

A Pilot Study on Comparative Assessment of Servicescape Dimensions of Restaurant Chains across Planned and Unplanned Retail Sites in Kolhapur City.

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Abstract: The service industry has increasingly shifted from a product-focused approach to an experience-oriented approach, where the physical environment plays a significant role in influencing customer evaluations and behavioural responses. In the restaurant sector, servicescape elements such as ambience, accessibility, layout, cleanliness, visual appeal, and service environment contribute significantly towards customer satisfaction and overall dining experience. The present pilot study aims to develop and validate a measurement framework for assessing servicescape dimensions of restaurant chains operating in planned and unplanned retail sites in Kolhapur City. Study is based on Bitner's Servicescape Model and examines various dimensions including location and accessibility, site atmosphere, product and service offerings, customer service, visual merchandising, customer satisfaction, customer perception, and customer behaviour. A structured questionnaire based on a five-point Likert scale was developed and administered among restaurant consumers and restaurant owners. pilot study consisted of 134 respondents, including 83 consumers and 51 restaurant owners. Reliability analysis was performed using Cronbach's Alpha to evaluate the internal consistency of the measurement constructs.

Findings of the pilot study indicate that all identified constructs achieved acceptable reliability levels with Cronbach's Alpha values exceeding the recommended threshold of 0.70. The results confirm that the developed research instrument possesses adequate reliability and is suitable for conducting the final empirical investigation. The pilot study provides preliminary evidence regarding the relevance of servicescape dimensions in understanding differences between restaurant chains located in planned and unplanned retail environments.

Keywords: Servicescape, Restaurant Chains, Pilot Study, Planned Retail Sites, Unplanned Retail Sites, Customer Satisfaction, Cronbach's Alpha

Introduction of the Study

Rapid growth of the service sector has transformed the way customers evaluate businesses. In contemporary markets, customers no longer judge service providers only on the basis of core offerings but also consider the overall experience created during service consumption. Particularly in the restaurant industry, customer experience is influenced by multiple factors including food quality, employee interaction, ambience, accessibility, physical arrangement, and environmental aesthetics.

The concept of servicescape, introduced by Bitner (1992), highlights the importance of the physical environment in service encounters. Servicescape represents the environment where service delivery takes place and includes ambient conditions, spatial layout, functionality, signs, symbols, and artefacts. These environmental elements influence customer emotions, perceptions, satisfaction, and behavioural intentions.

Restaurants are experiential service settings where customers spend considerable time interacting with the physical environment. Factors such as restaurant location, interior design, cleanliness, lighting, furniture arrangement, staff behaviour, menu presentation, and accessibility contribute towards forming customer

impressions. Therefore, effective management of servicescape has become a strategic requirement for restaurant chains seeking competitive advantage.

In recent years, restaurant chains have expanded across different types of retail locations. Some outlets operate within planned retail sites such as shopping malls, commercial complexes, and systematically developed areas, while others operate in unplanned retail sites such as traditional markets, standalone establishments, and organically developed commercial areas. These two environments differ significantly in terms of infrastructure facilities, customer accessibility, parking availability, environmental control, and overall service experience. Previous studies have extensively examined the role of servicescape in hospitality and restaurant contexts, limited research has focused on comparing servicescape characteristics across different retail site formats. Furthermore, emerging Tier-II cities in India have received limited attention compared to metropolitan markets.

Kolhapur City represents an emerging urban market where restaurant chains operate across both planned and unplanned retail environments. The unique retail development pattern of the city provides an appropriate context for examining how physical environments influence customer perceptions and experiences.

Study aims to develop and validate a measurement framework for assessing servicescape dimensions of restaurant chains operating in planned and unplanned retail sites. The pilot investigation establishes the reliability of the research instrument before conducting the final large-scale study.

Concept of Servicescape

The concept of servicescape explains how the physical environment of a service organization influences customer experiences and behavioural responses. Bitner (1992) introduced the servicescape framework, emphasizing that service environments act as a stimulus that affects customer perceptions, emotions, satisfaction, and subsequent behavioural outcomes.

Unlike physical goods, services are intangible and customers often evaluate service quality through environmental cues. Therefore, the physical surroundings where service delivery occurs become an important component of customer evaluation. In restaurant settings, customers interact with various environmental elements such as ambience, layout, cleanliness, lighting, accessibility, employee appearance, and visual presentation.

Servicescape in Restaurant Industry

Restaurants represent highly experiential service environments where customers spend time within the service setting. Therefore, the physical environment becomes an important determinant of customer satisfaction and behavioural intention. Previous research indicates that customers evaluate restaurants based on both functional and emotional aspects. Functional elements include accessibility, seating arrangements, service efficiency, and convenience, whereas emotional elements include ambience, aesthetics, and overall atmosphere.

In restaurant chains, consistency of servicescape becomes particularly important because customers expect similar experiences across different locations. However, variations in retail locations may create differences in environmental quality and customer experience.

Planned retail sites generally provide:

- Better infrastructure facilities
- Organized customer movement
- Improved parking availability
- Standardized environment
- Enhanced visual presentation

Whereas unplanned retail sites may experience limitations such as:

- Restricted space availability
- Parking issues
- Traffic congestion
- Limited environmental control
- Variations in store design

Literature Review

The concept of servicescape has gained significant attention in service marketing literature due to its influence on customer perceptions, satisfaction, and behavioural responses. Bitner (1992) introduced the concept of servicescape and highlighted that the physical environment of service organizations plays an important role in shaping customer experiences. According to Bitner, elements such as ambient conditions, spatial layout, functionality, and signs, symbols, and artefacts act as environmental stimuli that influence customer emotions and behaviours. However, the framework was primarily conceptual and required further empirical validation across different service contexts.

Wakefield and Blodgett (1996) examined the impact of servicescape on customer behavioural intentions in leisure service settings. Their study revealed that well-designed physical environments positively influence customer satisfaction and intention to revisit. The findings established that customers evaluate service experiences not only through core service quality but also through the surrounding physical environment. However, the study was limited to leisure settings and did not consider differences between organized and unorganized retail environments.

Baker et al. (2002) investigated the influence of multiple store environment cues on perceived value and patronage intentions in retail settings. The study demonstrated that environmental factors such as design, ambience, and social elements significantly affect customer perceptions and purchase behaviour. The findings emphasized the strategic importance of physical surroundings in retail environments; however, the study did not specifically examine restaurant servicescape or location-based differences.

Countryman and Jang (2006) explored the influence of environmental elements such as ambience, lighting, and design on customer perceptions in hospitality settings. Their findings indicated that atmospheric elements significantly affect emotional responses and overall evaluations of service experiences. Although the study provided important insights into environmental influences, it was restricted to hotel restaurants and did not examine independent retail site characteristics.

Ryu and Jang (2007) examined the relationship between physical environment, emotional responses, and behavioural intentions in upscale restaurants. Using empirical analysis, the study confirmed that servicescape dimensions significantly influence customer emotions and behavioural outcomes. The study contributed to restaurant servicescape literature by demonstrating the importance of physical surroundings; however, comparison of restaurants located in different retail environments was not considered.

Han and Ryu (2009) investigated the relationship between physical environment quality, perceived value, customer satisfaction, and loyalty in the restaurant industry. Their findings revealed that a favourable physical environment enhances perceived value and customer loyalty. The study highlighted the importance of managing restaurant environments strategically, but the influence of planned and unplanned retail locations remained unexplored. Ali et al. (2018) examined the relationship between servicescape, customer satisfaction, and loyalty among restaurant customers. The study confirmed that servicescape dimensions positively influence satisfaction

and loyalty outcomes. However, the research was conducted mainly in metropolitan environments, creating a need for further investigation in emerging cities and developing retail markets.

Line and Hanks (2020) studied the impact of servicescape on customer emotions, spending behaviour, and engagement in casual dining restaurants. The findings indicated that enhanced physical environments encourage longer customer visits and increased spending intentions. However, the study did not explore variations in servicescape performance across different retail site formats.

Jani and Han (2014) explored the role of customer satisfaction and behavioural intentions in hospitality services. Their study confirmed that satisfied customers demonstrate stronger revisit intentions and positive word-of-mouth behaviour. Nevertheless, the study focused primarily on service outcomes and did not incorporate the role of retail location characteristics in influencing customer experience.

Turley and Milliman (2000) reviewed atmospheric variables and their impact on consumer behaviour. Their research established that store atmospherics influence customer approach behaviour, time spent, and purchasing decisions. However, the study primarily focused on general retail environments rather than restaurant chains.

Mehrabian and Russell's (1974) Stimulus–Organism–Response (S-O-R) model provided a theoretical foundation for understanding how environmental stimuli influence internal emotional states and behavioural responses. According to this model, physical surroundings act as stimuli that affect customer feelings and ultimately influence behavioural outcomes. This framework supports the relationship between servicescape dimensions, customer perception, satisfaction, and behaviour.

Overall, the existing literature confirms that servicescape is an important determinant of customer experience in service industries. However, previous studies have largely focused on developed markets, metropolitan cities, and individual service settings. Limited research has examined comparative differences between restaurant chains operating in planned and unplanned retail sites, particularly in emerging cities such as Kolhapur.

Research Objectives for Pilot study framework

1. To explore the key servicescape factors that contribute to the overall customer experience in restaurant chain environments.
- 2 To design and refine a research instrument for measuring various dimensions of servicescape across planned and unplanned retail locations.
3. To assess the reliability and consistency of the proposed measurement scale through statistical validation using Cronbach's Alpha.

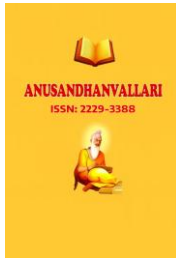
Research Parameter	Description
Research Design	Exploratory research design based on a pilot study approach
Research Approach	Quantitative research approach
Research Area	Kolhapur City, Maharashtra
Research Context	Restaurant chains operating in planned and unplanned retail sites

Target Population	Restaurant consumers and restaurant owners/managers
Sampling Technique	Non-probability convenience sampling technique
Pilot Sample Size	134 respondents
Respondent Distribution	83 restaurant consumers and 51 restaurant owners
Data Collection Method	Primary data collected through a structured questionnaire
Research Instrument	Self-administered structured questionnaire
Measurement Scale	Five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree)
Study Constructs	Location & Accessibility, Site Atmosphere, Product & Service Offerings, Customer Service, Visual Merchandising, Customer Satisfaction, Customer Perception, and Customer Behaviour
Data Analysis Tool	Statistical Package for Social Sciences (SPSS)
Statistical Technique Used	Reliability analysis using Cronbach's Alpha
Purpose of Pilot Study	To evaluate reliability, consistency, and suitability of the research instrument before final data collection
Reliability Criteria	Cronbach's Alpha value ≥ 0.70 considered acceptable for internal consistency
Data Sources	Primary data from respondents and secondary data from journals, books, research articles, and published literature

Research Instrument Development

Research instrument was developed after an extensive review of existing literature related to servicescape, customer experience, satisfaction, and behavioural intentions. The questionnaire was designed to capture the perceptions of restaurant consumers and the viewpoints of restaurant owners regarding various environmental and service-related factors.

Instrument was structured into different sections covering demographic information and major servicescape dimensions. The measurement items were adapted and modified according to the context of restaurant chains operating in planned and unplanned retail locations.



A five-point Likert scale was used to measure respondent opinions, where 1 represented "Strongly Disagree" and 5 represented "Strongly Agree." The pilot study was conducted to evaluate whether the developed scale items were understandable, relevant, and statistically reliable before proceeding with the final survey.

Construct	Code	Description
Location & Accessibility	LA	Measures convenience of location, ease of access, parking availability, and connectivity of restaurant outlets.
Site Atmosphere	SA	Evaluates ambience-related factors such as cleanliness, lighting, music, furniture arrangement, and overall environment.
Product & Service Offerings	PSO	Examines food quality, variety, service process, pricing, and availability of customer facilities.
Customer Service	CS	Measures staff behaviour, responsiveness, professionalism, and service efficiency.
Visual Merchandising	VM	Assesses interior design, signage, layout, menu presentation, and visual attractiveness.
Customer Satisfaction	SAT	Evaluates the overall satisfaction level derived from the restaurant experience.
Customer Perception	CP	Measures customers' overall impression and evaluation of restaurant servicescape.
Customer Behaviour	CB	Examines behavioural outcomes such as revisit intention, recommendation, loyalty, and purchase behaviour.

Pilot Study Result and Reliability analysis consumer perspectives

The reliability of the measurement instrument was assessed using Cronbach's Alpha coefficient to determine the internal consistency of the constructs used in the study. It is an essential step in pilot research as it confirms whether the questionnaire items consistently represent the respective research variables. Responses were analysed for seven major constructs, namely Site Atmosphere, Product & Service Offerings, Visual Merchandising, Customer Service, Customer Satisfaction, Customer Behaviour, and Customer Perception.

Construct	Number of Items	Cronbach's Alpha (α)	Reliability Interpretation
Site Atmosphere (SA)	5	0.84	Good Reliability
Product & Service Offerings (PSO)	6	0.81	Good Reliability
Visual Merchandising (VM)	4	0.78	Acceptable Reliability
Customer Service (CS)	5	0.85	Good Reliability
Customer Satisfaction (SAT)	3	0.80	Good Reliability
Customer Behaviour (CB)	4	0.76	Acceptable Reliability
Customer Perception (CP)	4	0.83	Good Reliability

Pilot Study Result and Reliability analysis owner's perspectives

Construct	Number of Items	Cronbach's Alpha (α)	Reliability Interpretation
Location & Accessibility (LA)	4	0.82	Good Reliability
Site Atmosphere (SA)	5	0.85	Good Reliability
Product & Service Offerings (PSO)	6	0.80	Good Reliability
Customer Service (CS)	5	0.77	Acceptable Reliability
Visual Merchandising (VM)	4	0.79	Acceptable Reliability
Customer Satisfaction (SAT)	3	0.81	Good Reliability
Customer Behaviour (CB)	4	0.75	Acceptable Reliability
Customer Perception (CP)	4	0.83	Good Reliability

Interpretation of Result

The reliability findings from both respondent groups confirm that the developed research instrument possesses adequate internal consistency. All constructs recorded Cronbach's Alpha values exceeding the minimum acceptable level of **0.70**. Pilot study successfully validates the reliability of the proposed servicescape framework and provides methodological support for conducting comprehensive comparative research on restaurant chains operating in planned and unplanned retail sites.

Findings of Pilot Study Results – Customers and Owner

Servicescape Dimension	Reliability Result	Major Observation	Interpretation
Site Atmosphere	$\alpha = 0.84$ (Good Reliability)	Customers considered ambience, cleanliness, lighting, seating arrangement, and environmental comfort as important factors.	A pleasant restaurant atmosphere enhances customer experience and creates positive impressions.
Product & Service Offerings	$\alpha = 0.81$ (Good Reliability)	Respondents evaluated food quality, variety, service convenience, and availability of facilities while judging	Effective combination of quality offerings and service facilities contributes to customer satisfaction.

		restaurant performance.	
Customer Service	$\alpha = 0.85$ (Good Reliability)	Staff behaviour, responsiveness, communication, and service efficiency strongly influenced customer evaluations.	Employee interaction is a critical element that shapes overall dining experience.
Visual Merchandising	$\alpha = 0.78$ (Acceptable Reliability)	Customers noticed interior design, signage, menu presentation, and visual appeal of restaurant outlets.	Attractive visual presentation helps create favourable first impressions and improves brand perception.
Customer Satisfaction	$\alpha = 0.80$ (Good Reliability)	Customers evaluated their overall satisfaction based on restaurant environment and service experience.	Positive servicescape elements contribute towards higher satisfaction levels.
Customer Behaviour	$\alpha = 0.76$ (Acceptable Reliability)	Factors such as revisit intention, recommendation, and future purchase decisions were considered.	A positive restaurant experience encourages favourable behavioural responses.
Customer Perception	$\alpha = 0.83$ (Good Reliability)	Customers formed overall opinions based on physical environment and service encounters.	Servicescape plays an important role in developing positive customer perceptions.

Servicescape Dimension	Reliability Result	Major Observation	Interpretation
Location & Accessibility	$\alpha = 0.82$ (Good Reliability)	Owners considered location convenience, connectivity, and accessibility as important business factors.	Strategic location selection supports customer reach and operational effectiveness.
Site Atmosphere	$\alpha = 0.85$ (Good Reliability)	Owners emphasized the importance of ambience, cleanliness, layout, and environmental management.	Well-managed physical surroundings improve customer experience and competitive positioning.
Product & Service Offerings	$\alpha = 0.80$ (Good Reliability)	Owners recognized the importance of maintaining product quality, variety, and service standards.	Consistent offerings strengthen customer satisfaction and brand value.
Customer Service	$\alpha = 0.77$ (Acceptable Reliability)	Employee behaviour, responsiveness, and service delivery were identified as important factors.	Effective employee management enhances customer relationships.
Visual Merchandising	$\alpha = 0.79$ (Acceptable Reliability)	Owners considered interior design, branding elements, and outlet presentation important.	Visual elements support brand identity and attract customers.
Customer Satisfaction	$\alpha = 0.81$ (Good Reliability)	Owners acknowledged satisfaction as an outcome of effective service and environmental management.	Improved servicescape practices contribute to better customer retention.
Customer Behaviour	$\alpha = 0.75$ (Acceptable Reliability)	Owners associated positive experiences with repeat visits and recommendations.	Satisfied customers are more likely to demonstrate favourable behavioural intentions.
Customer Perception	$\alpha = 0.83$ (Good Reliability)	Owners recognized that customers evaluate restaurants based on overall experience.	Managing servicescape helps create a positive market image.

Pilot study confirms that the developed research instrument is reliable and suitable for measuring servicescape dimensions of restaurant chains. All constructs achieved acceptable reliability levels, indicating consistency among measurement items. The findings suggest that physical environment, service quality, accessibility, and customer experience are important factors influencing customer satisfaction and behavioural responses. The results provide a strong foundation for conducting the final research study comparing planned and unplanned retail sites.

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