



Does the look matter? The impact of casino servicescape on gaming customer satisfaction, intention to revisit, and desire to stay

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ABSTRACT

Despite huge investment made by casinos on their physical structures, little has been known if physical environment actually affects psychological responses of gaming customers. This paper explores how dimensions of servicescape influence customer satisfaction and behavioral intentions in the casino environment. Using Bitner's model of physical surroundings, we hypothesized how ambience, navigation, seating comfort, interior decor, and cleanliness affected cognitive and affective satisfaction of gaming customers. We further proposed that gaming customer satisfaction would affect their desire to stay and intention to revisit. Data from 513 gaming customers of Macau offered support to most of our hypotheses. Implications for research and managerial practices were also discussed.

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1. Introduction

In Las Vegas, casinos have invested billions of dollars in improving the look of their physical surrounding. Mega casino resorts with exotic themes have become the industry standard in competing for customer attention. The same trend is apparent in Macau and Singapore. For example, Wynn Macau opened a USD1.2 billion casino resort in Macau during 2006. MGM Grand Paradise Macau and the Venetian Macau spent USD1.25 billion and USD2.4 billion, respectively, on capital expenditure in 2007, and Resort World Sentosa opened a USD4.5 billion integrated resort during 2010 in Singapore. Yet despite the size of these huge investments, there is little evidence of whether the physical look of casinos actually increases the satisfaction of gamblers. It is thus worthwhile to assess whether the environment really plays such an important role in determining the satisfaction of gaming customers by enhancing their intention to revisit and desire to stay in the casino.

The physical environment of a facility is referred as the servicescape (e.g. Bitner, 1992). This servicescape is essentially the built environment, and constitutes the man-made, physical surroundings rather than the natural or social environment of a facility (Bitner, 1992). Servicescapes can be decomposed into two important aspects: spatial layout and functionality, and elements related

to aesthetic appeal. Bitner (1992) suggested that spatial layout and functionality were the ways in which seats, aisles, hallways and walkways, food service lines, restrooms, and entrances and exits are designed and arranged. Aesthetic appeal, in contrast, refers to the surrounding external environment, architectural design, facility upkeep and cleanliness, signage, and other physical elements that customers view in a given area. In addition to these visual cues, Lin (2004) shows that auditory (e.g. music) and olfactory (e.g. odor) cues also affect the patron's appraisal of the service environment. Hirsch (1995) in particular reveals a connection between odor and mood among gamblers.

Servicescapes are particularly important in leisure service settings (Bitner, 1992; Wakefield and Blodgett, 1994, 1996, 1999) because the consumption of leisure services is driven by hedonic motives. The physical environment influences the consumption experience and plays an important role in generating excitement in leisure settings. Wakefield and Blodgett (1994) suggested that servicescapes are particularly important when customers are likely to stay in a facility for an extended period. They further argued that customer reactions to the tangible physical environment tend to be more emotional than cognitive. For these reasons, it is important to evaluate the role of the servicescape in the casino and hospitality context.

O'Neill (1992) reasoned that the longer customers stay in a leisure facility, the more money they will spend. This explains why casinos are willing to spend a huge amount of money on their servicescapes to encourage gamblers to stay longer on the premises. However, previous research on servicescape satisfaction has not looked specifically at the casino context. With the exception of Lucas' (2003) study, we know very little about whether and how casino servicescapes affect gaming customer satisfaction. The

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purpose of this study is thus to determine whether the physical environment of a casino increases gaming customer satisfaction.

The remainder of this paper is structured as follows. In the next section, we review the literature on the servicescape and customer satisfaction. We then propose our conceptual model, which argues that the servicescape dimensions of ambience, navigation, seating comfort, interior décor, and cleanliness affect gaming customer satisfaction. The model also suggests that gaming customers who are satisfied will stay longer and be more likely to revisit a casino. We tested our hypotheses on a sample of 513 gaming customers in Macau. The results are described and discussed at the end of the paper.

2. Literature review

Given that services are a consumption experience, the servicescape is thought to be very influential in communicating a firm's image and purpose to its customers, thereby affecting customer satisfaction. Bitner (1992) and Wakefield and Blodgett (1994, 1996, 1999) suggested that the servicescape has a significant effect on customer satisfaction in the leisure context. In particular, Wakefield and Blodgett (1994) argued that the longer the time that customers need to spend inside a business facility when the service provided is a leisure service, the more important the role of the environment in affecting customer satisfaction. Francoeur (1992) suggested that cleanliness, interior décor, and overall lighting levels are important attributes of a desirable physical environment. Lucas (2003) argued that in the casino context, ambient factors, layout navigation, cleanliness, interior décor, and seating comfort are the major components determining satisfaction with the servicescape. According to Treadwell (2005), visual design elements should stimulate customer attention, appeal to the sense of logic, generate further trust and affection, persuade customers to submit, and create emotional connections. Empirical studies have shown that customers respond both cognitively and emotionally to the physical environment (Lin, 2004; Kim and Moon, 2009).

The servicescape also affects crowding and the degree of customer involvement. Perceived crowding is the feeling of being confined, cramped, or restricted due to the physical surroundings (Eroglu and Machleit, 1990; Hui and Bateson, 1991). In general, consumers who feel too crowded will experience less excitement and perceive the servicescape to be of low quality, which will reduce their satisfaction. Involvement refers to ongoing interest in a product or service. When consumers are strongly involved with a leisure service, they may become more excited about the servicescape and more likely to want to return to that environment in the future. Wakefield and Blodgett (1994) stated that crowding and involvement affect the degree of excitement experienced in leisure settings, and ultimately influence the level of customer satisfaction.

In the casino context, the chance of winning is a gaming customer's perception of the number of opportunities to win. In other words, it is the feeling of luck that customers have in a particular casino. According to Mayer et al. (1998), chance of winning plays a key role in determining the level of gaming customer satisfaction. Obviously, the greater the chances of winning, the greater the customer satisfaction will be. Although the chance of winning is an objective estimate of probability, a gambler's perception of control varies. Gamblers tend to overestimate their own influence over games and attribute losses to external factors (Gadboury and Ladouceur, 1989; Wagenaar, 1988). When gamblers believe that they have a greater chance of winning due to greater perceived control in the casino, they will be more satisfied. There is some evidence that the physical environment has an impact on a customer's perceived control (Hui and Bateson, 1991).

When customers are satisfied with the services or products provided, they tend to display positive behavioral intentions and responses, such as customer loyalty and repatronage. Satisfaction is the essential ingredient for the emergence of customer loyalty (Oliver, 1999). Wakefield and Blodgett (1994, 1996, 1999), Lucas (2003) and Kim and Moon (2009) found from studies conducted in a leisure context that customers tend to revisit when they are satisfied with the environment. However, when customers experience anger and dissatisfaction, negative behavioral responses such as switching to another service provider may occur.

In addition to intention to revisit, positive customer satisfaction also enhances customers' desire to stay in a service area (Lucas, 2003; Wakefield and Blodgett, 1996; Bitner, 1992). Customers of leisure services stay longer in a facility when they are satisfied with the servicescape and the quality of service provided. According to O'Neill (1992), the longer the time customers stay in a facility, the more money they spend. Thus, hospitality providers are motivated to encourage their customers to stay longer in their facilities.

Although many people gamble for fun and pleasure, a small group of gamblers may progress to engage in disordered gambling behaviors. The engagement of problem gambling is due to the change of motivation from enjoyment, excitement and socialization to preoccupation with winning money and recovering losses (Griffiths, 2008). Unfortunately the latter set of motivations also influences gambler's duration of stay and willingness to revisit a casino. Prior research shows that the proportion of addicted gamblers is relatively small and has been estimated to be around 0.2–2.1% of the adult population (LaPlante et al., 2008).

3. Theoretical model and hypotheses

This study is a continuation of Bitner's (1992) work on the important influence of the servicescape on customer satisfaction and individual behavior, and examines how the servicescape of a casino environment affects gambler satisfaction.

Fig. 1 shows our conceptual model, which is based on the work of Bitner (1992) and Wakefield and Blodgett (1996). The servicescape factors of casinos include ambient conditions, navigation, seating comfort, interior décor, and cleanliness. These servicescape factors are hypothesized to affect cognitive and affective gaming customer satisfaction. Oliver (1993) and Cronin et al. (2000) points out that the bases of customer satisfaction can be separated into the cognitive and affective components due to two reasons. First, customers are thought of making prior expectation before consumption, and positive cognitive satisfaction is resulted from actual product performance meeting or exceeding such expectation (Oliver, 1993; Tse and Wilton, 1988; Spreng et al., 1996; Zhang et al., 2009). Following these prior studies, we define cognitive satisfaction as gambler's evaluation of whether the casino meets his or her expectations (Lucas, 2003). If gamblers are cognitively satisfied with a particular casino, then they are more likely to believe that the service quality is adequate and that their choice of casino was correct. Second, Oliver (1993) Cronin et al. (2000) also suggested that customers will respond affectively to a product or service in addition to making cognitive judgments due to the positive and negative emotions during consumption. Lin (2004) also suggests that patrons may react affectively first before making cognitive judgment of the servicescape environment. When customers experience positive emotions, they feel satisfied, whereas negative emotions will result in dissatisfaction (Westbrook and Oliver, 1991). Thus, we define affective satisfaction as gambler's positive emotional state, which varies in intensity from strong to weak, after visiting a particular casino (Giese and Cote, 2000; Phillips and Baumgartner, 2002). Gamblers who are affectively satisfied are likely to describe their gaming experience as pleasurable and exciting, rather than frustrating and enraging.

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