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Multilevel environment induced impulsive gambling

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ABSTRACT

The study investigates the relationships among casino service environment, impulsive gambling and gambling behaviors. Analysis of service environment is approached from both individual and organizational perspectives. The investigation involves testing organizational service environment as a moderator and impulsive gambling as a mediator. Results indicate that casino service environment does explain significant variance in impulsive gambling which subsequently influences gambling behaviors. The mediation testing shows that impulsive gambling demonstrates partial and full mediation effects between various service environment factors and the outcome variables. Casino service environment on an organizational level also successfully moderates the linkage between individual perception of service environment, impulsive gambling and gambling behaviors. The findings have strategic implications for both researchers and practitioners. In particular, this study contributes to service and gambling research by incorporating individual and organizational environmental factors into consumer behavior analyses. Potential applications of the findings are highlighted for casinos and problem counselors.

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1. Introduction

A large body of the literature has acknowledged the role of service environment in consumer behaviors. Service environment provides tangible cues about the provider's service quality, and also acts as a stimulus that influences consumers' feelings and arousals that compel them to approach and respond favorably to service offerings (Bitner, 1992; Hightower, Brady, & Baker, 2002; Russell & Mehrabian, 1976). The results of these studies may explain why casinos are increasingly putting emphasis on building theme-park-like properties. Indeed, empirical evidence shows a strong linkage between casino physical surroundings and customer emotion and behaviors (Johnson, Mayer, & Champaner, 2004; Marmurek, Finlay, Kanetkar, & Londerville, 2007; Wong, 2013). Customer emotion, in return, affects his or her perception of service quality, which subsequently impacts on consuming or purchasing behaviors (e.g., Prentice, 2014; Prentice & Woodside, 2013; Ryu & SooCheong, 2007; Wong, 2004). Emotion, in the case of gamblers, has an influence on gambling behavior and ultimately problem gambling (Lorenz & Yaffee, 1986). In particular, customer emotion can be a cause of impulsive buying behaviors (Weinberg & Gottward, 1982). Although impulsive buying, compared to compulsive buying, is less likely to lead to

severe outcomes, depending on the nature of purchasing and the product, it does cause negative consequences such as shopping addiction and disorder (Di Nicola et al., 2010; Evenden, 1999; Sohn & Choi, 2014). Consistent with this view and in line with the foregoing discussion, this study examines the relationships among casino service environment, impulsive gambling and gambling behaviors. Gambling behaviors in the current study are operationalized into visiting frequency (patronizing the casino), length of playing and total spending in a gaming venue. These gambling behaviors, to a certain degree, are indicative of repetitive gaming activities, which have implication for gambling addiction and problem gambling.

Previous research on the relationship between service environment and consumer behaviors has focused primarily on the individual level. This approach has two limitations. First, although service environment is a strategic resource that should be defined at the organizational level (Bitner, 1992; Hightower, 2003), the majority of research operationalizes it from the customer perspective at the individual level without considering its multilevel nature. Second, prior empirical studies commonly associate customers' perceived service environment with their behaviors while assuming that their evaluation of a particular provider is independent from their perception of other providers. However, service environment is positioned in an organizational level and designed congruently to match a provider's market position throughout the service encounter. Such an approach neglects the dependency of customer service evaluation that is nested within a higher hierarchy where services are delivered (see Mathieu, Aguinis, Culpepper, &

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Chert, 2012). These limitations reveal a research gap in gambling studies and prompt necessity of the current study.

In response to the limitations, this study seeks to explore the relationship between perceived service environment and three behavior outcomes (i.e., frequency of visit, length of stay, and spending in a casino) through the mediating role of impulsive gambling at the individual level. It further investigates the multilevel nature of the service encounter by examining cross-level direct and moderating effects of casino-level service environment on the individual-level linkage between service environment and gambler behaviors. In essence, the objective of the study is to examine the role of the service environment, at the individual and organizational levels, in impulsive gambling and behavioral outcomes. This study aims to provide a holistic multilevel framework that integrates the effects of the physical setting to better understand gamblers' responses and behaviors, as depicted in Fig. 1. The study further seeks to extend the servicescape model by investigating how the organizational-level service environment could moderate the effect of service environment at a lower level.

2. Literature review

2.1. Service environment and impulsive gambling

The extant literature has acknowledged the role of service environment in consumer behaviors. Previous research on environmental psychology sets the foundation in understanding the impact of the environment on human responses and behaviors (Mehrabian & Russell, 1974). In particular, stimuli from the tangible environmental affect consumers' emotional states and provide them with vivid sensory and pleasure, which in turn changes their perceptions and behaviors. Building on environmental psychology research, Bitner (1992) develops the servicescape model, which comprehensively links service environment with various consumer behavioral outcomes (e.g., attraction, stay/explore, spend more, and satisfaction) through the role of consumer and employee responses. Bitner's seminar work articulates the dimensionality and attributes of the service environment and provides the theoretical background for understanding the details in crafting the physical setting. In particular, the three core dimensions of perceived service environment – ambient conditions (i.e., temperature, air quality, noise, music),

space and function (i.e., layout, equipment, facilities, and furnishings), and signs, symbols, and artifacts (i.e., signage, style of decor, and personal artifacts) – provide customers a holistic view of the physical surrounding in the service encounter (Bitner, 1992; Lovelock & Wirtz, 2007).

From the customer perspective, service environment serves as a tangible cue about the service quality of the provider (Bitner, 1992). Empirical evidence indicates that positively perceived service environment leads to favorable consumer behaviors and loyalty outcomes through the mediating role of consumer responses such as positive affect and perceived value (Hightower et al., 2002). Indeed, as Bitner's (1992) servicescape model posits, stimuli from the service environment influence consumers' sensory experience and lead to arousal and positive affective responses including strong impulses to approach specific services (Rosenbaum, 2006). Research also shows that congruence between physical atmosphere and the customer leads to favorable customer evaluation of perceived service quality as well as a higher level of approach and impulse buying behaviors in retail stores (Mattila & Wirtz, 2001). Similarly, Beatty and Ferrell (1998) acknowledges a link between impulse buying and affective response.

In the context of casinos, the literature has acknowledged the importance of service environment in attracting gamblers and satisfying their needs (Wong & Rosenbaum, 2012). Favorable service environment plays a pivotal role in engendering positive emotions and affective responses (Finlay, Marmurek, Kanetkar, & Londerville, 2010; Mayer & Johnson, 2003). In fact, contemporary casinos are aesthetically crafted to create a theme-park-like environment that aims to inspire people to gamble more, stay longer, and spend more. All the elements – the lighting and background music, the atmosphere, the furnishing (e.g., seats, tables, and chips), decor, architecture, signage, amenities and facilities – are elegantly designed to be thematically congruent with the casino's market position and to induce a unique and pleasant experience for gamblers; thus, they would feel more attached to the casino and subsequently engage in gambling (Wong, 2013). The Venetians, for example, built a Venice-like complex with riverside and Gondola ride to enthrall gamblers and provide them a place for indulgence. Contemporary casinos often place the casino floor in the central area of the property with clear signage and surrounding facilities to attract gamblers. Accordingly, we argue that service environment as perceived by customers has a positive influence on impulsive gambling.

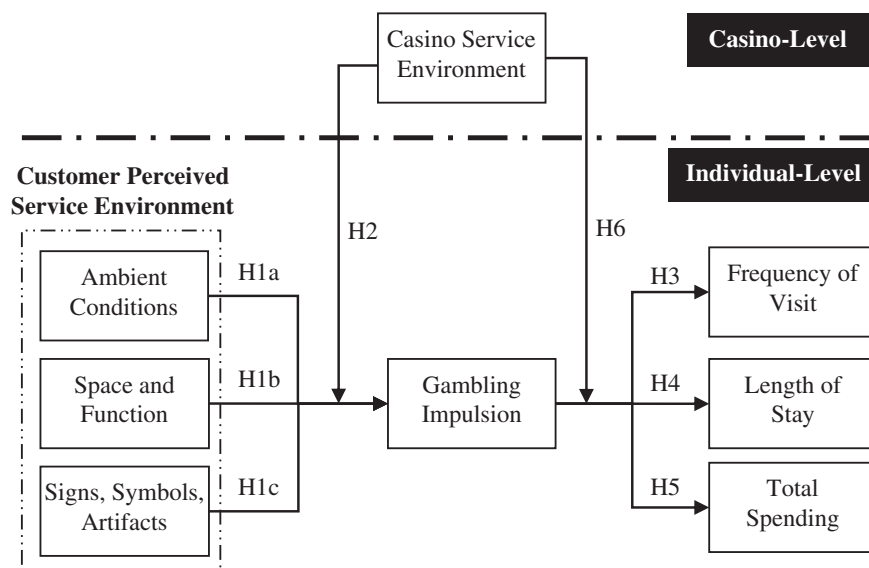


Fig. 1. Conceptual framework.

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