

# The Importance of Servicescape in The Digital Industry Era

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**Abstract.** Servicescape or service environment is a variable that defines the availability of tangibles where services are provided to consumers. In the service business, the physical condition of the place where the service is provided can influence consumer perception and satisfaction. Servicescape is one of the most critical aspects in adding value to customers because business players need to provide satisfaction and value to customers. The objects of this research activity are Ambient Condition, Spatial Layout, Functionality, Sign Symbol, and Artifact, with the unit of analysis being the consumers of Workas Coffee and Eatery. This research model is qualitative, and data collection is conducted using a questionnaire that includes open-ended questions. Data analysis was performed using Nvivo Version 12 to assist in coding the respondents' answers. The coding results indicate that 50% of respondents highlighted aspects of the servicescape of Workas Coffee and Eatery, such as limited parking area, insufficient indoor cooling, a lack of electrical outlets, and lighting issues.

**Keywords:** Servicescape, Marketing Mix, Coffee Shop

## INTRODUCTION

Nowadays, young people need a place to hang out with friends. Their activities include doing homework, organizing meetings, or just talking to each other. Cafés are not just places for serving hot drinks; they also represent a crucial aspect of public life and are often considered the heart of neighborhood interactions [1]. One type of café is a coffee shop. The market for coffee shops, establishments primarily engaged in the retail sale of coffee, is experiencing growth and proliferation within urban areas, particularly with the prevalence of small and micro-enterprises. As of August 2019, the number of coffee shops in Indonesia reached 2,950, marking a threefold increase from the 1,000 outlets recorded in 2016. Coffee shops that sell coffee are growing in metropolitan areas, with primarily micro and small-sized businesses. In 2023, there were 3,000 coffee shops in Indonesia, a threefold increase from the 1,000 outlets in 2016 [2].

In 2020, the coffee culture in the City of Padang-West Sumatra flourished, with 92 bustling coffee shops. The coffee industry is set to expand even further in 2022, with the emergence of several new coffee establishments that still need to be accounted for by the Padang City Trade Office (Dinas Industri dan Tenaga Kerja Kota Padang). These coffee shops are strategically positioned near commercial hubs, popular tourist attractions, and bustling educational institutions, creating a vibrant coffee scene. Despite the proximity of these establishments, they all manage to attract and retain a loyal customer base, demonstrating the promising growth potential of Padang's coffee industry.

In contemporary times, coffee establishments serve as venues for coffee consumption and as spaces for social interaction and congregation, thereby making the comfort level of these establishments a critical determinant of customer contentment. A study led by Siti Aisyah Muhammad examined the comfort-related aspects of customer-selected spaces

in coffee shops across two distinct age brackets: 18-29 years and 30-49 years [3]. This research suggests that physical aspects such as hygiene, layout, lighting, and fragrance influence people's choices. In the vibrant city of Padang, coffee shop owners continuously strive to create inviting and modern spaces. With visually appealing layouts and comprehensive amenities, they are eager to capture the attention and interest of discerning customers.

The servicescape, or service environment, encompasses the physical surroundings in which services are delivered to consumers. Within a service-oriented enterprise, the tangible conditions of the location where services are rendered can significantly shape consumer perceptions and satisfaction [4].

Workas Coffee Shop and Eatery is a recent addition to the coffee shop scene in Padang. The cafe is situated at a unique location on Jl. Koto Tinggi No. 7A, Jati Baru, Padang City. Despite being centrally located, the cafe is tucked away in an alley rather than on the main road. This makes it essential to provide detailed directions to the exact location of Workas Coffee Shop. The volume of visitors fluctuates significantly. From its inception until mid-2022, Workas achieved a turnover of between IDR 2 million and 2.5 million daily. However, the cafe experiences a subdued atmosphere during student holidays since the primary market segment comprises [4] students in Padang. To attract consumers, several strategies have been implemented by the management, including introducing new menus at competitive prices, heightened activity on social media for promotional purposes, fostering engagement with followers, and enhancing the physical facilities within the café.

Previous research about servicescape used a quantitative method with three measurement constructs: ambient condition, spatial layout and functionality, sign symbols, and artifacts. This research will use a qualitative approach to get another perspective on the importance of servicescape in the coffee shop industry.

Bitner (1992) was the first to invent the term "servicescape." it is the physical space, made up of real and intangible elements, that an organization creates to facilitate service delivery to customers. The five intangible components are temperature, color, scent, sound, and color. Meanwhile, the physical building, furnishings, and equipment comprise the tangible elements [4]

Products invisible to the human eye or touch are known as services. As a result, it's critical to consider the surroundings and physical state of the location where the service is rendered. Marreta and Rofiq's study, which employs SC as a standard for tourist trips to Jawa Timur Park 2, focuses on this. The findings demonstrate that a well-managed and organized SC can affect visitor behaviour, resulting in a desire to return to Jawa Timur Park 2 [5]. Yunita, et al. (2022) [6] performed additional research on coffee shops, using SC as a baseline for customer satisfaction at Cofee Toffee dai Bogor. Data processing results indicate that SC significantly affects customer happiness. As Durna and Dedeouglu (2015)[7] mention that Servicescape has three indicators:

- a. Ambient conditions include illumination, sound, music, and scent.
- b. Spatial organization and functionality, including furniture arrangement, machine and equipment size and form, and interaction comfort
- c. Symbols, signs, and artifacts: labels, counters, instructions, and service methods (welcoming phrases)

## METHODS

This study used a qualitative approach to analyze the content of responses from 100 customers of Workas Coffee and reviews from Google Review. The content analysis focused on categorizing and interpreting the texts, intending to understand the servicescape in the coffee shop. Using this approach, the research could explore and uncover consumers' perceptions and thoughts about the servicescape at Workas Coffee Shop. Consumer perceptions are obtained from disseminating questionnaires to consumers during the coffee shop period of May 2024. The questionnaire presents five closed questions about servicescape indicators referring to the indicators of Durna and Dedeouglu, as well as open questions to ask consumers' opinions about servicescape. These five questions include lighting, room temperature, quiet cafe atmosphere, layout of furniture, use of symbols and clues. The steps for collecting response content data are done by ensuring that the questionnaire is filled by the consumers at Workas Coffee Shop when they come and enjoy the

coffee; giving the barcode of the questionnaire; saving the data into PDF and transferring it to Nvivo; and saving the capture results in the data folder provided on the computer.

The research conducted data analysis using NVivo 12 Plus, a qualitative data analysis software. NVivo 12 Plus is designed to analyze text data from interviews, documents, and online and social media texts. One of the critical strengths of NVivo 12 Plus is its ability to capture and categorize text from online and social media sources. The data analysis process for open-ended questions using NVivo 12 Plus involves importing files, coding the responses into categories, and utilizing the Cloud Analysis feature. This structured process aims to collect data that effectively addresses the research question. To analyze the answer to the closed question, the data is processed descriptively using SmartPLS 4 to determine the mean of the respondents' answers.

## RESULTS AND DISCUSSION

Table 1 shows that of the 101 respondents who were samples in this study, 61% were males and 39% were females. Workas Coffee consumers are mostly males because the culture of drinking coffee is usually identical to the male habits, supported by the fact that this cafe has a lot of visitors from 09.00 p.m. until midnight. On the job side, 52% of respondents were students, while the rest were civil servants and entrepreneurs. This confirms a study by Afifah et al. (2023) [2] that a coffee shop is where young people come together for various social activities.

**TABLE 1. Respondent Profile**

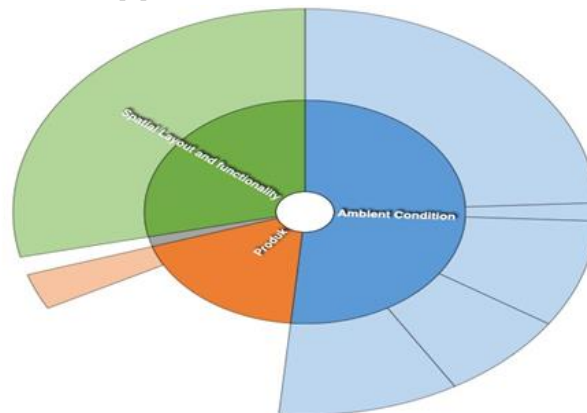
Row Labels	Count of Gender
1. Male	62
2. Female	39
Grand Total	101
Row Labels	Count of Occupation
1. Students	54
2. ASN	10
3. Private comp employee	15
4. Entrepreneur	15
5. Other	7
Grand Total	101
Row Labels	Count of Age
1. 15 - 25 tahun	66
2. 26 - 35 tahun	25
3. 36 - 45 tahun	6
4. > 46 tahun	4
Grand Total	101

**TABLE 2. Descriptive Statistics**

Items Code	Items	Mean	Median	Standard deviation	Excess kurtosis	Skewness
SC1	Lighting on Workas Coffee and Eatery is sufficient and adequate	3.921	4	0.713	0.603	-0.547
SC2	Room temperature (indoor and outdoor) at Workas Coffee and Eatery is comfortable to enjoy coffee	3.792	4	0.882	-0.523	-0.366
SC3	Workas Coffee and Eatery's atmosphere is noisy so it's a good place to chat and talk	3.99	4	0.85	-0.699	-0.374
SC4	The layout of coffee machines, equipment and furniture is already able to meet the needs of the consumer	3.842	4	0.728	-0.169	-0.214
SC5	The use of symbols and clues in indoor and outdoor cafe areas is appropriate; coffee shop names, logos, directions such as; place of order, toilet, praying room	3.762	4	0.822	-0.375	-0.288

Table 2 shows that the average respondent answered "neutral" and "agreed" to the questions about servicescape aspects at Workas Coffee and Eatery. Question No. 3 had a mean of 3.99, which means the respondent agreed that Workas coffee had a quiet and noisy atmosphere. Workas Coffee doesn't provide live music to support the coffee shop's performance. It's because the cafe's location is close to residents' homes, so it's worrying that it'll be too scaly and disturb the peace. However, it turns out that consumers appreciate this very much because they can communicate comfortably without raising their voices while talking to each other. However, overall, consumers have a positive perception of the servicescape aspects of Workas Coffee.

On the open question, the responses given by respondents in the coding are based on five categories: ambient condition, product, promotion, symbol, and spatial layout. Each respondent provided 101 responses, which were then coded words and sentences based on the chosen category. Qualitative research processes data in the form of text, so an important stage in this research is to code data [8].



**Figure 1. Hierarchy Chart From Coding Using Nvivo**

The open question was transferred to Nvivo to code them to see what aspects are getting more attention from Workas Coffee customers. The answers from 101 customers were grouped into five categories, which are: ambient condition, product, promotion, sign symbol artifact, and spatial layout and functionality. Figure 1 shows us that the ambient condition aspect was getting the most variable mentioned by consumers. This variable is grouped into five sub-categories: innovation, operational schedule, spacious place, services, and lighting.

The aspect of ambient conditions is most highlighted by respondents, especially regarding innovation, with 17 words directly emphasizing it. Respondents' most frequently mentioned points related to innovation are adding a booth for photos and providing games like Uno. Customers also provide their thoughts regarding adding food and beverage varieties to the offering to fit current trends. Regarding the promotion element, customers only mentioned the potential for coffee shops to provide exclusive deals and promotions once. However, Workas Coffee Shop customers did not note the sign or symbol components. Many highlights from the respondents were also given regarding the area's illumination and parking space size. Customers also provide their thoughts regarding adding food and beverage varieties to the offering to fit current trends.

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The purpose of the study is to observe and determine how significant the Workas Coffee Shop's servicescape is. For a week, 100 respondents who were Workas Coffee Shop customers received the questionnaire directly. Respondents' concerns were identified from the data coding findings using Nvivo 12.

1. The state of the surroundings in which customers receive goods and services is known as the ambient condition. Respondents were asked about the coffee shop's outside and interior illumination. Given that most customers of Workas Coffee Shop are students with motorcycles, who require reassurance that their cars are safe. At the same time, they drink coffee, the most often noted feature by respondents was the parking area's lighting. This is consistent with Yunita et al.'s (2020) research, which found that the ambient condition factor affects customer satisfaction.
2. How furniture, layout, and other physical elements are arranged to support the services offered is called spatial layout and functionality. This section covers adding electrical contacts, wifi, and air conditioning. This is consistent with Muhammad's (2020) study on coffee shops in Malaysia, which found that customers prefer coffee shops with well-made and comprehensive furniture. Nowadays, coffee shops serve as gathering places for people to work, complete assignments, and drink coffee. Workas Students, who make up 54% of coffee users, use the time to finish their homework and enjoy coffee, so they must be aware of the three items listed.
3. Directions, labels, and other identifying marks (such as order counters, prayer rooms, and restrooms) are examples of signs, symbols, and artifacts. Respondents should have brought up this point since Workas Coffee Shop's general directions for patrons to enjoy its goods and services are adequate

## **CONCLUSION**

A component of the organization's physical space that supports how goods and services are presented to customers is called the "servicescape." Respondents paid attention to the physical features of Workas Coffee Shop, including the lighting, furnishings, wifi, parking lot, and air conditioning. Kotler and Armstrong assert that servicescape is a crucial component that will enhance the primary goods and services that clients are provided.

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