality (Verhoef et al., 2009; Lemke, 2011; Walter and Edvardsson, 2012). It is also consistent with the theories of the physical service environment which is considered as a critical tangible factor to generate evaluation about entire service experience (Bitner, 1990; Edvarsson et al., 2010; Wall and Berry, 2006). This finding from the current study supports the notion that the interactions with service environment customers have are a part of

their service consumption experiences (Janet Turner, 2008). Meanwhile, the interaction process between customers and physical factors in the service establishments frequently takes place from entering the service buildings to ending the service. All of these interactions remarkably contribute to constituting overall service experience. It strongly supports a study conducted by Wu (2018), whose finding found that the physical environment quality is treated as the most primary dimension of the experiential quality perceived by theme park visitors. According to Choi (2015), the characteristics of the service environment are closely associated with the increase in service experience quality. This is in line with previous studies in the café setting, which claimed that customers not only purchase coffee but also the whole service environment created by organizations (Tombs and McColl-Kennedy, 2010; Wu, 2017; Sinniah, 2018; Sethjinda, 2019). Consequently, this study confirms that the physical aspects of the coffee store environment are critical in forming and shaping the service experience.

Another significant finding is that customer-to-employee interaction positively influence on customer's service experience in the coffee store setting. The analysis result is consistent with Lemke (2011) and Choi & Kim (2013) who confirmed the critical role of the positive interaction between customers and employees as a determinant of overall experience quality. The employees are the first representation of a service organization to communicate with customers during a service transaction from entering the service establishment to ending the service. As such, their attitudinal, emotional and behavioral expressions are closely relevant to customer experience quality. It also strongly supports Wu (2011, 2018), whose findings concluded that interaction quality is one of the most four attributes in shaping the evaluation of experience quality by visitors in the theme park context. In other service contexts such as retail stores (Soderlund, 2011) and amusement parks (Grove and Fisk, 1997), the positive performance of service employees leads to increasing the experiential quality as well. These results go along with those of Verhoef (2009) who confirmed the service personnel is one of the key aspects affecting customer's overall experience through communicating with guests. In the café context, this finding strongly supports the conclusion that interaction quality is perceived to be one of the most critical aspects of café experiential quality (Wu, 2017; Sinniah, 2018; Sethjinda, 2019). Consequently, there is a significant consideration that service organizations are likely to enhance customer service experience quality through the manipulation of customer-to-employee interaction. The presence

of a pleasure customer-employee interaction is arguably one of the most critical aspects defining the service experience quality. It implies that well-educated employees contribute to facilitating the interaction quality between customers and employees which then improves overall service experience quality.

In the same way, this study found that interaction among customers also forms a part of service experience in the café setting. The empirical result demonstrated that the path coefficient of this relation is relatively large ($\beta_5 = 0.539$). The major purpose of customers for each visit to the service facilities is to achieve a pleasant experience along with their friends or relatives (Wu and C.H.J, 2008; H. Kim and Choi, 2013). They are places where customers can share and discuss together. Consequently, the interaction quality between customers is deeply associated with their own experiences (Haytko and Baker, 2004; Rosenbaum and Massiah, 2007; Wu, 2019). This accords with earlier notions by Baker (1987) and Bitner (1992) which refer to the importance of other customers on customer experience in the service facility. It also supports research by Kim and Choi (2016), whose findings claimed that customer experience quality is strongly shaped by two forms of social interaction customers have in mass service contexts including friend interaction and audience interaction. Consequently, a key finding that might be drawn from this study is that the evaluation of service experience in the café environment significantly depends on one parameter - the interaction between customers - which cannot be predicted effortlessly. In contrast to the customer-to-employee interaction which service organizations could attempt to control through the performance of employees, the customer-to-customer interaction in the café setting is less directly impacted by service organizations. Nevertheless, the present study provides empirical evidence that this factor is likely to be manipulated by the physical aspects of the café store environment as the relationship between servicescape and peer-to-peer interaction is significant. Besides, the result of mediating analysis also showed that the customer-to-customer interaction holds a partial intermediate role in the relationship between customer's perceived evaluation towards servicescape and service experience. It means that the customer-to-customer interaction accounts for some, but not all, of the relationship between servicescape and customer service experience. The validation of this indirect effect implies that service organizations might facilitate positive customer-to-customer interactions while constraining negative customer-to-customer interactions by manipulating the physical environmental parameters.

Furthermore, the estimated result also showed that social interactions customers have in the café setting (customer-to-customer interaction and customer-to-employee interaction) and their perceived evaluation towards the servicescape are likely to interpret more than 55% of the variance in the entire service experience. This thus represents a remarkably great accuracy degree in predicting the fluctuation of service experience. This finding is totally in accordance with the given notion that along with core services, servicescape and social interaction are the foremost determinants of service experience quality in the service environment (Walter, 2010).

Regarding the effects of social interaction and service experience on customer satisfaction

The focus of this study is to explore the effects of servicescape on customer satisfaction and loyalty in the café setting – centered on social interaction and service experience. Customer satisfaction is thus treated as one of the most critical outcomes in the present study. The research findings found empirical evidence in support of the relationship between customer-to-employee interaction and customer satisfaction. This result implies that the positive performance of employees as interacting with customers improve the satisfaction level of customers towards the service provided. This parallels the findings of past studies regarding the role of service employees to customer satisfaction in the service establishments (Lin and Mattila, 2010; Lemke, 2011; Gerrard and Cunningham, 2001). As the notion has given that employees could be viewed as the representation of service organizations through the frequent encounter process between them and clients (Lemke, 2011). Their attitude and performance such as politeness, friendliness, trustiness, and helpfulness in face-to-face encounters are closely relevant to the level of satisfaction among customers (Chen and Chien Min, 2013; Alhelalat, 2017). This is particularly true towards the high-contact service environment where the service is delivered along with the presence of customers and a variety of interactions happen in the facility at the same time (Schneider et al., 2005). According to Jap (2001), the personal efforts and connections of service employees contribute to an important part in creating customer satisfaction in these situations. This also accords with the study by Wu and Liang (2009), whose findings recognized a significant linkage between employee-to-customer interaction quality and customer satisfaction in luxury restaurants. As a result, this research denotes that customer satisfaction could be improved efficiently by focusing on fostering positive interaction behaviors between customers and employees in the service transaction.

Interestingly, it has also been found that the customer-to-customer interaction is significantly associated with customer satisfaction in the café setting. This implies that the conversation quality between customers and their intimate people (friends, colleagues, relatives, and partners) directly impacts on customer satisfaction towards the service provided by coffee stores. More specifically, the positive or negative perception of internal interaction among customers leads to increasing or constraining beneficial evaluations for service providers. It strongly supports the conclusion by Zgolli and Zaiem (2017), whose findings found that customers feel better satisfied with the vacation in hotels when they perceive a more pleasant conversation among customers. Exchanging ideas, receiving support from other clients and sharing experiences stimulate customer's collaboration in the service experience which generates their satisfaction (Hu and Lu, 2017; Joon Choi, 2013). This result is also in accordance with the study by Ali and Kim (2016) who identified a significant linkage between the customer-to-customer interaction quality and the development of customer satisfaction in theme parks in Malaysia. These findings go along with those of Fakharyan (2014) who explored the positive presence of interaction between customers contributes to enhancing customer satisfaction with hotels in Tehran. As such, the present study has been one of the first works that confirm the direct effects of both customer-to-employee interaction and customer-to-customer interaction on customer satisfaction in the café setting. These findings appreciate the critical role of human connections in shaping and developing customer satisfaction in the high-contact service environment such as coffee shops or restaurants.

In addition, the current study forwards empirical evidence that customer service experience is significantly influential to the development of customer satisfaction towards the service provided by coffee shops. This parallels the findings of previous studies that considered the service experience quality as a determinant of service satisfaction (Kao, 2008; Ye, 2011; Kim, 2016). For example, Chen and Chen (2010) denoted that customer experience is the centrality of heritage tourism activities, customer satisfaction is thus enhanced through improving the components of experience quality. This finding also supports a series of studies in the café shops, whose results illustrated that customer experience is supported as a direct determinant of service satisfaction among coffee customers (Yuan, 2008; Nadiri, 2013; Wu, 2017; Huang, 2017; Sethjinda, 2019). Consequently, our findings demonstrate that customers who perceive high experience quality are more likely to achieve satisfaction. The present study thus provides insight into the nature of the

close connection between customer experience quality and customer satisfaction in the context of café shops.

In summary, the findings suggested that both two aspects of social interaction (customer-to-employee interaction and customer-to-customer interaction) and customer service experience significantly impact customer satisfaction. Increasing one of them largely contributes to the development of customer satisfaction towards the service establishment. Three factors along with employee emotion and employee satisfaction participate in interpreting approximately 71.4% of the variance in customer satisfaction (60% exception of employee emotion and employee satisfaction). This thus represents a great accuracy degree in predicting the fluctuation of customer satisfaction by exogenous variables. It confirms that social interaction and service experience play a critical role in forming customer satisfaction in the service environment.

Regarding the effects of social interaction and service experience on customer loyalty

In this study, another critical outcome is customer loyalty which is treated as a final destination to achieve financial targets. There is a certain expectation that apart from significant effects on customer satisfaction, social interaction and service experience directly influence customer loyalty as well. As expected, the results found that customer-to-employee interaction is directly and significantly associated with customer loyalty in the café setting. This finding implies that customers who have a positive attitude with employees as interacting often present a higher share of wallet, a higher level of service usage or a higher bond with a specific café shop. The findings from the current study support the notion that increasing the personal connection quality between customers and employees is likely to boosting customer's positive behavior intentions such as continuing to use the service, holding less price sensitivity and spreading positive word-of-mouth (Barnes, 1997; Gutek et al., 1999). This is also in line with previous studies, which demonstrated that the positive expression of service personnel during the service transaction such as personal care, friendliness, helpfulness, willingness to support is deeply relevant to customer's behavioral outcomes (Chen et al., 2013; Gremler and Gwinner, 2000; Cetin and Dincer, 2014). Such results thus confirm the role of social connection, especially the relationship between servers and customers towards forming customer loyalty in the hedonic environment. It produces prospective

ideas for managers and marketers to achieve an enduring bond between customers and organizations through personal interactions.

Similarly, it has been found that customer-to-customer interaction is directly influential in the growth of customer loyalty in the café setting. One significant conclusion that might be drawn from this is that customers' positive perception towards conversation with their close people (friends, relatives, and partners) in the café shop environment frequently leads to the beneficial outcomes for service providers such as continuing to visit, sharing with others and remaining a connection in a long term (Fakharyan, 2014; Zgolli, 2017). A finding in agreement with past studies, which denoted that the conversation quality between customers in the given service environment could induce or constrain the positive consequences of customer behaviors (Fowler and Bridges, 2012; Moore, 2005; Guenzi and Pelloni, 2004; Wu, 2008). This result once again emphasizes the critical role of customer-to-customer interaction in the service marketing literature as it proves the significant effects on service experience quality, customer satisfaction as well as customer loyalty. As a consequence, these findings signify that it is essential to control both customer-to-employee interaction and customer-to-customer interaction in forming customer loyalty in the service environment.

Another significant finding is that customer service experience directly influences customer loyalty to the service provided by café stores. This finding implies that when customers positively evaluate experiences delivered in the café setting, it often produces an emotional bond between customers and organizations in the long-term, described through a series of positive responses such as recommendation, the share of wallet, willingness to pay more, and repeat purchase. It has been argued that the positive service experience is likely to produce an emotive link between service providers and customers and engender customer loyalty (Choi and Kim, 2015). This also parallels the findings of previous studies conducted to investigate the direct linear relationship between two constructs, customer service experience and customer loyalty in the service environment (Lee and Yang, 2010; Cetin and Dincer, 2014; Kim and Choi, 2016; Fernandes, 2016). Consequently, this study suggests that it should be assured to provide an excellent experience to customers for each visit to the service establishment, this then is likely to boost the evolution of customer loyalty.

9.1.2. The effects of the physical workplace on job satisfaction - centered on social interaction, emotional responses and job experience

Regarding the effects of servicescape on social interaction and employee inner emotion

In this research, the concept of servicescape is evaluated under the perspective of employees by five major dimensions. The result of exploratory factor analysis confirmed that the physical work environment consists of ambient conditions; workspace & functionality; signs & symbols; facility aesthetics; and cleanliness. The factor “employee’s perceived servicescape” was treated as a second-order construct with five first-order factors. The analysis results of relational weights demonstrated the significant relationship between employees’ perceived servicescape and these dimensions. As highlighted in research objectives, another important object is to explore the effects of perceived physical work environment on social interaction and employee emotion.

This research forwards empirical evidence that the characteristics of physical workspace deeply influence employee’s perceived interaction with customer in the café shop environment. As reported that the path coefficient of this linkage was very high in the structural model ($\beta_{12} = 0.672$). Moreover, the employee’s perceived workspace is likely to interpret approximately 45.1% of the variance in the perceived social interaction of employees. It thus represents a significantly great accuracy degree in predicting the change of endogenous factor. This finding implies that some elements of the servicescape such as equipment, layout, workspace, and facilities may have a significant influence on employees’ motivation and ability to interact with customers as they create desirable environments for employees and often make it easier for employees to engage with customers (Chi and Kim, 2015). A finding in agreement with the literature review that the impacts of environmental cues could lead to approaching or avoidant responses for its users such as recommendations or communications with customers or other employees (Mehrabian and Russell, 1974; Bitner, 1992). It also supports research by Fowler and Bridges (2012), whose findings signified that the politeness and courtesy of staff are strengthened as encountering clients through the presence of an appropriate ambient scent in the service environment. This result parallels the findings of past studies which demonstrate that workspace, functionality, aesthetics characteristics such as the appearance of pictures or paintings, flowers or plants, are likely to boost or constrain

the interpersonal interaction behaviors among employees (Fried et al., 2001; Rafaeli and Vilnai-Yavetz, 2004; Caru and Cova, 2015). As a consequence, a key finding drawn from this research is that designing a favorable physical workspace plays an important role to stimulate positive human connections between staff and customers.

Another significant finding is that the characteristics of physical workspace strongly affect employee's truly emotional responses in the café setting. As given that the path coefficient of this relation achieved the second largest value in the structural model ($\beta_{13} = 0.737$). And employee's perceived workspace contributes to interpreting 54.4% of the variance in the employee emotion. This thus represents a substantially great accuracy degree in predicting the change of endogenous factor. It implies that the characteristics of the physical work environment in café shops can engender positive or negative emotional reactions, respectively. For example, the appropriate design of lighting and air quality in the workspace helps to reduce pressure and stress employees feel while performing their job (McCoy and Evans, 2005). This result is consistent with the literature review in organizational behaviors, which identified a close relationship between the tangible aspects of the work environment and employee's internal reactions including emotion and feeling (David, 1984; Sundstrom and Altman, 1989; Bitner, 1992). The individual's inner emotion is not effortless to control completely despite employees are frequently trained to express appropriate emotions in the service encounter (Liu and Jang, 2009). These truly emotional states are substantially impacted by various stimuli from the service environment including the physical cues. Such emotions then adjust the employee affective delivery which they are not experienced in the current job. Consequently, a key finding that can be derived from this study is that the characteristics of the physical work environment could be employed to manipulate the employees' inner emotional responses in a beneficial way to service organizations.

Regarding the effects of servicescape, social interaction, employee inner emotion on job experience

The present study provides clear evidence that employees' perceived workspace significantly influences their job experience in the café setting. This finding strongly supports the perspective by Bitner (1992) who suggested that it is essential to investigate the impacts of environmental

stimuli on both customers and employees in the service environment. Since employees like customers, often spend a large amount of time in the workplace. And the impact of the service environment on its users has not been sufficiently explored. A finding in agreement with the literature review that all interactions with the service environment customers have are a part of their job experience, the physical job environment employees interact is a part of their job experience (Janet Turner et al., 2008). This is in line with previous studies, which denote that the physical work environment quality should be regarded as a determinant of work experience that then leads to increasing work outcomes such as satisfaction and commitment to the organization (Wineman, 1982; Igbaria et al., 1994; Fried and Tiegs, 2001; McCoy and Evans, 2005). This finding implies that all aspects of the physical work environment in café stores from light, music, color, workspace, equipment, functionality, signs, architecture and cleanliness contribute to increasing or constraining the efficiency and the convenience of employee performance in a service role. These stimuli from the physical workspace are likely to affect and manipulate cognitive, emotional and behavioral responses from users in the café shop environment. Accordingly, this study confirms that the stimuli from the physical work environment are very critical to forming employee job experience in the café setting.

The finding also signifies that employees' perceived interaction with customers is significantly associated with their job experience in the coffee store environment. This result implies that the positive evaluation of employees as encountering with customers during the service transaction in café shops leads to increasing the perceived job experience quality for the current job. For instance, employees achieve a better pleasure experience in their job as they have opportunities to communicate polite customers (Fowler, 2012; Kearny, 2013). According to Moore (2005), in similar to social interactions customers have when participating in the service encounter, employees also have various interactions within the work environment including interacting with customers. This finding parallels the perspective by Soni et al., (2016) who denotes that job experience is relevant to all of the things employees interacted, communicated and happened to them in the work environment including encountering customers. These interactions contribute to generating the overall job experience in a specific organization. A finding in agreement with the literature review that what customers interact in the service environment is a part of customer

service experience. And what employees interact in the work environment is a part of their job experience including interaction with customers (Bitner, 1992; Janet Turner et al., 2008).

This result found that employee's inner emotional states significantly influence employee's job experience in the café setting. It is apparent that the positively or negatively emotional states employees felt in the present job result in increasing or decreasing job experience quality. Employees have the propensity to achieve a better job experience as the pleasure emotional responses have remained. This finding is consistent with Janet et al., (2008), whose finding denotes that job experience is based on the integration of cognitive, emotional and behavioral responses towards every specific task. It also supports the perspective that every fluctuation of emotion during the work process from delight to frustration, dissatisfaction to satisfaction, sadness to pleasantness contributes to generating the moment of job experience (Ashforth, 1995). Therefore, a key finding that could be derived from the present study is that remaining pleasurable emotional reactions during the work process is critical in producing an excellent job experience in the service environment.

In addition, the result of the mediating analysis demonstrated that employee's inner emotional responses play a partially mediating role in the relationship between employee's perceived workspace and employee job experience. It means that employee emotion accounts for some, not at all, of the relationship between employee's evaluation towards workspace and job experience. This implies that when employees have a positive perception of the café servicescape, the presence of positive emotional responses could potentially add value to their job experience. Otherwise, the occurrence of positive emotion could even overshadow any negative evaluations towards the physical work environment. Therefore, the characteristics of physical workspace not only directly affect job experience but also indirectly manipulates through employee emotion. Besides, it has been found that employee's perceived workplace, employee's perceived interaction with customer and employee inner emotion are likely to together interpret approximately 64% of the variance in employee job experience. It thus represents a remarkably great accuracy degree in predicting the fluctuation of the endogenous. These factors should be regarded as critical determinants of employee job experience in the café work environment.

Regarding the effects of job experience, employee inner emotion, social interaction on job satisfaction

Another critical object of this research is to investigate the effects of the physical work environment on job satisfaction-centered in job experience, social interaction and employee inner emotion in the context of café environment. Job satisfaction is treated as the most important outcome via the perspectives of employees in this study. The analysis result provides findings interesting as follows:

Contrary to expectations, the result of this study found that the direct relationship between employees' perceived interaction with customers and employee job satisfaction is insignificant in the café setting. It implies that job satisfaction is not facilitated directly by employees' perceived interaction with customers in the coffee shop environment. This finding is surprising as it is expected that the positive evaluation of interaction with customers is likely to increase the level of job satisfaction in the café shop environment (Carsten and Spector, 1987; Hartline and Ferrell, 1996; B. J. Babin and Boles, 1998). Nevertheless, most of the relevant works offer theoretical insights rather than empirical evidences. Additionally, almost no research has been conducted to directly investigate the effects of human connection employees interact on their job experience in the service environment. For example, Carsten and Spector (1987) only denoted that employee job satisfaction could be increased through well doing their job responsibilities including interaction with customers. They did not indicate a direct connection between human interaction and job satisfaction. Therefore, the literature review regarding this relation has been somewhat limited.

In addition, the current findings illustrate that the evaluation of employees about interaction with customers seems not to be a significant aspect in shaping job satisfaction. For service employees, these interactions are regarded as one usual duty employees have to implement in their current job. Such interaction quality largely depends on the different characteristics of customers they interact with. Therefore, another promising explanation for this result is that employees have the propensity to accept it as a daily activity, instead of considering it as a critical issue. These activities thus only contribute to constituting their job experience which is conceptualized as all interactions employees experienced in the work environment (Janet et al., 2008), yet not directly shape the

evaluation of job satisfaction. This finding is quite surprising in comparison to customer evaluation, in which the customer's perceived interaction with employees directly and significantly influences their satisfaction and loyalty in the café setting. For the perspective of customers, the service encounter which happens between customers and employees is regarded as a critical aspect of the provided service. For the perspective of employees, these interactions are treated as a normal activity and are not directly associated with their job satisfaction. These differences deriving from this study provide important implications for managers and marketers in the field of service marketing. It will be more detailed discussed in the application section.

Another significant finding is that the direct effects of job experience on employee satisfaction in the coffee shop environment are supported in this study. This result shows a close connection between the perceived interactions with the work environment and employee attitude towards the present job in the café setting. Job experience contains almost everything employees observe, interact and happen to them in the work environment (Soni, 2016). Therefore, if organizations remain a positive job experience, employees could be loyal and committed to their job. It means that employees will be more satisfied in the case of achieving a good job experience in the organization. This finding supports Caligiuri and Burgi (2001), whose finding signified that a more positive job experience leads to facilitating a higher level of job satisfaction. It also accords with research by Oliver (1977) who denoted that job experience is regarded as a determinant of overall satisfaction. According to Soni et al., (2016), it has been argued that increasing the job experience quality results in improving job satisfaction and generating positive word-of-mouth effects among employees. Consequently, the study confirms that employee job experience is a very important component in forming job satisfaction in the café setting.

Besides, the current study forwards empirical evidence that employee's inner emotional reactions are remarkably relevant to job satisfaction in the coffee store environment. The coefficient path of this link is relatively high ($\beta_{19} = 0.594$). It implies that employees achieve better satisfaction with their present job as they experience positive emotions in the work environment. A finding in agreement with the literature review that emotion is an extremely important aspect to contact personnel due to the nature of frequently interacting with clients. The pleasant emotion about the job is likely to significantly predict job satisfaction (George, 1991; Tett and Meyer, 1993; Ilies and

Judge, 2004). It supports the notion that the emotional experiences employees have are closely relevant to the affective components of attitude factors such as job satisfaction (Fisher and Ashkanasy, 2000). This also parallels the definition by Locke (1976) who conceptualized job satisfaction as a pleasurable emotional state resulting from job experiences. Furthermore, the analysis result demonstrated that job experience and employee inner emotion together participate to interpret 67.2% of the variance in job satisfaction. The direct effects of social interaction on job satisfaction are not supported in this study. It thus shows a substantially great accuracy degree in predicting the change of job satisfaction. This finding confirms that employee inner emotion and job experience are treated as determinants toward the development of job satisfaction in the café setting.

9.1.3. The relationship between employee variables and customer variables

Regarding the effects of employee inner emotion on customer satisfaction and customer's perceived interaction with employee.

Employee emotion is a crucial concept in the service encounter due to its considerable effects on both employees and customers in the service environment (Ashforth and Humphrey, 1993; Oliver, 1997; Bitner, 1992). Employees always attempt to express a good performance and a positive attitude in the service transaction in order to make customers satisfied (Hochschild, 1983; Grandey, 2000). Thereby, there is a certain expectation that employee's emotional experience is a significant indicator of customers' perceived interaction with employees and customer satisfaction in the coffee shop environment. Nevertheless, the analysis results produce exciting findings as follows:

It has been found that employee inner emotion is positively associated with the perceived interaction customers have with employees in the café shops. This finding implies that real emotions employee experienced in their job is often exposed through customer-to-employee interaction, the evaluation of customers about this interaction is thus impacted by employee's true emotion as well. It supports the perspective by Fowler and Bridges (2012), whose findings denote that when the contact people are in pleasure mood, the perception of customers towards the providers' behavior is positive accordingly. This result from the current study also supports the

notion that the interaction quality between customers and employees is significantly increased or decreased by positive or negative emotion and cognition responses, respectively (Bitner, 1992). It parallels the findings of previous studies that identified the emotional aspect as a remarkable indicator of interaction quality between customers and employees in the service context (Furnham, 2013; Babakus, 2003; Ekinici and Dawes, 2009). Therefore, a key finding in this study is that employee inner emotion is very critical in enhancing the interaction quality between employees and customers in the café shop. This shows that although employees are always trained and educated to present expected emotions in the service encounter, yet the potential existence of inner emotions cannot be ignored. Even it could manipulate “employee affective delivery” in a few situations. As a result, it is essential to create a pleasant work environment aiming to engender positive emotional responses among employees.

In other words, it is somewhat surprising to know that employee’s inner emotional responses negatively influence customer satisfaction in the context of coffee shops. The analysis result showed that the path coefficient of this relation was negative ($\beta_{21} = -0.179$), yet it is still assured of the statistical significance ($t\text{-value} = 2.380 > 1.96$). This finding is contrary to the initial expectation that the positive appearance of inner emotion among employees is likely to result in increasing the satisfaction level of customers in the café shop environment. There are several possible explanations for this result. Firstly, most of the prior studies only provide general conclusions about the significant effects of employees truly emotions on customer evaluation of service satisfaction, the specific relationship between two factors remains unclear (Tsai and Huang, 2002; Lin, 2011; Tsai, 2001). For instance, Idris et al., (2017) denoted that employee’s emotional responses are likely to affect guest’s overall satisfaction during their stay in hotels, but they did not interpret how employee emotion directly influences customer perception of service satisfaction. Additionally, relevant studies offer theoretical arguments rather than empirical evidences (Janet, 2008). Very scant studies have been carried out to obtain a better understanding of this relationship so far. Consequently, it has been argued that the theories regarding the effects of employee inner emotion on customer internal responses have been somewhat limited.

Another promising explanation for this result is that customers can achieve better satisfaction when they do not directly interact with the employees in un-pleasant emotions. Typically, there are many

waiters in a given service establishment, and customers only interact with one of them. The emotions of employees, who are in charge of serving, directly determinate the customer's perceived interaction quality through service encounters. While customers are likely to perceive the emotional responses of other employees who do not directly participate in the service encounter through facial cues and body movements. Customers often construe that the negative emotion of employees could lead to constraining the interaction quality with employees. The employees in negative emotions might behave unprofessionally and express unpleasant actions. Thereby, if these interactions do not happen, it seems lightly beneficial to customers and they tend to achieve higher satisfaction. Conversely, customers feel disappointed due to not served by employees who are in pleasant emotions. Customers might interpret by themselves that they are not served follows in a deserving way as their expectations. The expected behaviors by employees such as smile to customers, eye contact with customers, talk with clearly audible volume, speak at a moderate pace and lean forward listening to customers could not happen to customers, whereas they happen to other customers (Bartel and Saavedra, 2000). This could make customers dissatisfied with the provided services. This finding is very valuable to scholars and marketers, it facilitates a better understanding of employee inner emotion in the service industry.

Regarding the relationship between job satisfaction, customer satisfaction and customer loyalty

The potential relationship between customer variables and employee variables has been attracted much interest from prior studies (Heskett and Schlesinger, 1997; Oliver, 1999; Jung and Yoon, 2013). Especially, it is expected that job satisfaction towards the current job significantly impacts customer satisfaction towards the specific product or service which then leads to improving customer loyalty. The current study forwards empirical evidences that these links are significantly supported. This finding implies that employees who satisfy their current job typically provide a better service than others. This contributes to the development of customer satisfaction towards the delivered service, the higher satisfied customers often have a larger substantial bond with the service providers expressed through repeating consumption behaviors, spreading positive information, recommending for others. This finding supports earlier research by Heskett and Schlesinger (1997) who investigated the prospective linkage between customer variables and

employee variables in the model of service profit chain including job satisfaction, commitment to the job, customer satisfaction and customer loyalty. Also, it accords with Jung and Yoon (2013), whose findings found that employee satisfaction in the family restaurant environment creates a customer's high satisfaction with the restaurant, which then potentially facilitates the evolution of customer loyalty. They also indicated the mediating effects of customer satisfaction on the relation between job satisfaction and customer loyalty. The result of the mediating test confirms that customer satisfaction plays a mediating role in the effects of job satisfaction on customer loyalty in this study.

Regarding the effect of customer satisfaction on customer loyalty, this finding parallels with the findings of past studies that acknowledged customer satisfaction as a main antecedent of loyalty to service providers (Wu, 2017; Nadiri, 2013; Sethjinda, 2019; Kim et al., 2006; Sui & Baloglu, 2003). As customers are satisfied, consumption behaviors will be repeated and the positive information will be spread by word of mouth activities (W. G. Kim, Lee, and Yoo, 2006).

Moreover, the report showed that social interaction (customer-to-employee interaction and customer-to-customer interaction), service experience and customer satisfaction substantially contribute to interpreting 80.9% of the variance in customer loyalty. This thus represents a great accuracy degree in predicting the fluctuation of customer loyalty by exogenous variables. It confirms that social interaction, service experience, and customer satisfaction play a critical role in forming customer loyalty in the coffee shop environment.

Additionally, this study also investigates whether customer satisfaction holds an intermediate role in the impact of social interactions and service experiences on customer loyalty. The analysis result illustrated that customer-to-employee interaction, customer-to-customer interaction and service experience have indirect effects on customer loyalty via the partially intermediate role of customer satisfaction. It means that customer satisfaction accounts for some, not at all, of the relationship between these factors and customer loyalty. This implies that when customers achieve a better service experience or have a positive human interaction perception, the presence of customer satisfaction could potentially add value to customer loyalty. In contrast, the occurrence of customer satisfaction could even partially reduce the negative effects of these factors on customer loyalty.

9.2. Theoretical contributions

This study makes several contributions to the current literature. The foremost contribution to theory advancement is developing and extending the servicescape model of Bitner (1992) by investigating the impact of servicescape attributes on the affective responses of customers and employees in the café setting. To date, most studies relating to this framework have only concentrated on the impacts on customer's cognition, affection and behavior. Yet, very scant studies have discovered the links between the physical work environment and employee responses in the service industry. Even though customers and employees usually together share the service environment. Furthermore, this work significantly contributes to an emerging stream of research that investigates with multiple samples (Chang et al., 2016; Jung and Yoon, 2013; Salanova et al., 2005; Chi and Gursoy, 2009; Hartline and Ferrell, 1996). The present study collected the data from two different respondents (customers and employees) and analyzed the result at three different levels (customers, employees and stores). And we used both employee and customer data simultaneously in the research model through the summated data. This study thereby provides a better understanding of collecting, synthesizing and analyzing the data for the research with multiple samples.

This study makes a further theoretical contribution by investigating the effects of atmosphere stimuli on social connections customers interact within the café shop environment including customer-to-employee interaction and customer-to-customer interaction. The findings show that the positive evaluation of customers towards the various characteristics of servicescape strongly contributes to increasing customer's perceived interaction quality with employees and other customers. This provides an in-depth insight into the critical role of servicescape in creating and engendering social interaction experiences in the café setting. In addition, another contribution to literature is an attempt to obtain a better understanding of the importance of peer-to-peer interaction in the service environment. While the focus of most preceding studies in this area has been on the effects of customer-to-employee interaction (Jamel & Naser, 2002; Lin & Mattila, 2010; Lemke et al., 2011) and ignores the role of peer-to-peer interaction (internal interactions in this case). This research sufficiently discussed the importance of customer-to-customer interaction in the coffee store context and pointed out its considerable effects on service experience, customer

satisfaction and customer loyalty to the café services. Furthermore, this research also explored that customer-to-customer interaction plays a partial mediating role in the relationship between customers' perceived servicescape and their service experience.

This research advances the knowledge of customer service experience in the hedonic service. While customer service experience is treated as a centrality of service transaction. The findings of the present study contribute to identifying the determinants of service experience including servicescape and social interaction. It demonstrates that the positive evaluation of physical surroundings aspects is likely to improve the service experience quality. Servicescape in the café shop environment is significantly evaluated upon five major dimensions containing ambient conditions, spatial layout, facility aesthetics, sign and symbol, cleanliness. While another determinant is human interactions customers experience in the service atmosphere (customer-to-employee interaction and customer-to-customer interaction). They are also regarded as an integral part of customer experience quality.

Another contribution to literature is the exploration of the relationship between service experience, customer satisfaction and loyalty in the service environment. The relationship between perceived service quality, service satisfaction and brand loyalty has been demonstrated in numerous times in the previous research (Boulding et al. 1993; Gremler and Brown 1996), yet the link between customer experience quality, customer satisfaction and customer loyalty has been scarcely examined (Kim and Choi 2013). The findings suggest that the positive perception of customers towards experiential activities in the café environment is directly influential in the development of both customer satisfaction and loyalty. Furthermore, customer satisfaction is recognized as a considerably mediating variable for the impacts of social interactions and service experience on customer loyalty. These findings help to increase the in-depth knowledge of complicated interrelation between social interactions, service experience, satisfaction and loyalty in the service environment.

To the best our knowledge, this study is the first to investigate the effects of the physical work environment on employee's internal responses including emotional reactions, job experience and social interaction. Based on the literature review and exploration factor analysis, the findings

suggest that the characteristics of the work environment in the café setting should be evaluated through five tangible aspects consisting of ambient conditions, workspace & functionality, signs & symbols, facility aesthetics and cleanliness. This study provides empirical evidence that the positive presence of workspace aspects contributes to facilitating the beneficial emotion, improving the job experience quality and the perceived quality of interaction with customers.

The present study also adds significant knowledge to employee emotion in the service marketing literature. Although the role of employee emotion has been frequently discussed in prior publications. Nevertheless, a majority of these works have concentrated on employee affective delivery (employee emotional labor) which is conceptualized as a part of the work role employees are required to express in the service transaction. In other words, employee inner emotion refers to the real emotion employees experienced in their current job. The findings showed that employees with better emotional experiences often tend to achieve better job experience and greater job satisfaction in the coffee shop environment. Moreover, it has been found that employee's positively emotional responses are likely to result in enhancing the perceived interaction quality of customers with employees. This clarifies for the researchers about the role of employee truly emotion in service encounters, which is very critical in forming the internal responses of both employees and customers. Interestingly, the present study explores that customers tend to better satisfy when they do not interact with the employees in un-pleasure emotions. The negative emotion of employees often leads to constraining the interaction quality between customers and employees. Thereby, if these interactions don't happen, customers will achieve greater satisfaction. As such, this finding brings a deeper insight into the impact of employee inner emotion in the service environment.

In addition, this study is among very few works investigating the social interaction under the viewpoint of service employees in the service industry. While the individual interactions including customer-to-customer interaction and customer-to-employee interaction are treated as an integral part of the service environment via the eyes of customers, they are critical in forming the service experience, customer satisfaction and customer loyalty. In other words, the findings of the present study explore that employees who positively perceive interaction with customers are likely to have higher job experience. Nevertheless, the results illustrate that the positive perception of employees

in interaction with customers does not lead to directly increasing job satisfaction. It is very surprising in comparison to customer evaluation. This finding facilitates a better understanding of how employees perceive social interaction happening to them in the service environment. Although customers and employees altogether share a service atmosphere, yet they vary on their own experience towards different stimuli in the service environment. For the perspective of employees, interaction with customers is considered as a normal activity and is not directly relevant to job satisfaction. For the perspective of customers, both customer-to-employee interaction and customer-to-customer are particularly meaningful to their internal responses.

Another significant contribution is the validation of the relationship between job satisfaction, customer satisfaction and customer loyalty. The relationship between customer variables and employee variables has been preliminarily discussed in a few studies, this study provides empirical evidence that employees with higher job satisfaction typically provide a better service than others, and this helps to increase customer satisfaction towards the delivered service which then facilitate the development of customer loyalty. Besides, this study is distinct from previous studies as exploring that customer satisfaction is recognized as a full mediator in the effects of job satisfaction on customer loyalty. Even, customer satisfaction also plays a partially mediating role for the effects of social interaction (customer-to-employee interaction and customer-to-customer interaction) and service experience on customer loyalty.

9.3. Managerial contributions

This study attempts to provide a deeper and more holistic understanding for marketers and service providers about the critical role of servicescape on customer satisfaction and loyalty - centered on social interaction and service experience as well as the significant effects of physical workspace on job satisfaction - centered on employee emotion, job experience and social interaction in the café setting. This research has some important implications for practice as follows:

From the experiential marketing perspective, it shows that nowadays consumers not only focus on the traditional factors of service but also spend much interest in the entire experience that a firm creates for them (Wu, 2018; Alnawas, 2018; Oh, 2019). This is apparent for service contexts like

restaurants, coffee stores, hotels and hair salons where a high amount of interactions. Since customers visit coffee stores, their important desire is to achieve pleasant experiences with their friends and relatives (Nadiri, 2013; Ali, 2016). Such experiences could be established through the interaction with physical surroundings and other individuals. Moreover, with more and more appearance of the coffee store model, managers are facing increasing challenges from other competitors in this field. Creating wonderful and distinct experiences is regarded as a unique competitive advantage in this fierce battle. The significant relationship between servicescape, social interactions and service experience evaluation provides a new direction for managers to consider in terms of enhancing customer experience in the café shop setting.

Managers should have a clear strategy in designing physical surroundings from ambient conditions, spatial layout and aesthetics to cleanliness. They should be aware of which particular attributes of coffee stores are critical and how they are associated with customer experience. It suggests that managers should assure favorable ambiances such as comfortable temperature, good air quality, appropriate sound or music, pleasant odor and adequate lighting in service establishments. Regarding space layout, attributes such as the reasonable location of tables and chairs, comfortable seats, private spaces, easy getting to the restrooms are critical determinants to bring customers' better experiences. While the signs and symbols need to be designed and located reasonably, sufficiently and clearly. One of the most outstanding characteristics managers have to highlight is aesthetic to service facilities such as ceiling designing, interior walls and floor color, general architecture and decoration. Since these attributes are likely to make a special impression on the vision of customers and make them deeply remember. Finally, cleanliness is a particularly important issue for the leisure facility. The areas such as walkways and exits, chairs and tables, service location, restrooms as well as equipment and devices have to be prepared clearly and orderly.

The findings highlight the role of social interactions customers have with staff and other customers in the service context. The findings postulate that human connections remain a critical position in personal service experience regardless of the extensively applied technology in the service industry so far. From the viewpoint of service providers, managers should concentrate on training and educating employees as their expressions and behaviors are one of the major elements reflecting

service quality and deeply affecting customer experience and satisfaction. The managers thus should instruct their employees to assure that they always appear elegantly and behave professionally.

Additionally, it is important to note the harmony and unites in terms of overall design style from employee's uniform to decor, aesthetics of physical facility aiming to maximize the effects of physical surroundings on customer's perception of coffee stores. In other words, although interaction quality between customers cannot be controlled effortlessly yet the research result pointed out that it can be strengthened via improving physical surroundings. Consequently, the servicescape needs to be designed to facilitate the best conditions for the social connections within service facilities. For instance, space and layout can be optimized to facilitate interactions among customers and temporary friendships created due to such interactions are likely to enhance customer experience (Bitner, 1992). Managers could determine the elements to incorporate or modify the physical setting to enhance the quality of customer-to-customer interactions.

From the internal marketing view, it reveals that service managers need to pay focus on how to design a physical work environment aiming to provide employees a comfortable and convenient work environment that helps them achieve pleasure emotional experiences and positive job experience quality. Since the employees are the first people of organizations to interact with customers during the service transaction and they are viewed as the representation of service providers. As such, experiences employees spent are a part of the customer service experience. It was asserted that satisfying the needs of employees strengthens a firm's ability to meet customer's needs (Schlesinger and Heskett, 1911). Internal marketing literature illustrated that if consumers are considered as the outside customers of the organization, employees are considered as the inside customers of an organization. Emphasizing the physical environment of service context is expected to enhance employee's job experience quality and job satisfaction which are relative to the provided service quality and customer satisfaction.

The findings also provide a strong recommendation to managers in terms of managing employee inner emotion in the service environment. The results illustrate that the true emotions employees experienced in the work environment largely and positively influence their job experience and job

satisfaction. Even, it has been found that the positive experiences of emotion contribute to facilitating the perceived interaction quality of customers with employees as well as significantly shaping customer satisfaction. These findings are particularly valuable to café store managers in exactly identifying the critical role of emotion factor by service employees. Although employees are always expected to behave professionally in the service transaction. And they are also educated to do this so. Yet true emotions employees experienced in their job remain an extensive and substantial effect on themselves and customers. The findings point out the need for managers to control “employee inner emotion” positively and constrain negative effects. Besides, managers should pay close attention to creating employees a pleasant work environment, which deeply contributes to nurturing and generating positive emotional responses.

9.4. Limitations and directions for future research

Even though the present study provided several significant contributions to the service marketing literature, yet it still exists some limitations. Firstly, this study only concentrates on investigating in coffee store context without covering other services. Each service has different characteristics, only investigating the context of coffee stores thus leads to difficulties to generalize the findings to the service industry generally. It is suggested that future research can contribute to the generalizability of the findings by investigating diverse service contexts and by comparing results across types of services.

Secondly, the use of interviews and survey methods in Vietnam café stores also results in a specific market pattern, again limiting the representativeness, generalizability and applicability of the results. The designing characteristics of café setting, service experience behaviors and job experiences vary in different cultural contexts. As such, it could be an interesting research topic to carry out a cross-cultural study, extending the research scope of café shops in other geographical locations. This would thus make the research findings more generalizable to the café shop context.

Thirdly, the support of undergraduate students in collecting data could help to reduce the survey cost but their lack of practical experiences in distributing the questionnaires and synthesizing data might make the skewed results. Future research, therefore, needs to recruit more experiential

candidates to participate in the research team. Besides, despite different techniques were used to prevent the common method bias in this study, there may still be potential problems by the self-administered questionnaires for two targets including customers and employees. In order to prevent this bias, future research could use different methodologies such as experiments, observations, in-depth interviews as a good direction to validate the research results.

An issue not addressed in this study is whether how personal and situational factors affect social interaction, service experience and job experience in the café setting. In terms of customers, the personal factors are gender, age, employment and the situational factors are the frequency of visiting, the period of each visiting. While the personal factors to employees are gender, age, job status and the situational factors are the period for working and the number of hours for each work shift. This is because the research data was synthesized upon two different samples by averaging for the responses. The final data were employed to analyze at the level of stores, not employees or customers. Therefore, using the personal or situational variables of employees or customers for the whole model is not available in this study. It is recommended that future research may evaluate the effects of moderators on two separate models, one for the customer sample and another for the employee sample.

Another possible recommendation is that future research should consider to further investigate the effects of employee-to-employee interaction in the service environment. As Moore (2005) denoted that as human connections customers interact within the service setting, employees frequently remain interacting with customers and with other employees. While the perspective of customers towards social interaction has been sufficiently evaluated in this study through two aspects including customer-to-customer and customer-to-employee interaction. In other words, the present study only concentrates on investigating the role of employee-to-customer interaction under the perspective of service employees, ignoring the prospective impact of employee-to-employee interaction on the job experience and job satisfaction.

Last but not least, this study investigates the effects of servicescape characteristics on customer responses and the impacts of physical workspace on employee responses. Nevertheless, the significant relationship among them was preliminarily evaluated through two second-order factors

(customer's perceived servicescape and employee's perceived physical work environment). Instead of specifically exploring the effect of each dimension on endogenous variables such as social interaction, service experience, job experience. This thus results in general conclusions about servicescape and physical workspace, but no making a deep understanding of the important role of each dimensional aspect like prior studies (Fowler, 2012; Janet, 2008; Zemke and Shoemaker, 2007). Consequently, future research could focus on investigating in detail the effects of servicescape aspects on the inner responses of both customers and employees.

9.5. General conclusion

In summary, the present study aims to investigate the influence of café shop servicescape on customer and employee responses – centered on social interaction and experiential quality. Several key findings have emerged from this study. Firstly, the customer's positive responses to various dimensions from café shop servicescape are likely to result in increasing service experience quality and social interaction quality (customer-to-customer interaction and customer-to-employee interaction). Secondly, customers who have a positive perception of interacting with employees and internal interaction tend to achieve a better service experience. In addition to direct effects on service experience, customer-to-customer interaction also plays a partial mediating role in the relationship between servicescape evaluation and service experience.

Thirdly, the findings illustrate that customers' perceived human interactions and customer service experience quality are directly associated with the evolution of customer satisfaction towards the service provided by coffee shops. It means that social interaction and service experience are treated as key determinants in forming customer satisfaction in the café setting. Likewise, customer loyalty is remarkably determined by customer service experience and social interaction in the café shop atmosphere. This study also gives a critical role of customer satisfaction in partially mediating the effects of social interaction and service experience on customer loyalty.

Fifthly, the present study demonstrates that the characteristics of the café shop environment significantly affect employee's internal responses - centering on the job experience, employee inner emotion and perceived interaction with customers. It shows that the pleasure presence of

stimuli in the café store setting is likely to make employees achieve a better job experience, induce positive emotional experiences and foster social interaction quality between employees and customers.

Sixthly, the findings provide the exciting exploration of the critical role of employee inner emotion in the café setting. It signifies that the real emotion employees experience in their current job directly influence on the job experience as well as substantially determine the development of job satisfaction. Even, it has been found that employee inner emotion also partially mediates the relationship between the physical workspace evaluation and their job experience in this study. More excitingly, this study reveals that customers perceive interaction quality with employees is substantially shaped by employees' emotional experience in the café shop environment. Employees in positive emotions typically deliver a better service than others, the evaluation of customers is in better satisfaction as encountering with these employees. Furthermore, it is so surprising to know that the relationship between employee inner emotion and customer satisfaction is negative in this study. This finding could be explained that customers feel more satisfied since they don't contact with service employees in un-pleasure emotions. Conversely, customers feel disappointed due to not served by employees in pleasure emotions.

Another significant finding is that how employees perceive interaction with customers influence job experience and job satisfaction. The findings demonstrate that employees in the café setting evaluate interaction behaviors with customers as a daily duty in their serving job, this activity constitutes their job experience yet it is not significantly relevant to job satisfaction. It means that the assessment of employees in interaction with customers is not considered as a critical aspect in forming job satisfaction, but closely shapes their job experience. These findings are valuable to managers and marketers in comparison to customer's evaluation of the role of social interaction, in which customers consider human connections in the service environment as key determinants in forming satisfaction and loyalty.

Lastly, the study found that the significant linkage between job satisfaction, customer satisfaction and customer loyalty in the café setting. It signifies that employees with higher satisfaction in their current jobs tend to provide a better service to customers, this then leads to increasing the customer

satisfaction towards coffee shops, and it finally contributes to facilitating the development of customer loyalty. Moreover, customer satisfaction participates to fully mediate the indirect effects of job satisfaction on customer loyalty. These findings contribute to validating the significant propositions between employee variables and customer variables in the service environment.

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APPENDICES

Appendix 1a. The motivation letter for café shops – Vietnamese version

THƯ NGỎ

Kính chào Quý Anh/Chị!

Tôi tên là Trần Xuân Quỳnh, hiện là **giảng viên của Trường Đại học Kinh tế - Đại học Đà Nẵng**, đang làm **nghiên cứu sinh Tiến sĩ tại Viện Quản trị Kinh doanh, Trường Đại học Nice Sophia Antipolis, Cộng Hòa Pháp.**

Trong khuôn khổ chương trình nghiên cứu khoa học cho đề tài luận văn, tôi đang làm dự án đánh giá *“Tác động của không gian cửa hàng lên trải nghiệm dịch vụ của khách hàng và trải nghiệm công việc của nhân viên trong nhà hàng và quán café tại Việt Nam.”*

Để dự án có thể thành công, việc thu thập dữ liệu tại nhà hàng hoặc cửa hàng café của Anh/Chị đóng vai trò rất quan trọng. Rất mong quý Anh/Chị có thể cho phép các nghiên cứu viên thu thập dữ liệu khoảng từ **5 nhân viên phục vụ và 10 khách hàng** từ cửa hàng của Anh/Chị. Dữ liệu được thu thập sẽ được **giữ bí mật** và chỉ phục vụ cho kết quả nghiên cứu khoa học, **không công bố danh tính** của quán cũng như tên nhân viên hay tên khách hàng. Nếu Anh/Chị quan tâm đến kết quả, chúng tôi vui lòng sẽ cung cấp thông tin như yêu cầu.

Rất mong sự giúp đỡ của quý Anh/Chị.

Trân trọng cảm ơn!

NGHIÊN CỨU VIÊN

Ths. TRẦN XUÂN QUỲNH

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Appendix 1b. The motivation letter for café shops – English version

MOTIVATION LETTER

Dear Sir/Madam

I am Tran Xuan Quynh as a lecturer at the University of Economics, The University of Danang. Presently, I have been being a doctoral student at IAE Nice - Graduate School of Management, University of Côte d'Azur, France.

In my doctoral research thesis, I am carrying out a study, entitled: “*The role of servicescape and social interaction towards the experiences of customers and employees in the café setting. A study in Vietnam*”.

In order to complete the present research, collecting data from your coffee store plays a particularly critical role in the research process. Could we get your permission to provide self-administered questionnaires towards 5 service employees and 10 customers randomly ? The data will be kept secret and only be served for scientific purposes, the relevant information of the store and individual information will be anonymous. If you are interested in the research result from your store, it is pleased to provide.

I am looking forward to your support.

Thank you in advance. Best regards

RESEARCH TEAM

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QUESTIONNAIRE: Customer version



**CUSTOMER’S PERCEPTION TOWARDS SERVICESCAPE AND SERVICE EXPERIENCE
IN FACILITIES AND COFFEE STORES**

Dear Sir / Madam

This survey is a part of doctoral dissertation research at IAE Nice Graduate School of Management, University of Côte D’Azur, France. The purpose of this questionnaire is to collect data for the research about the perception of customers towards servicescape and service experience in coffee stores. Please fill in the entire questionnaire by ticking the box that of your answer. This questionnaire is confidential and it will take you just a few minutes. There are no false or true answers. All that we care about is your honest answers.

Thank you for your participation.

PART A CONTENT

For each statement, please show the extent of your opinion agreement by putting a cross in the one box which best reflects your current view based on a scale from 1 to 5:

- 1 Strongly disagree
 2 Disagree
 3 Neither
 4 Agree
 5 Strongly agree.

	1	2	3	4	5
A.1.PERCEPTION OF CUSTOMER TOWARDS SERVICESCAPE					
AMBIENT CONDITIONS					
1. The temperature in the facility is comfortable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The air quality in the facility is good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The background music/sound is appropriate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The odor in the facility is pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The lighting in the facility is adequate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The lighting in the facility is comfortable to see	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPATIAL LAYOUT					
1. The tables and chairs are located reasonably	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The facility provides comfortable seats	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The facility is assured of private spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The facility layout makes it easy to get the restrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The facility layout makes it easy to move around	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SIGNS AND SYMBOLS					
1. There is sufficient guidance in the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The signs and symbols are located reasonably	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. The signs and symbols are large enough to be seen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The signs and symbols are easy to be understood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The signs and symbols are useful for customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FACILITY AESTHETICS					
1. The ceiling designing is impressive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The interior walls and floor color schemes are impressive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The facility's architecture gives it an impressive character	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The facility is decorated in an attractive fashion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEANLINESS					
1. The facility maintains clean walkways and exists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The facility maintains clean chairs and tables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The facility maintains clean equipment and devices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The facility maintains clean food and drinks service areas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The facility maintains clean restrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.2. CUSTOMER'S PERCEIVED INTERACTION WITH EMPLOYEE					
1. I enjoy communicating with employees in the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I am comfortable as communicating with employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The employees create a warm feeling as serving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The employees relate well to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I have a harmonious relationship with employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The employees have a good sense of humor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The employees are polite as serving customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. The employees are friendly as communicating with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.3. INTERNAL INTERACTIONS AMONG CUSTOMERS					
1. I felt closer to friends/colleagues/partners at the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I communicated well with friends/ colleagues/partners at the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The quality of my conversation with my friends/colleagues/partners is excellent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. We get superior conversation with my friends/colleagues/partners at the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.4. CUSTOMER'S SERVICE EXPERIENCE PERCEPTION					
1. My total experience at the facility is memorable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. My total experience at the facility is enjoyable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I believe that we get a superior experience at the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.5. CUSTOMER SATISFACTION					
1. I am pleased with this visit to the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I am satisfied with my decision to visit the facility today	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I really enjoy my visit to the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I am happy that I visit the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Overall, I am satisfied with service experience at the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.6. CUSTOMER LOYALTY					

1. I would encourage my friends and my close to making enjoy the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I would say good things for the facility to others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I would recommend the facility to anyone who asks me advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. For the next time, I would consider the facility as my first choice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I would continue to make enjoy at the facility over the next time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART B GENERAL INFORMATION

Please provide some individual information:

B.1.What is your gender?

- Male
- Female
- Prefer not to answer

B.2.What is your age?

- Less than 18
- From 18 to 22
- From 23 to 30
- From 31 to 60
- More than 60

B.3.Are you.....?

- Tourists
- Local people
- Others

B.4.What is your current employment?

- Student
- Teacher
- Employee
- Worker
- Business
- Doctor
- Retired
- Other

B.5.How often have you visited this facility?

- First time
- Seldom
- Sometime
- Usually

B.6.With whom do you often visit this facility?

- Friends
- Relatives, lovers, family
- Colleagues
- Business partners
- Others

B.7.How long are your visits to this facility?

- Less than 30 minutes
- From 30 minutes to 1 hour
- From 1 to 2 hours
- More than 2 hours



Thank for your cooperation!

BẢNG CÂU HỎI DÀNH CHO KHÁCH HÀNG

TRẢI NGHIỆM DỊCH VỤ CỦA KHÁCH HÀNG ĐỐI VỚI NHÀ HÀNG VÀ QUÁN CÀPHÊ.

Xin kính chào Quý Anh/Chị.

Trong khuôn khổ dự án nghiên cứu của trường Đại học Kinh tế - Đại học Đà Nẵng, chúng tôi đang thực hiện một nghiên cứu với đề tài « *Đánh giá của khách hàng về trải nghiệm dịch vụ đối với nhà hàng và quán cà phê* ». Để hoàn thành dự án này, chúng tôi rất mong nhận được sự quan tâm giúp đỡ của Quý Anh (Chị) trong việc tham gia trả lời bảng câu hỏi này.

Xin chân thành cảm ơn về sự giúp đỡ của Quý Anh (Chị) !

Nhóm nghiên cứu

PHẦN A NỘI DUNG NGHIÊN CỨU

Xin vui lòng cho biết ý kiến của Anh/Chị bằng cách đánh dấu vào ô trống (□) dựa trên thang điểm từ (1) đến (5) với mỗi ý kiến được nêu ra dưới đây :

❶ Hoàn toàn không đồng ý ❷ Không đồng ý ❸ Bình thường ❹ Đồng ý ❺ Hoàn toàn đồng ý

	1	2	3	4	5
A.1. CẢM NHẬN CỦA KHÁCH HÀNG ĐỐI VỚI KHÔNG GIAN QUÁN					
NHÂN TỐ MÔI TRƯỜNG					
1. Nhiệt độ trong quán thì dễ chịu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Chất lượng không khí thì tốt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Âm nhạc phù hợp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Quán có mùi hương dễ chịu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Quán có đầy đủ ánh sáng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ánh sáng được thiết kế phù hợp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BỐ CỤC KHÔNG GIAN					
6. Bàn ghế được bố trí hợp lý	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Chỗ ngồi cho khách hàng được sắp xếp thoải mái	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Có đủ không gian riêng tư cho khách hàng nói chuyện	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Dễ dàng tiếp cận nhà vệ sinh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Di chuyển xung quanh dễ dàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DẤU HIỆU VÀ HÌNH ẢNH CHỈ DẪN					
6. Có đầy đủ dấu hiệu và hình ảnh chỉ dẫn trong quán	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Dấu hiệu và hình ảnh chỉ dẫn bố trí hợp lý	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Dấu hiệu và hình ảnh chỉ dẫn có kích cỡ hợp lý, dễ dàng quan sát	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Dấu hiệu và hình ảnh chỉ dẫn dễ hiểu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Dấu hiệu và hình ảnh chỉ dẫn giúp ích cho khách hàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TÍNH THẨM MỸ					
5. Trần nhà được thiết kế nổi bật	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Sàn và tường xung quanh được thiết kế ấn tượng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Kiến trúc của quán thì đặc biệt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Quán được trang trí thu hút và bắt mắt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SẠCH SẼ					
6. Lối ra vào đều được lau chùi sạch sẽ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Bàn ghế được lau chùi sạch sẽ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Dụng cụ ăn uống được lau chùi sạch sẽ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Khu vực quầy phục vụ đảm bảo yêu cầu vệ sinh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Phòng vệ sinh được đảm bảo sạch sẽ, gọn gàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.2. CẢM NHẬN TƯƠNG TÁC VỚI NHÂN VIÊN					
9. Tôi thích nói chuyện với nhân viên ở đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Tôi cảm thấy thoải mái khi tương tác với nhân viên	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Nhân viên tạo cho tôi cảm giác ấm áp khi tiếp xúc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Nhân viên đối xử tốt với khách hàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Nhân viên thì hài hòa, dễ gần	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Nhân viên thì hài hước khi phục vụ khách hàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Nhân viên thì lịch sự khi phục vụ khách hàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Nhân viên thì thân thiện khi phục vụ khách hàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.3. CẢM NHẬN CHẤT LƯỢNG HỘI THOẠI					
5. Tôi cảm thấy gần gũi hơn với người thân/bạn bè/đồng nghiệp/đối tác tại đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Tôi cảm thấy thoải mái khi nói chuyện với người thân/bạn bè/đồng nghiệp/đối tác tại đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Chúng tôi đã có một buổi nói chuyện thú vị tại đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Chúng tôi đã có một buổi nói chuyện tuyệt vời tại đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.4. CẢM NHẬN TRẢI NGHIỆM DỊCH VỤ					
4. Trải nghiệm dịch vụ tại nơi này thì đáng nhớ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Trải nghiệm dịch vụ tại nơi này thì thú vị	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Chúng tôi đã có những trải nghiệm tuyệt vời tại nơi này	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.5. ĐÁNH GIÁ VỀ MỨC ĐỘ HÀI LÒNG					
6. Tôi cảm thấy hài lòng với dịch vụ của quán	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Tôi thích thú khi đi đến đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Tôi hạnh phúc khi đi đến đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Tôi hài lòng với quyết định sử dụng dịch vụ của quán ngày hôm nay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Nói chung, tôi hài lòng với những trải nghiệm dịch vụ tại đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.6. ĐÁNH GIÁ VỀ LÒNG TRUNG THÀNH					
1. Tôi sẽ giới thiệu nơi này cho bạn bè, người thân hoặc đồng nghiệp của tôi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Tôi sẽ nói tốt với người khác về nơi này	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Nếu có ai hỏi tôi, tôi sẽ giới thiệu họ về nơi này	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Lần tới tôi sẽ cân nhắc quán như phương án đầu tiên nghĩ tới	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Tôi sẽ tiếp tục sử dụng dịch vụ của quán này trong tương lai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PHẦN B THÔNG TIN CÁ NHÂN

Anh/Chị vui lòng cung cấp một số thông tin cá nhân sau đây:

B.1. Giới tính của Anh/Chị:

- Nam
- Nữ
- Không muốn trả lời

B.2. Độ tuổi của Anh/Chị:

- Nhỏ hơn 18
- Từ 18 đến 22
- Từ 23 đến 30
- Từ 31 đến 60
- Trên 60

B.3. Anh/Chị là: Khách du lịch Người địa phương Khác

B.4. Nghề nghiệp hiện tại của Anh/Chị:

- Sinh viên
- Giáo viên
- Nhân viên
- Công nhân
- Kinh doanh
- Bác sĩ
- Đã về hưu
- Khác

B.5. Tần suất Anh/Chị viếng thăm nơi này:

- Lần đầu tiên Hiếm khi Thỉnh thoảng Thường xuyên

B.6. Anh/Chị thường đi tới đây với ai:

- Bạn bè
 Người thân, người yêu
 Đồng nghiệp
 Đối tác
 Trường hợp khác

B.7. Anh/Chị thường dành bao nhiêu thời gian cho mỗi lần tới nơi này:

- Ít hơn 30 phút
 Từ 30 phút đến 1 giờ
 Từ 1 đến 2 giờ
 Trên 2 giờ

Cảm ơn sự giúp đỡ của Anh/Chị!

QUESTIONNAIRE: Employee version



EMPLOYEE’S PERCEPTION TOWARDS SERVICESCAPE AND JOB EXPERIENCE IN FACILITIES AND COFFEE STORES

Dear Sir / Madam.

This survey is a part of doctoral dissertation research at IAE Nice Graduate School of Management, University of Côte D’Azur, France. The purpose of this questionnaire is to collect data for the research about the perception of the employee towards servicescape and job experience in coffee stores. Please fill in the entire questionnaire by ticking the box that of your answer. This questionnaire is confidential and it will take you just a few minutes. There are no false or true answers. All that we care about is your honest answers.

Thank you for your participation.

PART A CONTENT

For each statement, please show the extent of your opinion agreement by putting a cross in the one box which best reflects your current view based on a scale from 1 to 5:

- 1 Strongly disagree
 2 Disagree
 3 Neither
 4 Agree
 5 Strongly agree.

	1	2	3	4	5
A.1.PERCCEPTION OF EMPLOYEES TOWARDS WORK ENVIRONMENT					
AMBIENT CONDITIONS					
1. The temperature in the facility is comfortable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The air quality in the facility is good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The background music/sound is appropriate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The odor in the facility is pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The lighting in the facility is adequate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The lighting in the facility is comfortable for work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WORKSPACE AND FUNCTIONALITY					
1. The bar and kitchen location are convenient to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The equipment is located reasonably to find and use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The facility space is easy to move around it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The facility space is comfortable to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SIGN AND SYMBOL					

1. There is sufficient guidance in the facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The signs and symbols are located reasonably	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The signs and symbols are large enough to be seen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The signs and symbols are easy to be understood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The signs and symbols make a contribution to your job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FACILITY AESTHETICS					
1. The ceiling design of the facility is impressive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The interior walls and floor color schemes are impressive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The facility's architecture gives it an impressive character	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The facility is decorated in an attractive fashion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLEANLINESS					
1. The facility maintains clean walkways and exists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The facility maintains clean chairs and tables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The facility maintains clean devices and equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The facility maintains clean food and drinks service areas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The facility maintains clean restrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.2. EMPLOYEE 'S PERCEIVED INTERACTION WITH CUSTOMER					
1. I enjoy communicating with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I am comfortable as communicating with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The customers create a warm feeling in our relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The customers relate well to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I have a harmonious relationship with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The customers have a good sense of humor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The customers are polite as communicating with employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. The customers are friendly as communicating with employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.3. EMPLOYEE'S JOB EXPERIENCE PERCEPTION					
1. My total job experience at the facility is memorable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. My total job experience at the facility is enjoyable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. My job provides me a sense of meaningful experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I believe that I get a superior job experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.4.EMPLOYEE'S POSITIVE EMOTION					
1. I feel enthusiastic about my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I am interested in my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I feel inspired by my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The job makes me feel active	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The job makes me feel strong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I feel proud of my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.5. EMPLOYEE'S JOB SATISFACTION					

1. This job lives up to my expectation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I am content with my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. My job is worthwhile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. My job is exciting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. My job is pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. My work is satisfying	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART B GENERAL INFORMATION

Please provide some individual information:

B.1.What is your gender?

- Male
- Female
- Prefer not to answer

B.2.What is your age?

- From 18 to 22
- From 23 to 30
- From 31 to 40
- More than 40

B.3.Which is your job status?

- Part-time
- Full-time
- Others

B.4.How long have you worked for this facility?

- Less than 3 months
- From 3 months to 6 months
- From 7 months to 1 year
- More than 1 year

B.5.How many hours do you often spend on each work shift?

- Less than 4 hours per day
- From 4 hours to 8 hours per day
- More than 8 hours per day
- Others

Thank for your cooperation!

BẢNG CÂU HỎI DÀNH CHO NHÂN VIÊN



TRẢI NGHIỆM CÔNG VIỆC CỦA NHÂN VIÊN TẠI NHÀ HÀNG VÀ QUÁN CAFE

Xin kính chào Quý Anh/Chị.

Trong khuôn khổ dự án nghiên cứu của trường Đại học Kinh tế - Đại học Đà Nẵng, chúng tôi đang thực hiện một nghiên cứu với đề tài “*Đánh giá trải nghiệm công việc của nhân viên tại nhà hàng và quán cafe*”. Để hoàn thành dự án này, chúng tôi rất mong nhận được sự quan tâm giúp đỡ của Quý Anh (Chị) trong việc tham gia trả lời bảng câu hỏi này.

Xin chân thành cảm ơn về sự giúp đỡ của Quý Anh (Chị)!

Nhóm nghiên cứu

PHẦN A NỘI DUNG NGHIÊN CỨU

Xin vui lòng cho biết ý kiến của Anh/Chị bằng cách đánh dấu vào ô trống (□) dựa trên thang điểm từ (1) đến (5) với mỗi ý kiến được nêu ra dưới đây :

❶ Hoàn toàn không đồng ý
❷ Không đồng ý
❸ Bình thường
❹ Đồng ý
❺ Hoàn toàn đồng ý

	1	2	3	4	5
A.1. CẢM NHẬN CỦA NHÂN VIÊN ĐỐI VỚI KHÔNG GIAN LÀM VIỆC					
NHÂN TỐ MÔI TRƯỜNG					
7. Nhiệt độ trong quán thì dễ chịu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Chất lượng không khí thì tốt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Âm nhạc/âm thanh phù hợp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Mùi hương xung quanh thì dễ chịu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Quán có đầy đủ ánh sáng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Ánh sáng được thiết kế phù hợp cho công việc ở đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BỐ CỤC KHÔNG GIAN					
5. Quầy bar và bếp được bố trí hợp lý	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Trang thiết bị, dụng cụ được bố trí thuận tiện cho sử dụng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Di chuyển xung quanh dễ dàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Không gian làm việc thoải mái	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DẤU HIỆU VÀ HÌNH ẢNH CHỈ DẪN					

1. Có đầy đủ các dấu hiệu và hình ảnh chỉ dẫn cho công việc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Dấu hiệu và hình ảnh chỉ dẫn bố trí hợp lý	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Dấu hiệu và hình ảnh chỉ dẫn có kích cỡ hợp lý, dễ dàng quan sát	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Dấu hiệu và hình ảnh chỉ dẫn dễ hiểu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Dấu hiệu và hình ảnh chỉ dẫn giúp ích cho công việc của nhân viên	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TÍNH THẨM MỸ					
9. Trần nhà được thiết kế nổi bật	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Sàn và tường xung quanh được thiết kế ấn tượng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Kiến trúc của quán thì đặc biệt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Quán được trang trí thu hút và bắt mắt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SẠCH SẼ					
6. Lối ra vào đều được lau chùi sạch sẽ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Bàn ghế được lau chùi sạch sẽ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Dụng cụ, đồ dụng phục vụ được lau chùi sạch sẽ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Khu vực quầy bar và bếp đảm bảo yêu cầu vệ sinh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Phòng vệ sinh được đảm bảo sạch sẽ, gọn gàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.2. CẢM NHẬN TƯƠNG TÁC VỚI KHÁCH HÀNG					
1. Tôi thích nói chuyện với khách hàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Tôi cảm thấy thoải mái khi tương tác với khách hàng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Khách hàng tạo cho tôi cảm giác ấm áp khi tiếp xúc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Khách hàng đối xử tốt với nhân viên	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Khách hàng thì hài hòa, dễ gần	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Khách hàng thì hài hước	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Khách hàng thì lịch sự	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Khách hàng thì thân thiện	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.3. CẢM NHẬN TRẢI NGHIỆM CÔNG VIỆC					
5. Trải nghiệm công việc của tôi tại đây thì đáng nhớ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Trải nghiệm công việc của tôi tại đây thì thú vị	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Công việc này mang lại cho tôi nhiều trải nghiệm ý nghĩa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Tôi tin rằng tôi đã có những trải nghiệm công việc tuyệt vời	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.4. CẢM NHẬN VỀ CẢM XÚC TRONG QUÁ TRÌNH LÀM VIỆC					
7. Tôi luôn cố gắng cho công việc hiện tại	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Tôi quan tâm đến công việc hiện tại	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Tôi cảm thấy thích thú với công việc hiện tại	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10.	Công việc hiện tại khiến tôi trở nên năng động	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Công việc hiện tại giúp tôi tự tin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Tôi tự hào về công việc của tôi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A.5. MỨC ĐỘ HÀI LÒNG CÔNG VIỆC						
7.	Công việc hiện tại đáp ứng mong đợi của tôi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Công việc hiện tại phù hợp với tôi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Công việc hiện tại có ý nghĩa với tôi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Tôi cảm thấy thú vị khi làm việc ở đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Tôi cảm thấy thoải mái khi làm việc ở đây	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Tôi hài lòng với công việc hiện tại	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PHẦN B THÔNG TIN CÁ NHÂN

Anh/Chị vui lòng cung cấp một số thông tin cá nhân sau đây:

B.1. Giới tính của Anh/Chị:

- Nam
- Nữ
- Không muốn trả lời

B.2. Độ tuổi của Anh/Chị:

- Từ 18 đến 22
- Từ 23 đến 30
- Từ 31 đến 40
- Trên 40

B.3. Loại hình công việc hiện tại:

- Bán thời gian
- Toàn thời gian
- Khác

B.4. Anh/Chị đã làm việc ở đây bao lâu?

- Ít hơn 3 tháng
- Từ 3 tháng đến 6 tháng
- Từ 7 tháng đến 1 năm

Trên 1 năm

B.5. Mỗi ca làm việc của Anh/Chị thường kéo dài bao lâu?

Ít hơn 4 giờ/1 ca

Từ 4 đến 8 giờ/1 ca

Nhiều hơn 8 giờ/1 ca

Khác

Cảm ơn sự giúp đỡ của Anh/Chị!

Appendix 4. The detailed result of structural model analysis

