

# Crafting the Service Environment

the service environment is an important component of the marketing mix and overall value proposition

environment communicates and describes the organizational the service, shape employee and customer **perceptions**, guide behavior through the delivery system, and may represent the core of a **competitive advantage**

## the purpose of service environment

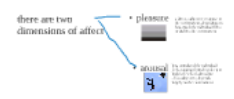


## understanding consumer responses

to understand the responses, we have to focus on understanding **the feelings** of customers

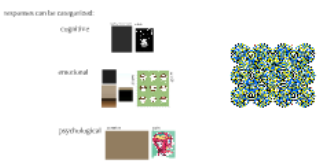
both conscious and unconscious perception

by better knowledge of people we can drive their behavior



how customer feel during the service encounter is an important driver of loyalty

employee responses are also important and they affect the productivity



## dimensions

the main service dimensions of environment are:

- ambient conditions
- space
- functionality
- signs, symbols, artifacts

**ambient conditions** affect the service quality because they are the most noticeable environmental factors

color design can play an important role in service quality



**space and functionality**



design for customers! not only for esthetics

holistic view

- learn observation of consumers
- feedback and ideas from front-line staff and customers
- field experiments
- ethnography

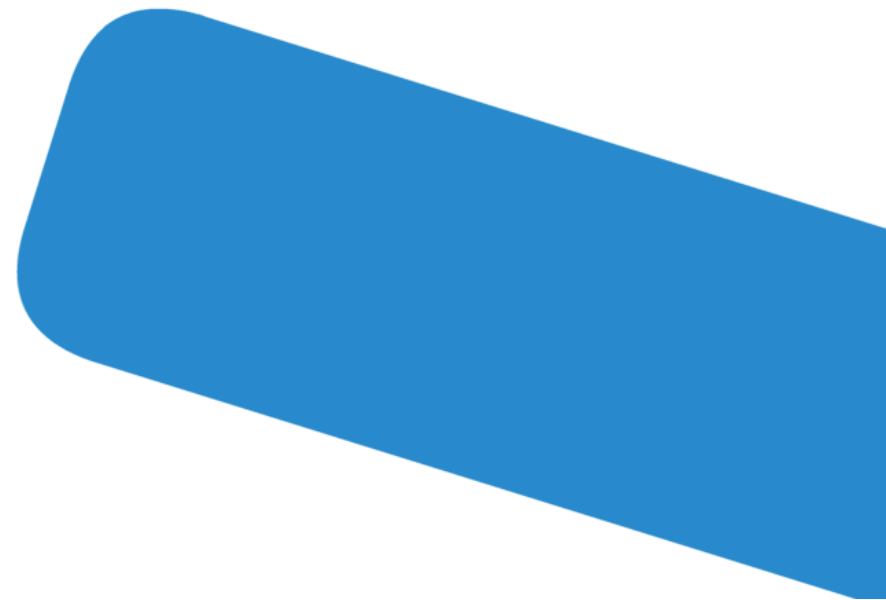


# Crafting the Service Environment

Place and time

# ment

Place and time



the service environment is an important component of the marketing mix and overall value proposition



environment communicate and determine the positioning of the service, shape employee and customer productivity, guide customer through the delivery system, and may represent the core of a competitive advantage





# the purpose of service environment

service environment = servicescape

- ✧ it affects the buyer behavior in three ways:
  - a message creating m
  - an attention creating
  - an affect creating me
  
- ✧ creates image, positioning and differentiation
  - servicescape communicates and reinforces customer expectations

# the environment

service environment = servicescape

✧ it affects the buyer behavior in three ways:

- a message creating medium
- an attention creating medium
- an affect creating medium

# e environment

service environment = servicescape

✧ it affects the buyer behavior in three ways:

- a message creating mechanism
- an attention creating mechanism
- an affect creating mechanism



# ent = servicescape

avior in three ways:

- a message creating medium
- an attention creating medium
- an affect creating medium



distinctive nature and quality of the service experience

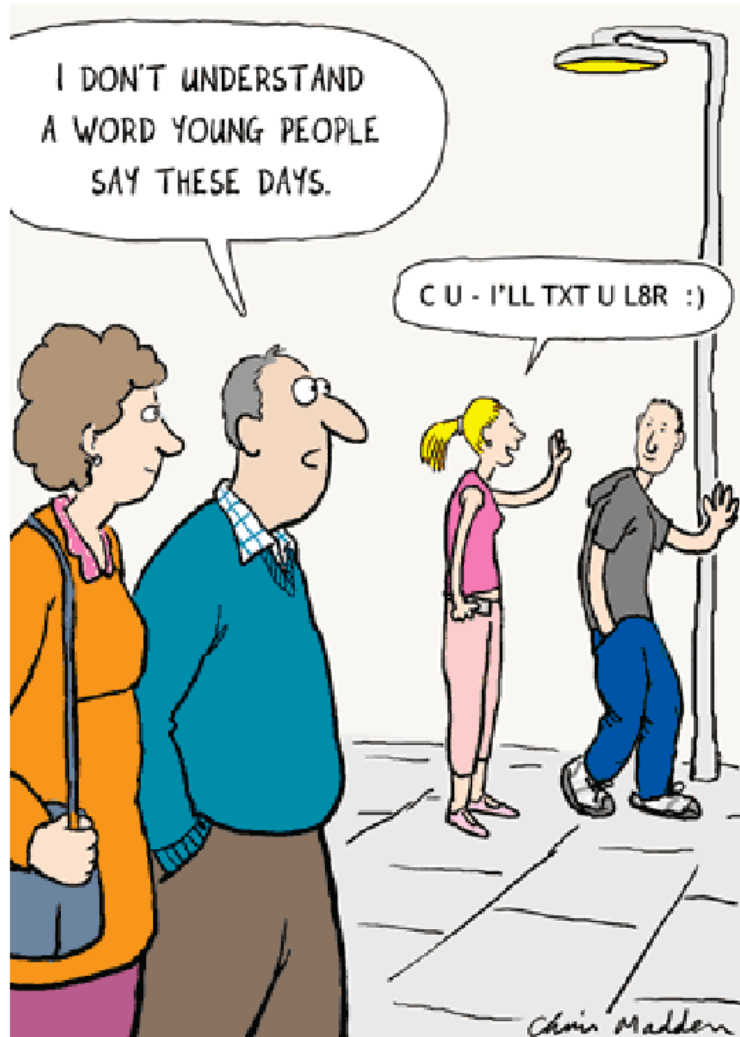
the servicescape stand out from the competition, attracts customers

enhances the experience and increase the 'appetite' for it



## ng and differentiation

ommunicates and



distinctive nature and quality  
of the service experience

# ent = servicescape

avior in three ways:

- a message creating medium
- an attention creating medium
- an affect creating medium



distinctive nature and quality of the service experience

the servicescape stand out from the competition, attracts customers

enhances the experience and increase the 'appetite' for it



## ng and differentiation

ommunicates and



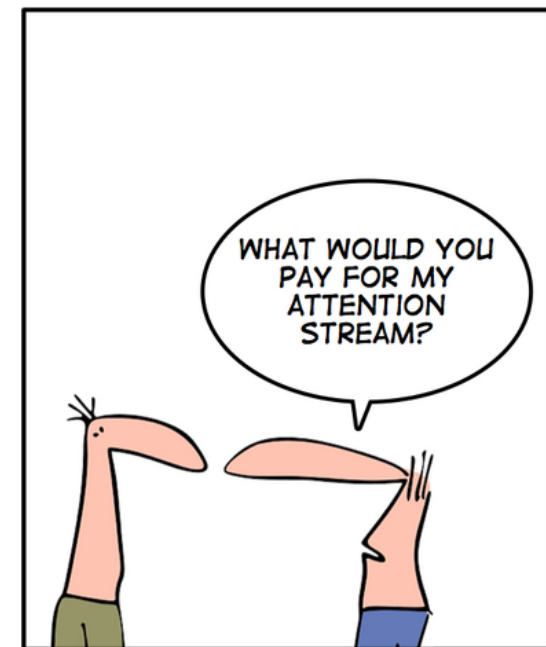
ature and quality  
e experience

the servicescape stand out  
from the competition,  
attracts customers

perience and  
'petite' for it



HOW TO MAKE MONEY ON WEB 2.0



AT THE PAWNSHOP

geek and poke

# ent = servicescape

avior in three ways:

- a message creating medium
- an attention creating medium
- an affect creating medium



distinctive nature and quality of the service experience

the servicescape stand out from the competition, attracts customers

enhances the experience and increase the 'appetite' for it



## ng and differentiation

ommunicates and

enhances the experience and  
increase the 'appetite' for it



- a message creating medium
- an attention creating medium
- an affect creating medium

✕ creates image, positioning and differentiation

servicescape communicates and reinforces customer expectations

creates the impression of the low price x high price environment



age, positioning and differentiation

servicescape communicates and reinforces customer expectations

creates the impression of the low price x high price environment





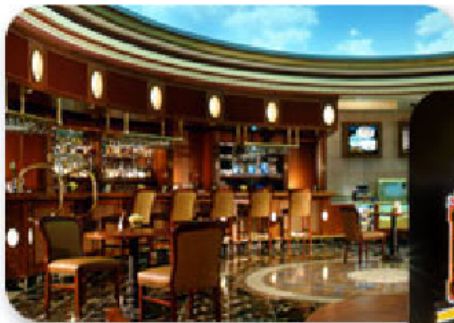
ing, positioning and atmosphere

servicescape communicates and reinforces customer expectations

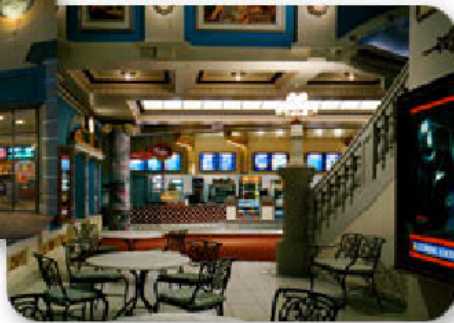
creates the impression of the low price x high price environment



physical surroundings help to shape appropriate feelings and reactions in customers and employees



e.g., muvico



# understanding consumer responses

to understand the responses, we have to focus on understanding the feelings of customers

both, conscious and unconscious perception

by better knowledge of p  
we can drive their behavi



# Understanding consumer responses

to understand the responses, we have to focus on understanding the feelings of customers

both, conscious and unconscious perception



by better knowledge of people  
we can drive their behavior

ponses, we have to focus  
feelings of customers

both, conscious and  
unconscious perception



by better knowledge of people  
we can drive their behavior



# unconscious perception



by better knowledge of people  
we can drive their behavior



- pleasure



a direct, subjective response to the environment, depending on how much the individual likes or dislikes the environment



by better knowledge of people  
we can drive their behavior



there are two  
dimensions of affect

- pleasure



a direct, subjective response to the environment, depending on how much the individual likes or dislikes the environment

- arousal

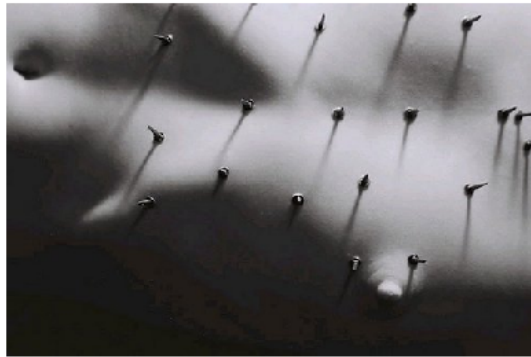


how stimulated the individual feels, ranging from deep sleep to highest levels of adrenaline - less subjective, depends largely on the environment

Russell model of affect



- pleasure



a direct, subjective response to the environment, depending on how much the individual likes or dislikes the environment

• **proprioception**

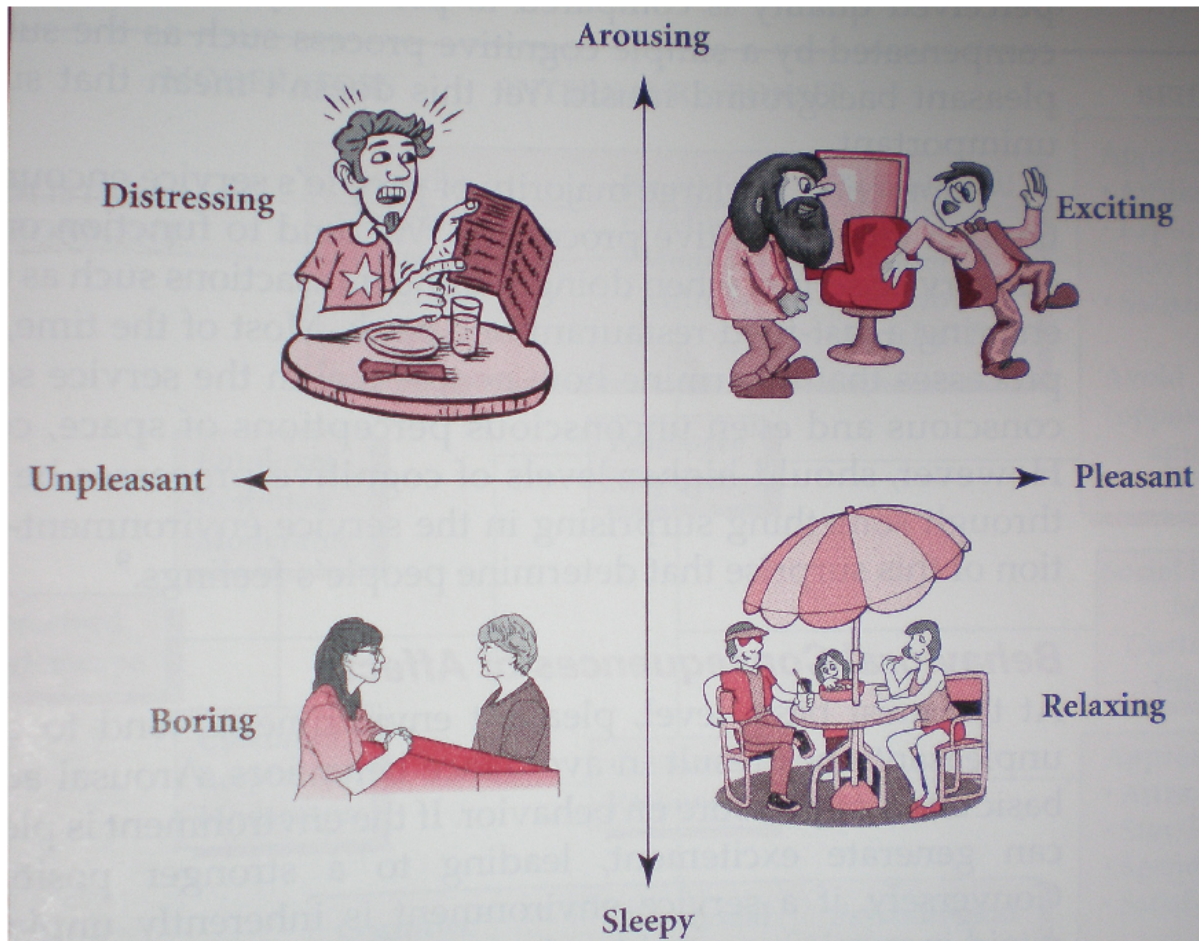
how stimulated the individual

- arousal



how stimulated the individual feels, ranging from deep sleep to highest levels of adrenaline  
- less subjective, depends largely on the environment

# Russell model of affect

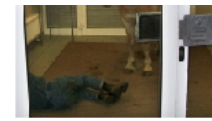
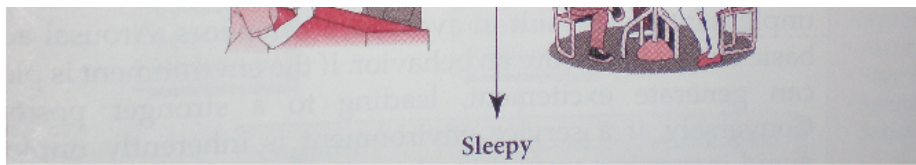


e.g., customer to feel excited - pleasure + a relatively high-arousal

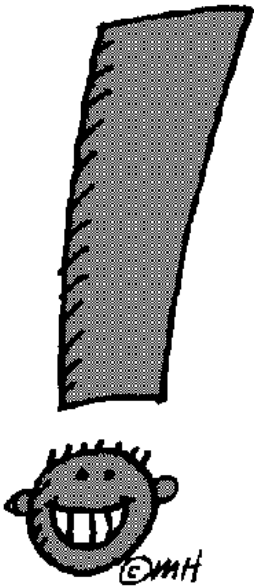


in a bank - confident





how customer feel during the service encounter is an important driver of loyalty



I work for money,



If you want loyalty,  
get a dog.



employee responses are also important  
and they affect the productivity



employee responses are also important  
and they affect the productivity



Responses can be categorized:

cognitive

quality perception beliefs



responses can be categorized:

cognitive

emotional

psychological



...g...a

cognitive

quality perception beliefs

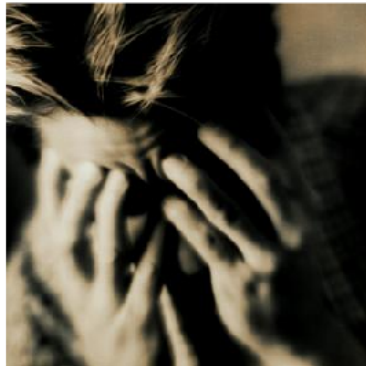
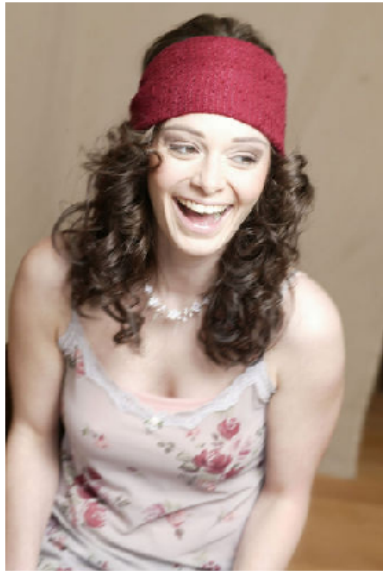




emotional



feelings



moods

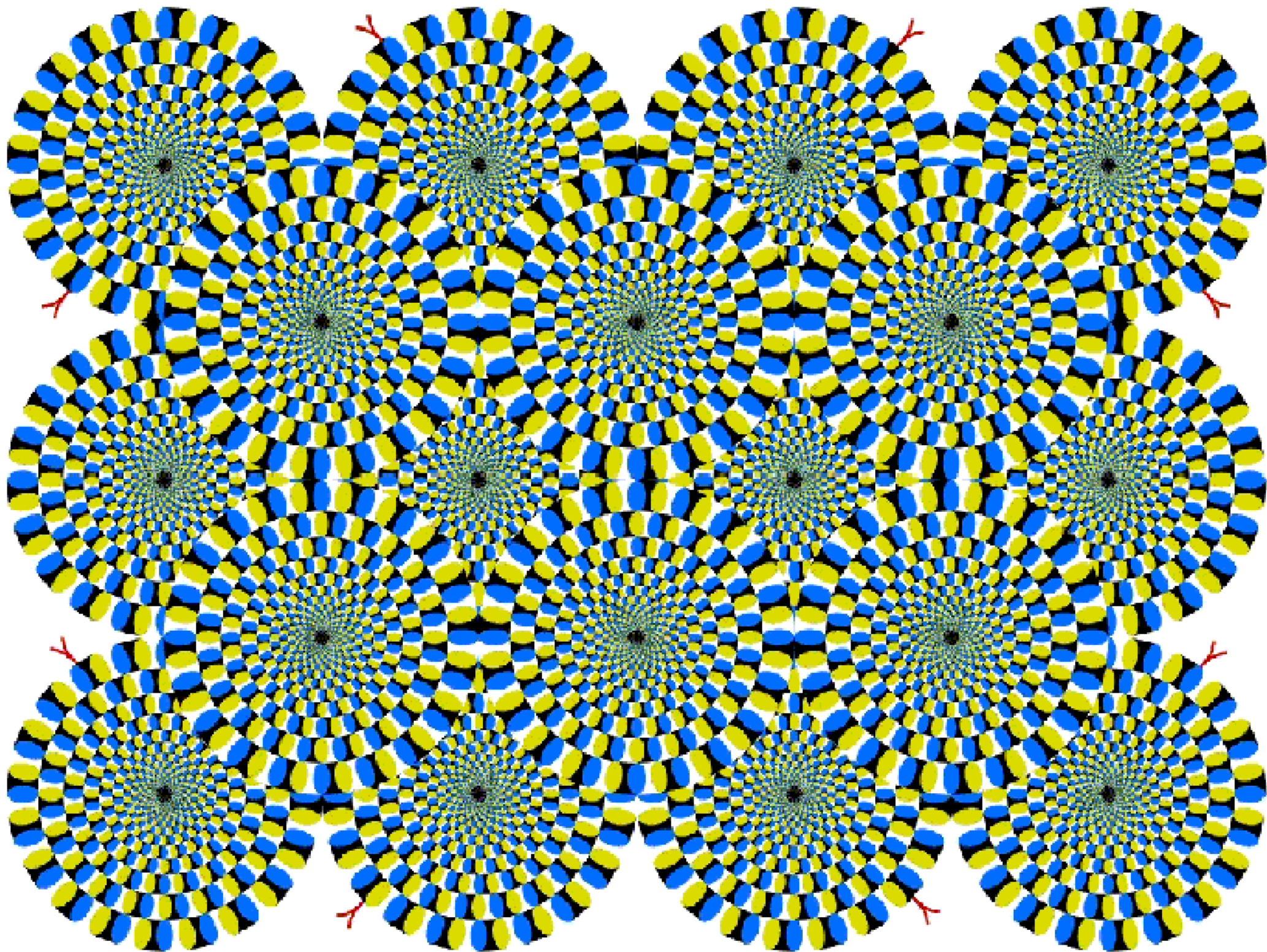
psychological

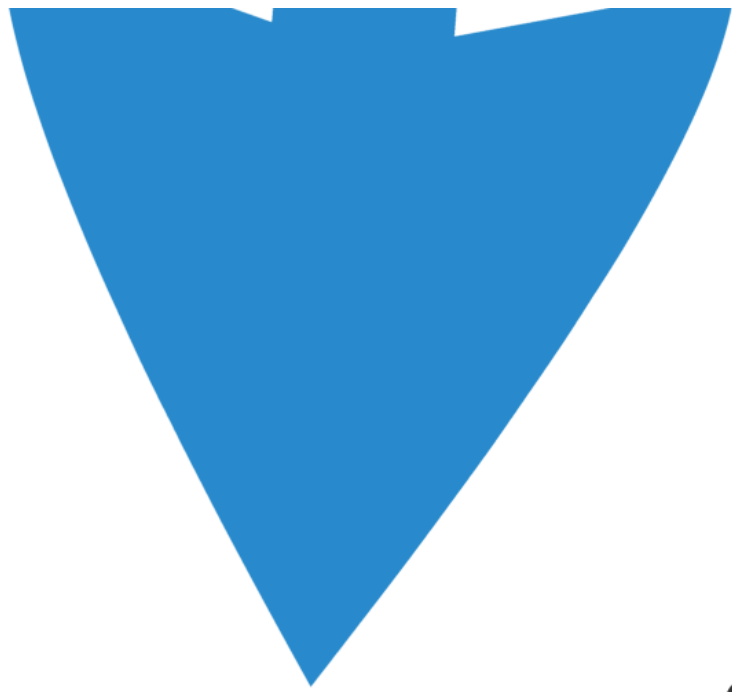
comfort



pain







dimensions

the main servi

# Dimensions

the main service dimensions of environment are:

- ambient conditions
- space
- functionality
- signs, symbols, artifacts

 ambient conditions

affect our five senses



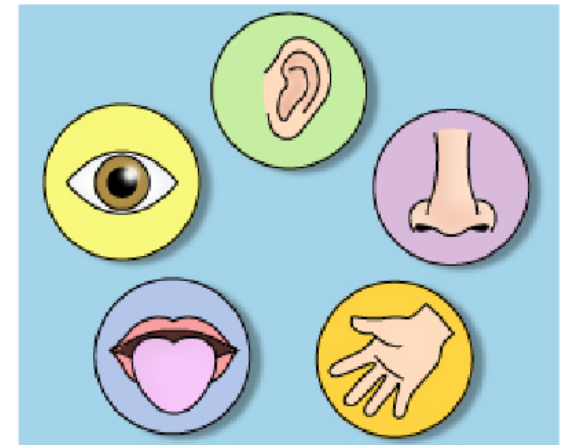
clever de

- signs, symbols

## ambient conditions

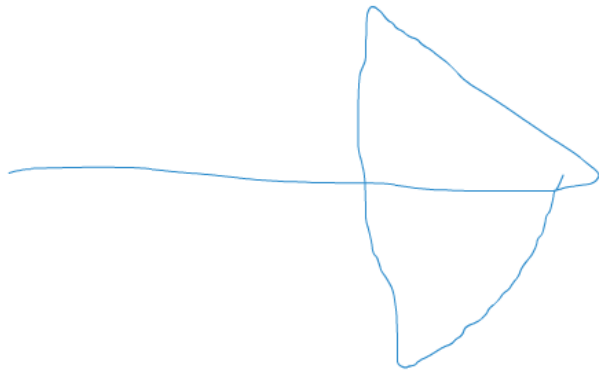
affect our five senses

...lighting, color schemes, size and shape,  
sounds, temperature, scents or smells



fast-tempo and high-volume  
increases arousal level





clever design can elicit  
desired behavioral responses

MUSIC, THE BEAUTIFUL DISTURBER OF AIR  
LISTEN LISTEN LISTEN LISTEN



MUSIC hath  
EXARMS  
to  
SOOTHE  
the  
SAVAGE  
breast

To  
SOFTEN  
rocks  
OR  
send A  
Knotted



If music be the food of LOVE  
PLAY ON!



We are  
the  
MUSIC  
Makers  
AND  
WE ARE  
the  
DREAMERS  
of  
dreams

AS WELL SAID TO BE THE SPEECH OF ANGELS



MUSIC  
WITH  
OUT  
MUSIC  
LIFE  
WOULD BE  
MISTAKED

IS  
LOVE  
in search of a WORD

NO  
FRIEND  
LIKE  
MUSIC

WHEN THE  
heart  
IS BROKEN  
TO MEND  
its  
WINGS  
and GIVE

FLIGHT  
again

Charles Hays © 2002



fast-tempo and high-volume  
increases arousal level

people tend to adjust their pace  
(voluntarily or involuntarily) to  
match the tempo of music




fast-tempo and high-volume  
increases arousal level

people tend to adjust their pace  
(voluntarily or involuntarily) to  
match the tempo of music

to keep jay customers away -  
play classical music





people tend to adjust their pace  
(voluntarily or involuntarily) to  
match the tempo of music

to keep jay customers away -  
play classical music

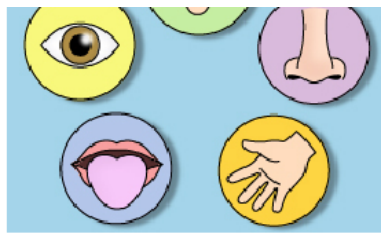
familiar x unfamiliar

match the tempo of music

to keep jay customers away -  
play classical music

familiar x unfamiliar

...lighting, color schemes, size and shape, sounds, temperature, scents or smells



Clever design can elicit desired behavioral responses



fast-tempo and high-volume increases arousal level



people tend to adjust their pace (voluntarily or involuntarily) to match the tempo of music



to keep jay customers away - play classical music

familiar x unfamiliar



scent





may or may not be consciously  
perceived by customers

powerful when we are hungry

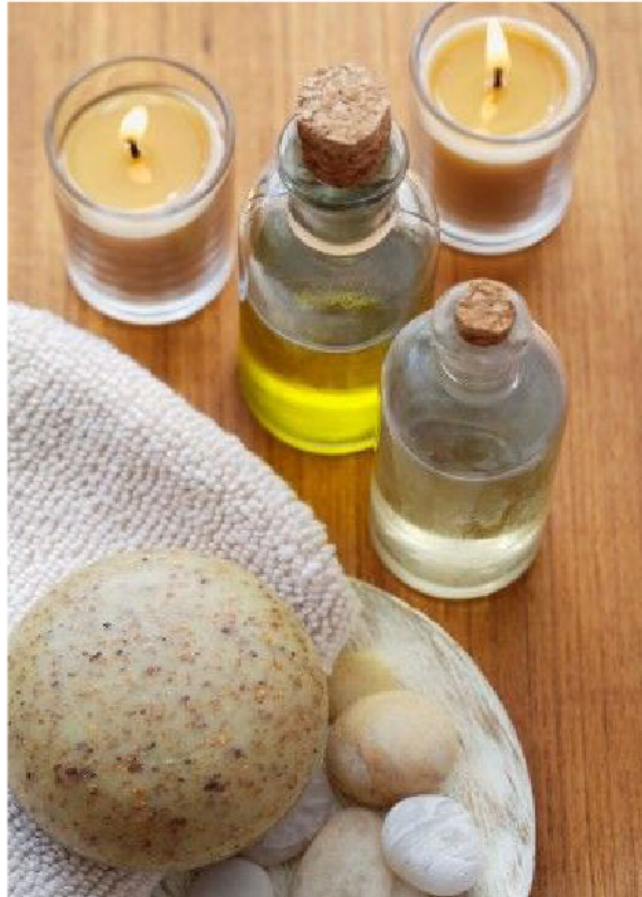
may or may not be consciously  
perceived by customers

powerful when we are hungry

aromatherapy



# aromatherapy





relaxing



High yield 2 year old clonal *Eucalyptus* crop & annual wheat intercrop polyculture managed as an agro-forestry system. (Jalandhar, Punjab, India)

energizing



boosts energy



balancing

apy



# color



# color



has a strong effect on people's feelings



hue - the pigment of the color  
(orange, yellow, green, blue)

value - degree of lightness or darkness of  
the color (from pure black to pure white)

chroma - hue intensity, saturation

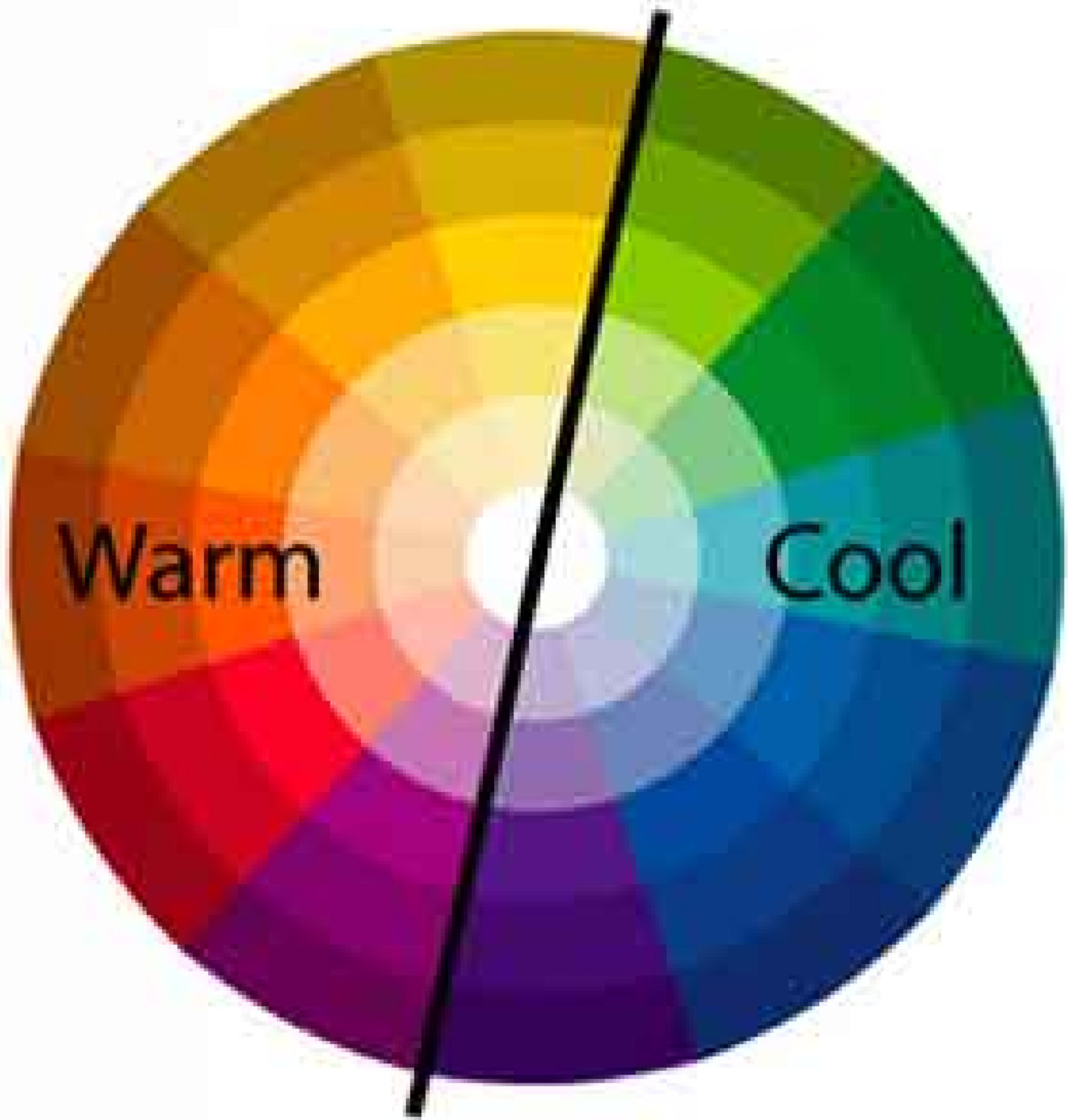


associated with reduced

ted  
out  
xiety

aking,

nases



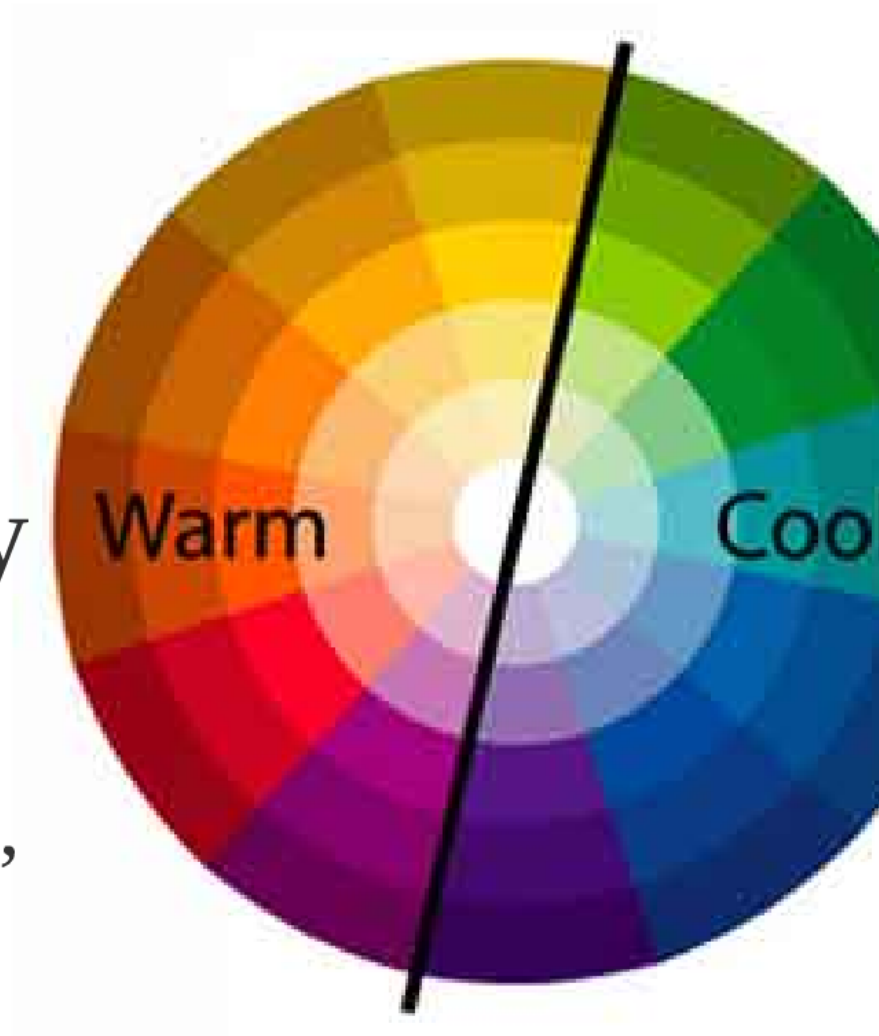
asso  
arou  
as p  
love

favo  
time  
purc



associated with elated mood and arousal but also heightened anxiety

encourage fast decision making, good for low-involvement decisions or impulse purchases





associated with reduced arousal levels, elicit emotions as peacefulness, calmness, love and happiness

favored when consumers need time to make high-involvement purchases

## RED

hot  
passion  
Love  
rebellious  
powerful  
sex  
radical  
excited  
bold  
devil

*Coca-Cola*®



xerox



## ORANGE

warm  
fall  
summer  
retro  
mellow  
solar  
friendly  
rococo  
cottage

amazon.com.



Etsy

# RED

passion  
Love  
rebellious  
powerful  
sex  
radical  
excited  
bold  
devil

*Coca-Cola*®



xerox



# ORANGE

warm  
fall  
summer  
retro  
mellow  
solar  
friendly  
rococo  
cottage  
inviting

amazon.com.



Etsy

# YELLOW

solar  
happy  
cheerful  
summer  
fun  
energetic  
jubilant  
young  
sun



# ORANGE

summer  
retro  
mellow  
solar  
friendly  
rococo  
cottage  
inviting



# YELLOW

solar  
happy  
cheerful  
summer  
fun  
energetic  
jubilant  
young  
sun  
friendly



# GREEN

environmental  
money  
natural  
organic  
Profit  
earthy  
grow  
Dublin



# YELLOW

cheerful  
summer  
fun  
energetic  
jubilant  
young  
sun  
friendly



# GREEN

environmental  
money  
natural  
organic  
Profit  
earthy  
grow  
Dublin  
trust  
jealous



# BLUE

liberal  
cold  
smart  
Progress  
music  
trust  
freedom  
royal



# GREEN

natural  
organic  
Profit  
earthy  
grow  
Dublin  
trust  
jealous



# BLUE

liberal  
cold  
smart  
Progress  
music  
trust  
freedom  
royal  
medicine  
launch



# PURPLE

royal  
mystical  
victorian  
decadent  
vanity  
romantic  
elegant  
stylish



# BLUE

smart  
Progress  
music  
trust  
freedom  
royal  
medicine  
launch

FACEBOOK



# PURPLE

royal  
mystical  
victorian  
decadent  
vanity  
romantic  
elegant  
stylish  
sensual  
eclectic



# BROWN

rustic  
furniture  
fall  
earthy  
cottage  
library  
warm  
romantic





# PURPLE

victorian  
decadent  
vanity  
romantic  
elegant  
stylish  
sensual  
eclectic



# BROWN

rustic  
furniture  
fall  
earthy  
cottage  
library  
warm  
romantic  
colonial  
book



# MULTI



**BROWN**

fall  
earthy  
cottage  
library  
warm  
romantic  
colonial  
book



**MULTI**



Google™



Google™



Google™



you can play with colors, you can play with logos, but be careful and fit them into context



decisions or impulse purchases



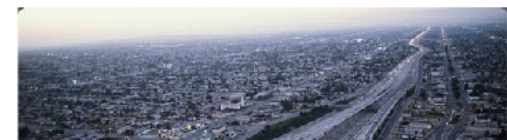
determine the user-friendliness

# spatial layout and functionality

refers to the floorplan, size and shape of furnishing, counters, and potential machinery and equipment, and the ways in which they are arranged



refers to the ability of those items to facilitate the performance of service transactions



# spatial layout and

refers to the floorplan, size and shape of furnishing, counters, and potential machinery and equipment, and the ways in which they are arranged



# d functionality

refers to the ability of those items to facilitate the performance of service transactions



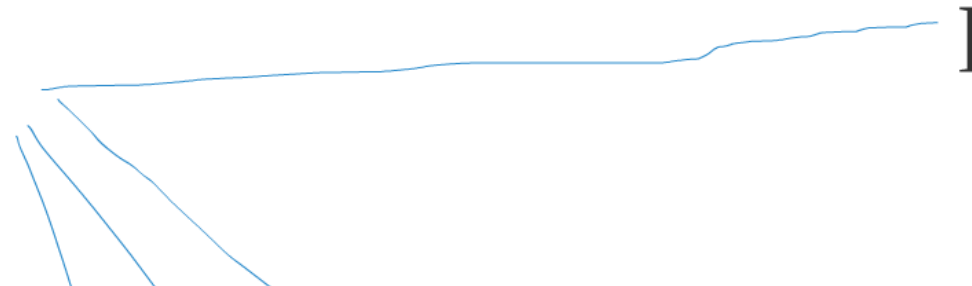
signs, symbols, and artifacts





first-time customers will automatically try to draw meaning from the environment to guide them through the service process

signs should be explicit



signs should be explicit



and intuitive

if not - customers become disoriented,  
uncertain and even angry and frustrated



labels



Welcome to

**HARRISBURG**



MAYOR



**Wayne County**



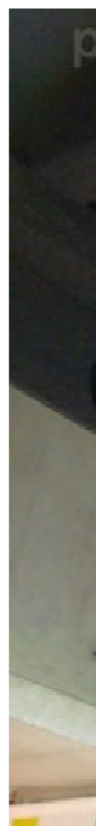
**DEPARTMENT**



TRESTLE  
COVE

VICTORIA  
PARK

giving directions





7

Navettes hôtels Hotel shuttles See airport Request by <b>Porte 30</b> Door	Disneyland® Resort Paris <b>Porte 32</b> Lift Door	Bus Only Bus Paris Mallot, Arc de Triomphe Gares Lyon/Montparnasse <b>Porte 34</b> Door
Limousine Service <b>Porte 30</b> Door	Bus Paris (Opéra) <b>Porte 30</b> Door	<b>CDGVAL</b> Airport Shuttle →
Taxis <b>Portes 26,28</b> Doors	Location de voitures Car rental <b>Portes 26,28</b> Doors	
Cars de groupes Group coaches <b>Porte 10</b> Door	<b>Terminal 2</b> <b>Terminal 3</b> Gare routière Coach Station RER B Paris par train Paris by train Gare SNCF Railway Station	
Exit <b>Porte 10</b> Door		

4

SUMMER  
FESTIVAL  
& ARC  
PARIS

fotolia

fotolia

fotolia



fotolia

fotolia

fotolia

fotolia

fotolia

fotolia



communicationg service script



pt



behavioral rules

**CAUTION**

**THIS SIGN HAS  
SHARP EDGES**

**DO NOT TOUCH THE EDGES OF THIS SIGN**



**ALSO, THE BRIDGE IS OUT AHEAD**



**Cj**

CONSUMPTION  
JUNCTION.com  
What's your Dysfunction?

KARMA  
21  
KARMA 21

칼마21 양재자동차극장



TOILET



**NO**

**PARKING  
EXCEPT  
FOR  
MICHAEL**





design for customers!

DESIGN FOR CUSTOMERS!  
not only for esthetics



## holistic view

- keen observation of customers
- feedback and ideas from front-line staff and customers
- field experiments
- blueprinting

