



The Role of Servicescape, Word of Mouth, Perceived Value of Customer's Behavioral Intention

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ABSTRACT

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The purpose of this research is to investigate the relationship between Servicescape, word of mouth, and the perceived value of customer behavioral intention. Non-probability sampling is used in this study. A sample of 100 respondents was used to test the relationships between specified variables using structural equation modeling (SEM). A seven-point Likert scale was used to assess all indicators. It was discovered that servicescape components have no effect on behavioral intention; however, perceived value and word of mouth have an effect on behavioral intention. To improve validity and reliability, future researchers may replicate the study with more extensive and cross-sectional segments. Future research could look into the moderating role of customer characteristics in the relationship hypothesized in this study. Increase the number of respondents, use different sampling methods, add other variables, and use different units of analysis are all suggestions for future research.

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1. Introduction

Competition in the industry has developed very tight from year to year. One of these things happened in the food and beverage industry. The Ministry of Industry noted that the food and beverage industry is one of the manufacturing sectors that contributes greatly to economic growth in Indonesia. Throughout 2018, the food and beverage industry was able to grow by 7.91 percent or exceed the national economic growth at 5.17 percent and also calculated from the number of workers in the manufacturing industry sector, an increase of 17.4 percent compared to 2015, when the manufacturing industry food and beverages are the biggest contributors up to 26.67 percent (Kemenperin., 2019) This is proof that the culinary industry continues to grow rapidly. With these developments finally impacting business competition, this spurs culinary business people to create innovative strategies to retain consumers and their business existence. The food and beverage business experiences very tight competition from year to year; this can be seen in the growth of the food and beverage industry, which is mushrooming in various regions. Therefore, to maintain their business existence, food and beverage actors must develop a strategy; one considered effective and very profitable strategy is to do a Word of Mouth strategy.

Word of Mouth Marketing (WOMM) is one strategy that can be used to keep customers and businesses alive, according to (Kesumawardani, 2012). The meaning of word of mouth or word of mouth communication is The process of providing recommendations for a product in the form of goods or services, both individually and in groups, with the goal of providing personal information (Asmayaty, 2017). As a result, information obtained through personal communication is regarded as more reliable than information obtained through non-personal communication (Kesumawardani, 2012). This is because most people trust someone who has firsthand experience with a product. As a result, if word of mouth is positive, the company will profit. If word of mouth is negative, it will cause public distrust of the product, which will be detrimental to the company. The physical environment or facility in which services are produced, delivered, and



consumed is referred to as the servicescape (Zeithaml, V.A. and Bitner, 2003). It has an impact on customer perceptions of the service experience (Reimer, A. and Kuehn, 2005). Servicescape connects marketing and psychology concepts by focusing on how the physical environment influences consumers' approach-avoidance decisions (Rosenbaum, 2005). By extending the discussion of environmental psychology to the field of service marketing research, (Bitner, 1992) made an important contribution to the literature. (Bitner, 1992) defines the Servicescape as "all objective physical factors that the company can control to improve employee and customer action." (Zeithaml, V.A., and Bitner, 2003) define servicescape as a physical space where customers and businesses interact and services are delivered. The Servicescape in (Bitner, 1992) study includes three important dimensions: ambient condition, layout and functionality, and signs, symbols, and artifacts. This also has an impact on the nature and quality of interactions between customers and employees. WOM is related to customer experience; as the guest experience improves, so does WOM (Kuruuzum and Koksall, 2010). An empirical study of the communicative Servicescape is still lacking (Durna et al., 2015), and more research is needed to understand the effects of both substantive and communicative Servicescape on customer emotions, perceived value, and behavioral intentions such as WOM (Park et al., 2019). (Park et al., 2019) discovered that both dimensions have a positive influence on hotel customers, significantly increasing behavioral intentions. Similarly, (Jani and Han, 2013) discovered that evaluating the social Servicescape resulted in both positive and negative consumption emotions, which in turn resulted in cognitive outcomes such as satisfaction and behavioral intentions. WOM is the most influential factor influencing consumer behavior (Daugherty and Hoffman, 2014). Perceived value is frequently defined as a consumer's overall assessment of a product's or service's utility based on perceptions of what is received and what is given (Zeithaml, 1988). According to (Aksoy & Basaran, 2017), while functional value and time and effort costs do not significantly influence behavioral intention, perceived value is positively related to behavioral intention (Lu & Wang, 2020).

Previous research has found that Servicescape has a positive impact on word of mouth (Reynaldi & Widodo, 2017; Widyasari, 2014), as well as a positive impact on behavioral intention (Durna et al., 2015; Park et al., 2019). Word of mouth influences behavioral intention positively (Mouloudj & Bouarar, 2021). According to ref (Soltani, M., & Khavari, 2015), the receiver's use of WOM is influenced by source reliability, source experience, source expertise, and evidence obtained from WOM source claims. WOM has a negative impact on consumer attitudes and purchasing probability, according to (Podnar & Javernik, 2012), while positive WOM has no effect. The following studies back up WOM's significant influence on various aspects of consumer behavior. WOM influences consumer emotions (Martensen, A., & Grnholdt, 2016), reduces risks associated with products or services (Shirsavar et al., 2012); attitudes toward the product and potential purchase (Podnar & Javernik, 2012); attitudes toward counterfeit goods that are not deceptive (Mir, 2011), intention to buy counterfeit goods that are not deceptive (Mir, 2011), purchasing behavior (Aslam et al., 2011). The problem formulation in this study is how word of mouth, perceived value, and Servicescape influence consumer behavioral intention.

The main research questions addressed in this study are to identify the influence of word of mouth on behavioral intention, the impact of perceived value on behavioral intention, and the effect of Servicescape on behavioral intention. This study examines the relationship between Servicescape, word of mouth, and the perceived value of customer behavioral intention

2. Method

This study employs quantitative methods to analyze the data obtained so that the PLS program can process it numerically (Sekaran & Bougie, 2016). Customers are given questionnaires to complete in order to collect information. Non-probability sampling is used in this study. In August-October 2021, data was collected from restaurant customers using a Google form. Customers who had used certain services in the previous six months were chosen to provide an up-to-date evaluation of relationships between specified variables, which were tested with structural equation modeling (SEM) using a sample of 100 respondents. A seven-point Likert scale was used to assess all indicators. A four-item scale adapted from (Carlson and O'Cass, 2010; Juliana et al., 2020) was used to assess WOM. Items for servicescape dimensions, such as aesthetic appeal, interactivity, and navigability, were adapted from (Harris and Goode, 2010; Juliana & Noval, 2020), perceived value from (Juliana et al., 2022; Sweeney, 2001), and behavioral intention from (Harris and Goode, 2010; Juliana & Noval, 2020). (Goeltom et al., 2019; Rudyanto et al., 2021).



3. Result and Discussion

3.1 Result

Based on testing using the smart PLS Program, it was obtained :

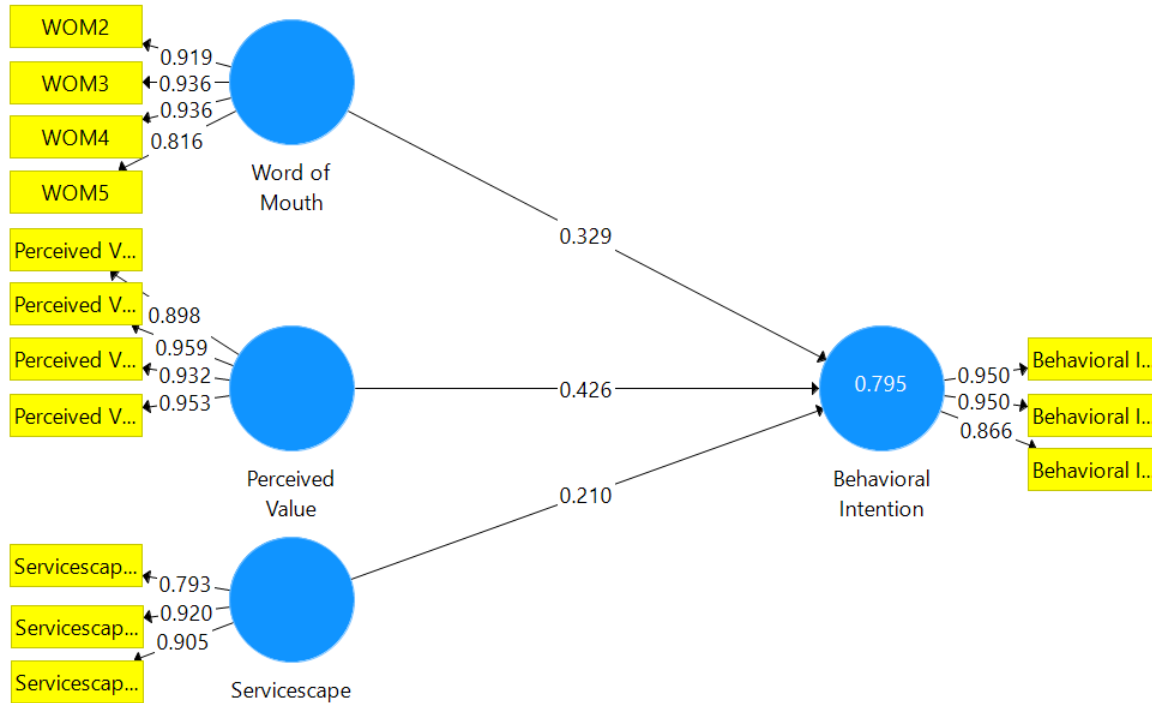


Fig 1. Validity Test

Convergent validity assesses the relationship between an item's and construct's scores; the higher the correlation, the more reliable the data (Purwanto & Juliana, 2022). If the loading factor value is greater than 0.7, the measurement is said to be convergent. The method proposed by Fornell and Larcker is used to assess the measures' convergent and discriminant validity (1981). To determine whether the measurement variable is representative of the related construct, the composite reliability (CR) and average variance extracted (AVE) are computed for convergent validity. AVEs are 0.765 or higher and exceed the 0.50 threshold (Fornell & Larcker, 1981). (Hair et al., 2014) Similarly, all reach the 0.70 threshold (Fornell & Larcker, 1981)(Hair et al., 2014). These findings support the convergent validity of each construct studied.

Table 1
Reliability Test

| | Cronbach's Alpha | Composite Reliability | Average Variance Extracted (AVE) |
|-----------------------------|-------------------------|------------------------------|---|
| Behavioral Intention | 0.912 | 0.945 | 0.852 |
| Perceived Value | 0.952 | 0.966 | 0.876 |
| Servicescape | 0.844 | 0.907 | 0.765 |
| Word of Mouth | 0.924 | 0.946 | 0.816 |

The results of the reliability test analysis using the SmartPLS tool are shown in Table 1, which shows that all composite reliability values are greater than 0.7, indicating that all variables are reliable and have met the test criteria. Furthermore, the value of Cronbach's omission shows that all Cronbach's Alpha values are greater than 0.6, indicating that the variable's level of reliability has also met the criteria.

Table 2
R Square

| | R Square | R Square Adjusted |
|-----------------------------|----------|-------------------|
| Behavioral Intention | 0.795 | 0.789 |

According to the calculation results in Table 2, the proposed model of word of mouth, Servicescape, and perceived value influences 79.5 percent of the dependent variable, behavioral intention. In comparison, variables outside the model own the remaining 20.5 percent..

Table 3
Hypotheses Testing

| | Coefficient | T Statistics | P Values | Result |
|---|-------------|--------------|----------|---------------|
| Perceived Value -> Behavioral Intention | 0.426 | 3,933 | 0.000 | Supported |
| Servicescape -> Behavioral Intention | 0.210 | 1,753 | 0.080 | Not Supported |
| Word of Mouth -> Behavioral Intention | 0.329 | 3,746 | 0.000 | Supported |

3.2 Discussion

a. Perceived value and behavioral intention

The results of data analysis yielded a p-value of 0.000 0.050, indicating that there is a significant relationship between perceived value and behavioral intention. These findings are consistent with (Aksoy & Basaran, 2017; Ha & (Shawn) Jang, 2010)(Zhao et al., 2022) findings that perceived value influences behavioral intention.

b. Servicescape and behavioral intention

Based on the data analysis results, the results obtained a p-value of 0.080 > 0.050, and it is concluded that the relationship between Servicescape and behavioral intention is not significant. The findings of this study contradict the findings of previous studies (Avan et al., 2019; Durna et al., 2015; Ibrahim et al., 2018; Lee, Sang-Hyeop; Liew Khar Khiawand; Kim, 2015; Park et al., 2019; Van Anh & Thao, 2020), which claim that Servicescape has a positive and significant effect on behavioral intention.

c. Word of mouth and behavioral intention

The results of data analysis yielded a p-value of 0.000 0.050, indicating that there is a significant relationship between word of mouth and behavioral intention. These findings are consistent with previous research (Aslam et al., 2011; Barreda et al., 2015; Daugherty and Hoffman, 2014; Martensen & Grnholdt, 2016; Mir, 2011; Podnar, & Javernik, 2012; Shirsavar et al., 2012; Soltani & Khavari, 2015).

4. Conclusion

The goal of this study is to investigate the relationship between Servicescape, word of mouth, and perceived value of customer behavioral intention, and it was discovered that servicescape components do not affect behavioral intention; perceived value and word of mouth must affect behavioral intention.

There are several limitations to this study. First, a cross-sectional research design is used to test the hypothesized relationship. Longitudinal research should be used by future researchers to test research models for this lesson to increase the generalizability of the findings. To improve validity and reliability, future researchers may replicate the study with more extensive and cross-sectional segments. Future research could look into the moderating role of customer characteristics in the relationship hypothesized in this study. Increase the number of respondents, use different sampling methods, add other variables, and use different units of analysis are all suggestions for future research.



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