

Purpose of Service Environments ?(Muvico's CEO, Hamid Hashemi) The power of servicescapes is being discovered Insights from Mehrabian–Russell Stimulus–Response Model It is a simple yet fundamental model of how people respond to Environments that holds: ?use colors, textures, sounds, scents, and spatial design to Enhance desired service experience Servicescape as Part of Value Proposition ?Florida-based Muvico: builds extravagant movie theatres and offers plush amenities.Las Vegas: repositioned itself to a somewhat more wholesome fun resort, visually striking entertainment center ?If higher levels of cognitive processes are triggered, the interpretation of this process determines people's feelings ?Facilitate service encounter and enhance productivity Shape customers' experience and Their behaviors ?Typical outcome variable is 'approach' or 'avoidance' of an Environment, but other possible outcomes can be added to model Insights from Russell's Model of Affect ?symbolic cues to communicate the distinctive nature and quality of The service experience ?Emotional responses to environments can be described along two main dimensions: ?Pleasure: subjective, depending on how much individual likes or dislikes environment ?Arousal: how stimulated individual feels, depends largely on information rate or load of an environment ?Firms can set targets for affective states Drivers of Affect ?Caused by perceptions and cognitive processes of any degree of complexity ?Pleasant environments result in approach, whereas Unpleasant ones result in avoidance ?If environment is pleasant, increasing arousal can generate Excitement, leading to a stronger positive consumer response ?make servicescape stand out from competition and attract Customers from target segments ?e.g., Disneyland, Denmark's Legoland ?The more complex a cognitive process becomes, the more powerful its potential impact on affect Behavioral Consequence of Affect ?Support image, positioning, and differentiation ?Message–creating medium ?Attention–creating medium ?Effect–creating medium ?Physical surroundings help shape appropriate feelings and reactions in customers and employees ?Servicescapes form a core part of the value proposition ?The environment, its conscious and unconscious perceptions, and Interpretation influence how people feel in that environment ?Arousal amplifies the basic effect of pleasure on behavior ?Shape customers' experience and their behaviors ?Part of the value proposition ?Feelings, rather than perceptions/thoughts drive behavior ?It determines how people feel in a service setting ?"What sets you apart is how you package it."Advantage: simple, direct approach to customers' feelings ?