Setting the Scene for the Guest Experience

HOSPITALITY PRINCIPLE: PROVIDE THE SERVICE SETTING THAT GUESTS EXPECT

I don’t want the public to see the world they live in while they’re in the Park. I want them to feel they’re in another world.
—Walt Disney

LEARNING OBJECTIVES

After reading this chapter, you should understand:

• Why the service setting or service environment is important.
• How the service environment affects guests and employees.
• Which elements of the service environment need to be managed.
• How service environment factors moderate or affect the responses of guests, according to the Bitner model.
• Why providing a service environment in which guests feel safe and secure is critical.
• How theming the service setting pays off.
In Chapter 1, we defined the guest experience as consisting of three component elements: the service itself, the service environment, and the service delivery system (the people and the processes that provide the service to the guest). This chapter focuses on the service environment or setting in which the guest experience takes place. For a restaurant, the environment can be a Rainforest Café or Margaritaville, where the physical structure is an integral part of the guest experience, or it can be a Denny’s with simple booths. The difference between these two types of restaurants is something more than just the food. An eatertainment restaurant, such as House of Blues, ESPN Zone, and Hard Rock Café, create environments that enhance the eating experience well beyond the meals they serve. They deliver a high-quality meal, but they also offer an elaborate themed décor to add a show-like experience for their guests and uniquely differentiate their restaurants from competitors. Although all service organizations give some thought to the service setting, its importance to the customer experience has been most thoroughly understood by those who view and treat their customers as guests—the hospitality industry.

Some in the hospitality industry have embraced the idea of guestology, and have developed service environments to meet or exceed the customers’ expectations. Truly amazing examples can be found in amusement parks, hotels, and restaurants, where the entire service setting is crafted to create a specific look and feel for the guest. This service setting is an important part of the service experience being delivered. This chapter will focus on why managing the setting for the hospitality experience is so important, and what major components need to be considered to do it well.

**CREATING THE “SHOW”**

A term coined by Walt Disney, “the show” refers to everyone and everything that interfaces with guests. It reflects his belief that a theme park should make guests feel like they are immersed in a living motion picture, where everything the guest sees, feels, and senses is part of the story being told. Although employees and other customers are also part of any guest service organization’s “show” or service environment, the physical aspects of the service setting are equally important.

This chapter focuses on the physical aspects of the service setting. Without question, the setting can have a major influence on the guest’s determination of the quality and value of a guest experience. For some experiences offered to guests, the environment is in effect the setting for a dramatic production or play in which the guest is a participant. Occasionally, the environment is so significant to the enjoyment of the fantasy that it should perhaps be considered as a part of the service itself.

Perhaps more than any other organization, Disney understands that its guests have extraordinary experiences largely because of the attention Disney pays to creating the show. Walt Disney originated the idea that a guest experience can be unified and enhanced if it is based on a theme. Disney spends endless time and effort ensuring that the environment and the cast members/employees within it—the show—are as consistently and accurately themed as possible.
Many companies use a theme to create a feeling that guests are somehow immersed in another place and time to provide guests with extraordinary experiences. The lesson that Disney has taught everyone is that by paying attention to the details of creating a themed show, they can add quality and value to the guest experience. Successful hospitality organizations have learned that a great show is well worth spending considerable time and effort.

Much of Walt Disney’s early success with Disneyland resulted from his insight that many guests would enjoy feeling like active participants in a drama or movie rather than simply being passive observers. In making movies, Walt had learned to present stories that offered viewers the opportunity to experience fantasy vicariously. Why not set up parks and rides with characters and fantastic settings within which guests could move and participate as if they were immersed in a movie? For an organization offering such an intangible feeling as its “product,” the service setting is critical to success.

Themes Create Fantasy

When a company uses the physical environment and other visual cues to create a show as part of its service experience, it is trying to transport its guests into a fantasy world. This strategy can be used for an amusement park, a restaurant, a hotel, a cruise ship, or any place where the hospitality experience would be enhanced by adding some fantasy. Many hospitality organizations have used the environment to create a sense of fantasy through theming, as they have learned the value of creating a unique and memorable setting that enhances and contributes to the total guest experience. For example, when the environment serves as an important part of the dining experience, the theme of the setting within which the meal is presented needs to be consistent with the food served.

Walt Disney’s genius was to take guests out of the real world and transport them into a world of make-believe, which he accomplished by carefully integrating all the components of the guest experience in his themed parks. Seeing the success of Disney, others adopted this idea. The Medieval Times restaurant created a theme that transports guests to an eleventh century feast and tournament, where knights joust on horseback and dinner is eaten without any utensils. The listings in the “By Experience” section on the Web site Unusual Hotels of the World show an amazing variety of themed hotels available for customers. The Web site lists a variety of themed hotels: an igloo, cave dwellings, 200 meters underground, a train car, and even one where each room is themed after a philosopher (Would you like to stay in the Zen room, the Nietzsche room, or the room themed after Karl Marx, or would perhaps the Aristotle room be more your style?). Regardless of the type of hospitality experience or the specific theme, to visit one of these business establishments is to experience a fantasy. That’s what guests want and expect. The details of the environment and employees are carefully themed—organized and presented around a unifying idea, often a fantasy idea—to create the feeling within the guest that every part of the environment is an accurate representation of what the guest might reasonably expect to see if the fantasy were true.

In historic Colonial Williamsburg, for example, not only are employees dressed in authentic eighteenth century attire; each of the working craftsmen uses methods appropriate to that time period to create tools, parts, or other items needed by other parts of the historic community. You can watch the blacksmith make nails, which will be used to restore a new barn, which will eventually house sheep, whose wool will be used to create new period clothing to be worn by future employees.
To Theme or Not to Theme?

Theming can effectively tie all the elements of the service experience together. Yet, by its very nature, a themed service may limit the appeal of the service offering to some people, and theming also limits the sort of new ventures of service products that such a company can provide, because any new elements must remain consistent with that theme. Therefore, the decision whether to theme or not must be considered very carefully.

On the positive side, theming is a way to add value to the guest experience, if used effectively by enhancing it. For a Rainforest Cafe, some Las Vegas hotels, Medieval Times castle, or Disney theme park, the theming contributes to maintenance of the fantasy, enhances visual stimulation, and helps to find one’s way around with the visual cues it provides. It gives guests something to talk about after they’ve gone home, it reinforces their remembrance of what they’ve done, it can create an emotional connection with the experience, and it provides additional confirmation of the experience’s value. Theming is an opportunity for the organization to add wow to the experience, by providing more than guests expect.

Consider a five-star restaurant. It is a kind of fantasyland. It takes guests out of the real world and serves them a memorable meal in a memorable environment. The setting is designed to send signals or cues to its guests that this is a place of consistently high quality, and it enhances and contributes to the total guest experience. While the memorable part is intended to be the world-class meal and the way it is served, it is the first impression created by the physical environment that sets up the guest’s expectations for the great meal that follows.

Contrast the fantasy created by the five-star restaurant with the fantasy created by a Rainforest Cafe, Margaritaville, Bahama Breeze restaurant, or any good ethnic restaurant you can name. These restaurants and many other organizations within and outside the hospitality industry have created a service setting through theming. They realize that blending the sights, sounds, and even the tastes and smells of the service setting to fit in with an overall theme can enhance the guest’s experience and make it more memorable. The themes can appeal to all the senses. Restaurants have been themed for many years, but at such totally themed restaurants as Medieval Times, Murder Mystery Dinner Theatre, and House of Blues, the food may become a secondary aspect of the overall guest experience. A walk down the Las Vegas strip offers several illustrations of how hotels have added theming to enhance the guest experience. There, one can find structures that remind guests of New York, Venice, Paris, and a circus. Likewise, the cruise industry has added theming to its cruises and ships to make them immediately recognizable and different for guests. Theming makes a trip on a ship like the Disney Magic memorable. The theming begins with the ship’s outward appearance, and continues with the hallways, food, and activities, all of which carefully and consistently reinforce the fantasy. Today’s guests have become accustomed to enriched environments in their homes, offices, entertainment sites, and automobiles. Organizing the experience around a theme is one way for hospitality organizations to meet guest expectations of an enriched service setting, especially when the setting tells a story.

The health care industry has also recognized the value of theming. For example, at High Point Women’s Center in High Point, North Carolina, the themed design is a spa. The waiting room has Asian-style furniture, screens, lamps, and simple flower arrangements. A spa-themed postpartum room carries the same minimal, clean design with screen-like lighting and hidden storage for medical equipment and supplies. The spa theme works with clinical requirements and the existing space, but it “alleviates the boredom while waiting, the stress of the medical environment, and the confusion of medical procedures.” Similarly, The Windsor of Lakewood Ranch, an assisted living facility in Bradenton, Florida, has a West Indies theme, complete with water-resistant fabrics in bold colors and patterns. These varied service
businesses provide themed settings because guests want them. We have become accustomed to richer environments in all aspects of life.

On the negative side, a themed environment is not always appropriate, and theming has its risks. By definition, theming places limits on what the organization can offer in terms of service, setting, and delivery system. Compared to an all-purpose non-themed restaurant, a themed restaurant will generally have a narrower range of menu offerings. Patrons of Lone Star Steakhouse and Saloon want and expect to find steak, ribs, chicken, barbecue, and chili on the menu, and a hot sauce on the table. Only if the market for those offerings continues to be strong, despite a more health-conscious dining public, will Lone Star continue to succeed.

Few organizations are fortunate or insightul enough to develop themes with universal appeal. Hooters, a Florida-based limited-menu restaurant chain, whose waitresses dress in tight orange shorts and skimpy, figure-hugging t-shirts, attracts primarily young white males and not older customers or other ethnic groups. The more specialized the theme, the more it will appeal to customers who already liked that theme anyway, but the narrower the market will be. This appeal to a relatively narrow market niche, however, can succeed. No hospitality organization can be all things to all guests. Hard Rock Cafe does not try to appeal to small children, and rock fans are not the key customers whose expectations Chuck E. Cheese is trying to meet. Even organizations whose themes appeal to a broad audience—like ESPN and its sport stars—must find ways to sustain their novelty by changing their exhibits and improving menu items to keep the experience fresh for returning guests. Otherwise, guests will come once, or perhaps a few times for the novelty, and then seek other experiences. People even become tired of superstars and sports memorabilia.

The organization must provide a service setting consistent with the guest’s expectations for the overall guest experience. Theming is one approach toward achieving that goal. All aspects of the physical setting—building design, layout of physical objects, lighting, colors, equipment, signs, employee uniforms, smells, sounds, materials—must complement and support each other and give a feeling of integrated design.

Control and Focus
To maintain the illusion of fantasy in a themed service setting, the experience, as is true of any good story, must be controlled and focused. The guests should see what the storyteller wants them to see. This can be accomplished in a variety of ways. In a theme park, most attractions are designed to control the experience. Rides are designed to give guests the feeling of moving through a story. Guests are positioned to see the right visual cues and not the wrong ones. In a Pirates of the Caribbean or a Haunted Mansion, the positioning of the cars on the ride, the use of light and dark, smells, the pace of the ride, and other elements of the environment create the experience that the storyteller envisioned. Hospitality organizations can also limit where the guests can actually go or what they can see. Bushes are planted to block guest movement to where they are not supposed to go and pathways are paved to promote movement to where they should go. Support functions are carefully hidden from the guest. You never see an un-costumed cast member at Disney, you never see the modern kitchen at Medieval Times, and the lawn is mowed with power lawnmowers at Colonial Williamsburg early in the morning before any guests arrive. Guest flow through a themed setting is carefully planned so the guests experience only what the company intends them to experience.

The Architecture
The same idea, of having the attention of guests engaged in specific things that will reinforce the experience or a story, is carried forward in the architectural theming of the hospitality organization. For example, the Klaus K hotel in Finland was created with a theme
based on the Finnish national epic *Kalevala*. The designers studied the story and Finnish history to realize that the country and *Kalevala* are about strong contrasts: life and death, light and dark, pride and humility. Their task was to weave these contrasts into a theme in a way to evoke the story. As scholar Lena Mossberg describes it, “We created an interior design that partly reflects the Finnish nature, temperament, and the country’s modern history. The hotel rooms were sectioned into categories like ‘passion,’ ‘jealousy,’ ‘desire,’ and ‘mysticism.’” Mossberg continues, “As in all good dramaturgy, the most important ingredients of Kalevala are the contrasts between good and evil, and light and dark. We therefore split the hotel into a light part and a dark part and the dividing line runs through the bar. On one side it’s completely white where they serve clear spirits and on the other side, where the bar is black they serve just dark spirits.” Mossberg goes on to offer other details in the design but concludes by saying that the Americans didn’t get it and the Finns loved it.7

Architect Michael Graves designed the Walt Disney World Swan and Dolphin Resort to create in guests a feeling of movement toward a central dreamscape: the huge and spectacular Rotunda Lobby. At the main entrance (Portico) to the Dolphin, one enters the Starlight Foyer with a waterfall cascading down its walls. Above, in the ceiling of the Starlight Foyer, fiber-optic stars twinkle. The various abstract visual motifs—the stars, squiggles, banana leaves—that are first seen on the outside walls of the building are carried forward in a variety of designs as one moves inside the building, to give the guest the sensation of moving through a continuous experience. As the guest moves through the Starlight Foyer, the relaxing and peaceful sound of the waterfall diminishes, to blend in—as the guest continues on—with the sound of the large fountain in the Rotunda Lobby. Visual sensations complement the sounds. Along the way to the Rotunda Lobby, the sound of the waterfall on the hotel’s exterior carries the water theme forward. The water sounds in the entry area focus our attention on the sound so we pick it up again as we enter the Rotunda Lobby, and it focuses us on the central fountain. Falling water is a relaxing and peaceful sound and is often used to relax people. It is less pronounced as one approaches the lobby’s large fountain so that the interior and exterior sounds will not be
in competition. While the activity in which the guest is engaged is walking, the environ-
mental setting turns the walk into a fantasy experience in a relaxing tropical forest.

Similarly extensive uses of architecture to reinforce a theme can be found throughout
the world of hospitality, such as The Forum Shops connected to Caesar’s Palace in Las
Vegas, Nevada. The use of simulated ancient Roman architecture, streets, fountains, sta-
tues, and facades help complete an image that the hotel is trying to portray.

Some settings can be experienced from a single location. Most architectural structures—
environments that often cost millions of dollars to create—can best be experienced by
moving through them to perceive the intersecting planes, spaces, and shapes of which
architecture is made. Colonial Williamsburg allows guests to experience life in an eigh-
teenth century town, around the time of the American Revolutionary War. You can ex-
perience the town, tour the governor’s mansion and numerous other buildings, observe
(and sometimes assist) craftsmen using authentic eighteenth century methods in their
shops, watch historical reenactments outside the courthouse or capitol building, dine
in period restaurants, and otherwise fully immerse yourself in this time period. The
mission of the Colonial Williamsburg Foundation is to operate the world’s largest living
history museum, and in doing so, seeks to replicate with as much authenticity as possi-
ble the original architecture of this historic location. The architecture is just one part of
the overall theme that situates the guests and develops the narrative story as the guest
moves through it and becomes immersed in the illusion.

The creation of a movie-type of experience in Disney’s Orlando Resort is most evident
in the rides, but it is also an important element in the overall architecture of the park. A
walk down Main Street, U.S.A., in the Magic Kingdom, for instance, opens up carefully
planned and themed vistas, with Cinderella Castle always looming in the distance. The
Cinderella Castle appears at first to be far away, as if this symbol of childhood fantasy is
only a distant memory, a part of a small middle-American town’s collective memory.
As guests move toward the castle, they see it more distinctly, and they can eventually reexperience the fantasy by entering the castle.

The Casting Center building used for interviewing and hiring staff is themed in a way that introduces potential employees into the Disney culture. Applicants walk up a long incline to a reception desk. The art and architecture along the way portray important Disney images and symbols. The intent of the design is to communicate to prospective cast members some of the Disney culture and a feeling of an open invitation to join the Disney family. In the reception lobby are statues of fifteen famous Disney characters. Even the knobs on the building’s front door are designed to replicate the doorknobs from the classic animated feature *Alice in Wonderland* to send the subtle message to potential hires that they are entering a place unlike any other.
Sights and Sounds

Sound is often an important service-setting element. Music is a particularly potent environmental factor.\(^8\) A convenience store that was plagued by some teenagers hanging out at the store and bothering patrons began playing elevator music through its sound system. Unable to fit the classic music to their hip self-image, the troublemakers moved on.

The basic principle, of course, is that environmental sounds should serve a purpose. In general, the sounds (most often music) should complement the experience that the organization is trying to provide to its target guests. Again, in general, but with many exceptions, louder, faster music in the service setting appeals to younger guests; softer, slower music appeals to older guests. The sounds of music can also affect guest behavior. Studies have shown that bar patrons finish their drinks faster or slower depending on the tempo and subject matter of the music being played. People tend to eat faster and drink more (and leave sooner, meaning that more tables are typically turned) if the music is fast and loud. Slow music encourages people to dine in a leisurely fashion. A study of diners at an Italian restaurant in Scotland found that both music tempo and preference were related to time spent by guests in the restaurant. A more detailed analysis indicated that the target guests’ music preference was the best explanation of the relationship between music and guest behavior.\(^9\) Similarly, a study in a wine store showed that French wine sold more when French music was playing, while German wine sold more when German music was playing.\(^10\) Clearly, the sights and sounds in the background affect the way consumers behave—and spend their money.
Lighting can be used to create very different moods, as shown here in the Klaus K’s nightclub and wine club (facing page).

Lighting is an important feature of most service settings. Some guest experiences are best delivered in bright lights, some in dim. Glare and lights at eye level are unpleasant in any setting. If you enter a service setting and don’t notice the lighting, it is probably well done. Lighting can focus the eye toward visual cues that emphasize the theme of the experience and away from things that detract from the theme. In a Rainforest Café, you see not the lighting but what is lit. Lights should be selected, turned on, and directed not just to avoid darkness. Like every other aspect of the setting, the lighting should be an element of a greater design with the purpose of enhancing the guest experience.

At Walt Disney’s Magic Kingdom, careful attention is paid to the meshing of visual and auditory effects to enhance the guest’s experience. Music and spoken words are carefully integrated into the design of individual rides so that the guest has a continuing, seamless experience while moving on the ride or through a park area. As the guest moves away from one room or segment area to another of the Haunted Mansion, Pirates of the Caribbean, or It’s A Small World, the sounds and visual effects merge, with no sense of overlap, to provide a smooth transition from one phase of the fantasy that makes the experience to the next.11

The Entertainment Control System

The entertainment control system (ECS) at the Magic Kingdom is designed to maximize each guest’s experience by managing the visual and auditory aspects of the setting. For parades covering the wide geographic area of the Magic Kingdom, the visual and musical effects could easily clash. Since the floats move and the guests stand still, Disney has found a way to accompany each float with appropriate lighting and music as it moves through the 24 zones of the parade route. Disney uses two technological solutions. The first is a series of remote interface cabinets linked together through fiber-optic cable to the ECS. As the parade floats pass by the buried antennae, the ECS reads the code associated with each float and then creates appropriate lights and music, from hidden loudspeakers, near the float. Each float carries an FM wireless receiver, audio amplifier, and speaker system. Each float is designed to carry one channel of the audio signal sent by
the ECS and play it through its own sound system. The result is that guests experience the same light-and-sound show, part of which emanates from the float and another part from the hidden light-and-sound sources in each zone, all these media synchronized by the ECS.

WHY IS THE ENVIRONMENT IMPORTANT?

Hospitality managers must pay attention to the environment for several major reasons. It influences guest expectations, creates and maintains the mood, and has positive effects on employees. Finally, the environment serves several functional purposes as part of the
service itself. While every hospitality organization has a service environment, the best, such as the memorable ones in theme restaurants, hotels, cruise ships, and parks, know how important they are in creating value and quality for their guests’ experiences. They know that their environments are key parts of the service product and carefully plan their service settings to ensure that each component adds to the theme that ties the whole experience together.

**Guest Expectations**

First, the environment influences the guest’s expectations, even before the service is delivered. If the outside of the restaurant is dirty, guests will enter with negative expectations, if they enter at all. Objectively, the number of cigarette butts on the ground next to the restaurant’s front door has nothing to do with the chef’s ability to prepare a high-quality meal and the staff’s ability to present it, but guests do not view the environment objectively. If the restaurant does not care enough to clean up outside its building, the guest may conclude that it does not clean up its kitchen either and probably does not care about how it prepares the meal. Many guests evaluate a restaurant by using the rest room test, to see how much the restaurant cares about cleanliness. Good restaurant managers make sure that procedures are in place to keep the rest rooms clean.

**Guest Mood**

Second, the environment sets and maintains the mood after the guest begins the guest experience. Once the guest enters the Magic Kingdom, the entire focus is on establishing the fantasy and maintaining the “magic.” One way to do so is to maintain the consistency between what the guest expects to see and what the guest actually sees. Guests expect the cast members in Disney costumes to stay in character, and they do. They are not allowed to speak because if they did, Mickey would probably not sound the way he does in the cartoons. Better to make guests wonder than to disappoint them. If the characters were allowed to take off their heads or any other part of their costumes while in public view, they might destroy the magic of the illusion. A Disney rule requires that character costumes must be transported in black bags to ensure that no child will accidentally see a lifeless Mickey or other beloved character being hauled in the back of a van.

In a similar effort, to use the environment to set the mood, Disney spends considerable money on ensuring that the park grounds are clean, the lawns carefully manicured, and the flowers always in bloom. The company has learned through studies of guests that people associate clean and orderly with safe and high in quality. They know that everyone has been to a typical amusement park and seen the dirt and debris scattered all over the grounds. Walt Disney wanted to differentiate his parks from traditional amusement parks, and cleanliness is one way to do so. The real world is not always a clean place, so providing a sparkling-clean park is yet another way to enable guests to leave the outside world behind and feel safe in the fantasy environment that Disney has created.

**Main Street, U.S.A.**

As the example of the Walt Disney World Swan and Dolphin Resort suggested, even the architecture should be used to enhance the mood that the hospitality organization strives to create and maintain. Every guest at the Disneyland Park or Walt Disney World’s Magic Kingdom must pass through Main Street, U.S.A., and at Tokyo Disney they pass through its World Bazaar as they enter the park. The Main Street buildings are constructed to enhance the feeling of being not in a huge and spectacular park but in a cozy, friendly place. The architectural technique called forced perspective led to designing the first floors of
the buildings along Main Street, U.S.A. in Disneyland Park at 9/10th scale, the second
floors at 7/8 and the third floors at 5/8 scale. According to David Koenig in Mouse Tales,

The decreasing heights make the shops appear taller than they are, yet still cozy. The Sleeping Beauty Castle uses the same effect, its stones large at the base and increasingly smaller up high. On the Matterhorn, trees and shrubs halfway up are smaller than those at the base. The Mark Twain [steamboat], Disneyland Railroad, and Main Street vehicles are all 5/8 scale and other structures were built in various scales based on what looked most effective to the designers.12

While this old production technique saves space and costs in building movie sets, it is also an effective means for creating an environment that reinforces the feeling that Disneyland Park seeks to create. Disney consciously conceives and creates all aspects of the service environment, from building architecture to doorknobs, to set and maintain whatever mood is appropriate to each fantasy in the series of fantasies comprising the overall guest experience of a Disney theme park. This attention to detail also creates a competitive advantage. Other organizations use their physical structures and settings to do the same. A doctor hangs her diplomas on the wall to reassure patients that she has the training necessary to provide high-quality medical care. Carrabba’s uses an open grille concept to allow its guests to easily see the cleanliness of its food-preparation people and their cooking areas. A checklist of how often the bathrooms have been cleaned is posted on the bathroom door for all McDonald’s customers to see. Good hoteliers are constantly stopping to pick up pieces of paper and other debris in their hallways and other hotel spaces, to serve as a role model for others to emulate and to keep the hotel spotless. They know the degree to which guests associate cleanliness with overall quality.

Employee Satisfaction

A third contribution of the service setting to the guest experience is its effect on a group of people who do not even use the service: the employees who coproduce it. Although the environment is designed primarily to enhance the guest’s experience, insofar as possible it should be supportive of and compatible with the employee’s experience as well. Nobody wants to work in a dangerous or dirty environment. Employees spend a lot more time in the service setting than guests do, and a well-designed environment can promote employee satisfaction, which some argue is highly correlated with guest satisfaction.13 Hyatt Hotels believes in this philosophy so strongly that it improved its employee entryway so that it looks as nice as the one used by its guests. They believe that if their employees are happy with the physical environment that impacts their working conditions in the back of the house, that happiness will carry over into the way they serve their guests in the front of the house.

Care and attention to environmental details show employees that the organization is committed to guest satisfaction and service quality. Hyatt employees know that any company that spends the amount of time and energy Hyatt does on the details of the hotel, even on those details that most guests will never notice, must really care about the quality of the guest experience. The impact of this caring on the employees is immeasurable; in ways large and small, it shows employees the commitment that the company expects from itself and from them.

Gaylord Hotels discovered that several of its initiatives to enhance the service environment spill over to its employee satisfaction. At Opryland there is an employee named Davine. She is a woman, dressed as a tree, and standing on stilts. Her job is to position herself at various points in the atrium. She entertains people by making slight movements that catch people by surprise as they think of her as part of the background scenery and
not as an animate object. Because the employees know she is there surprising guests, they too are entertained. One of the byproducts of the hospitality industry is utilized fully by Gaylord as it knows that by creating a fun setting for its customers it also creates a fun work setting for its employees.

**Setting as a Part of Service**

The environment may serve merely as a neutral backdrop for some guest experiences. But for many organizations, the environment is so significant to the success of its guest experience that it represents a fourth important component to manage for hospitality managers: The setting for such guest experiences should be considered as part of the service itself. The guest coproducing the experience is, in effect, inside the “service production factory.” Unlike the typical manufacturing production facility, the service production factory has the guest inside it on the production floor and often in the middle of the production process. When the guest is present and coproducing the experience in the hospitality “service factory,” the setting represents a major part of what the guest is paying for and seeking from the guest experience. No one wants to go to a fine-dining restaurant and sit on plastic seats, to eat a gourmet meal served on disposable china by a waiter dressed in blue jeans and t-shirt who is trying to turn the table in forty-five minutes. No matter how good the meal, the quality of the food, or the presentation on the paper plates, the guest will be dissatisfied with the fine-dining experience in such an environment. Not only must the meal be good; the decor, ambience, tablecloth, attire of the servers, number and appearance of other guests, and place setting must all be consistent with what the guest expects in a fine-dining experience.

The quality of the environmental context within which the guest’s experience occurs affects the quality of the experience itself and also the guest’s opinion of the hospitality organization’s overall quality. In a fascinating experiment broadcast on Food Network’s *Food Detectives*, two groups of individuals were invited to have a meal at what they were told was a possible new restaurant. Both groups received the same food. The first group, however, was served on plastic plates, on tables with plastic tablecloths, and the food was given boring names (like seafood filet and chocolate cake). The second group, however, was served on tables with linen tablecloths, and the food had names like Succulent Italian Seafood Filet and Belgian Black Forest Double Chocolate Cake. Although the food was identically prepared, the group in the fancier environment reported it tasting better, and also reported being willing to spend more money for it. Clearly, one’s environment affects the way the guest experience is perceived, and even valued.

**The Functional Value of the Setting**

Finally, the environment is important for several pragmatic, functional reasons. The guest relies on the hospitality organization to create an environment that is safe and easy to use and understand. Environmental features must be such that the guest can easily and safely enter, experience, and then leave without getting lost, hurt, or disoriented.

For the modern hospitality organization, the issue of safety and security has become more important than ever before. People worry increasingly about whether they will be safe from harm or injury when they go to a restaurant, hotel, or convention or travel. Guests must believe that service settings have a high level of safety and security, and hospitality organizations should find ways to communicate that they are safe places to be. Light, open space, smiling employees making eye contact with guests, and cleanliness make guests feel secure. Such environmental elements as well-lit parking lots and pathways, low-cut hedges behind which no one can hide, and the presence of uniformed employees are appropriate and
reassuring in just about any service situation. Many hotels post security guards at entry points to give their customers a feeling of security as they enter and leave the property; hotels also train their employees to emphasize their presence by looking at guests, making eye contact, and speaking to them; and theme parks have vehicles cruising the well-lit parking lots to reassure guests that they are about to enter a crime-free world.

Most hospitality organizations want guests to relax and enjoy the guest experience. Because guests cannot relax if they fear for their safety, managers must provide a safe and secure environment. It’s as simple as that.

A second functional aspect of the setting is making it easy for guests to find their way to do whatever it is they seek in the experience. If what guests seek is a specific location, like a meeting room in a hotel or Jaws in Universal Studios, clear, simple signage or strategically located employees can help them find their way. If it is a Web page or a self-service technology, like making an online restaurant reservation or a hotel self-check-out, it is important not only to make sure it works properly but also that clear, easy-to-follow directions on how to navigate the Web page or use the self-service technology are provided to avoid guest frustration. The point is that guests who feel lost or confused are generally unhappy and dissatisfied with their experience and the hospitality organization. All organizations that want their guests to successfully operate their self-service technology or find their way in a physical setting must carefully study guest behavior to ensure that their directions and wayfinding guides are accurate, clear, and easy to find and use and, most importantly, that they work.

**A MODEL: HOW THE SERVICE ENVIRONMENT AFFECTS THE GUEST**

As we know, the hospitality manager seeking to provide an excellent and memorable experience should give as much attention to managing the setting as to the service product itself and the service delivery system. The rest of this chapter will be based on Figure 3-1. This figure is based on a broader model proposed by Bitner for understanding the environment–user relationship in service organizations. Our figure here focuses on how environmental influences operate on the guest to determine the guest’s reaction to the service setting. The combination of elements can cause the guest (and employees as well) to want to approach the setting and remain in it or to leave the setting and avoid it in the

**FIGURE 3-1 Guest Responses to Environmental Influences**

© Cengage Learning 2012

<table>
<thead>
<tr>
<th>Environment</th>
<th>“Serviscape”</th>
<th>Individual Moderators</th>
<th>Responses</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambient conditions</td>
<td>Use of space</td>
<td>Functional congruence</td>
<td>Signs, Symbols, and Artifacts</td>
<td>Other people</td>
</tr>
<tr>
<td>Perceived service environment</td>
<td>Mood</td>
<td>Personality</td>
<td>Expectations</td>
<td>Demographics</td>
</tr>
<tr>
<td>Physiological</td>
<td>Cognitive</td>
<td>Emotional</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Reprinted with permission from Journal of Marketing, published by the American Marketing Association. Adapted from Servicescapes: Impact of Physical Surroundings on Customers and Employees, Mary Jo Bitner, April 1992, Vol. 56, p. 60.
future. Even though our model focuses on guests, it should be noted that it is equally important in seeing the relationship between the environment and employee behavior.  

As seen in Figure 3-1, which is to be read from left to right, five environmental components (first block) comprise the service setting as perceived by guests: ambient conditions; use of space; functional congruence; signs, symbols, and artifacts; and other people, comprising employees and other guests. No guest is likely to be aware (at least consciously) of all environmental elements. Consciously and subconsciously, each guest selects the combination of elements that comprises, for that guest, the perceived service landscape, or servicescape, as a whole. Each guest will respond differently to the individual elements of that servicescape, depending on the guest’s individual characteristics. The responses will not only be different, but they may be different within any or a combination of three general response types: physiological, cognitive, or emotional. Finally, the guest’s overall response to the setting will cause the guest to want to come and stay (or make a purchase, or use the service, etc.) or to avoid it.

Each element in the setting is capable of infinite variation. These variable elements also can be combined in an infinite variety of ways. Thus, each guest’s experience of the setting is unique to that guest and more than likely unique to that particular time and place. People change from one service encounter to another and the way they perceive the experience at one time may also change.

Now, let’s look at the Servicescape model in Figure 3-1 in more detail.

**Environment**

*Ambient Conditions*

Ambient conditions in the environment—the ergonomic factors such as temperature, humidity, air quality, smells, sounds, physical comfort, and light—affect the nature of the guest experience. The effect on a guest of a dark, humid, quiet tunnel with intermittent noises and cool air blowing is different from the effect of a light, airy, music-filled shopping mall. The first setting feels ominous and scary, the second warm and positive. The whole category of “dark” theme park rides and attractions, like Disney’s Haunted Mansion, Pirates of the Caribbean, and The Twilight Zone Tower of Terror, is designed around the concept that darkness has an element of suspense, surprise, and potential terror that light does not have. On the other hand, the romantic feel of dimly lit restaurants with soft music, comfortable chairs, and tempting smells is due to the careful management of ambient conditions.

*Use of Space*

The second environmental category is the use of space. It refers to how the equipment and furnishings are arranged in the hospitality service setting, the size and shape of those objects, their accessibility to the customers, and the spatial relationships among them.

The organization’s use of space affects the nature of the guest experience. Depending on how the waiting space is designed, waiting lines can feel open and friendly or they can make a customer feel closed in and alone. How paths are laid out to get from one part of a park, whether a zoo or a community park, to another also influences the feeling of openness or closedness that the guest experiences. Closed spaces evoke different feelings than areas with a lot of open space or green. The basic decision about space is how to use it to lay out the service setting so as to complement and enhance the guest’s experience.
Space, however, is expensive and must be used wisely. A restaurant with too many tables and seats or a hotel with too many rooms within its available space may be both unattractive to guests and a poor investment. An organization that attempts to increase the revenue-producing space within which it provides guest experiences at the expense of essential but non-revenue-producing space (e.g., for public areas, offices, kitchens, supplies, and utilities) may have a memorable service setting, but its delivery system will be unable to reliably provide the service product required for a memorable guest experience.

The space layout should also help guests to know where they are and how to find their way to where they want to go. People do not like being lost or confused as to where they are and the benchmark hospitality organizations spend considerable time and effort in making guest wayfinding easy by the way they design their space. As Disney said, “Have a single entrance through which all the traffic would flow, then a hub off which the various areas were situated. That gives people a sense of orientation—they know where they are at all times. And it saves a lot of walking.”

This commitment to orientation can be seen in each park at Walt Disney World Resort. Logical, easy-to-follow pathways lead people in the Magic Kingdom from one attraction to another. The big circular path around the World Showcase in Epcot makes it easy for guests to go from one attraction to another in an orderly way, and the lake in the middle of everything provides a superb orientation for the guest at any point around the circle. Cinderella Castle in the Magic Kingdom, The Twilight Zone Tower of Terror in Disney’s Hollywood Studios, the Tree of Life in Disney’s Animal Kingdom, and Spaceship Earth or Epcot Lagoon in Epcot are other landmarks that provide constant points of orientation. Guests know by looking where they are in each of the parks and can see how to get to other locations.

Within specific Walt Disney World Resort areas, many visual and audio aids are provided to help orient the guest. The cast members in each location are costumed consistently within that location. Key structures help identify where one is in the Magic Kingdom. The Cinderella’s Golden Carrousel in Fantasyland, the Liberty Belle riverboat in Frontierland, and Space Mountain in Tomorrowland are examples of key attractions that by location, size, and sounds help guests identify where they are. When there are multiple cues, it is even easier to stay oriented. Adventureland, for example, not only has the Jungle Cruise but also clearly displays The Enchanted Tiki Room—Under New Management in Adventureland to help people know where they are. The challenge is to ensure that the physical environment consistently reinforces the feeling of being in a particular section of the park by blocking out the sight of other areas, while providing landmarks that let guests know how to get to other park areas. The need to prevent guests from seeing anything that would make them think that they are anywhere else but in Frontierland, for example, is carefully balanced against the need to provide clear and easy guidance to other park locations.

Hospitality managers must maintain the environmental feel of the setting while also providing orientation devices to help guests locate rest rooms, public phones, meeting rooms, and exits. All service settings face this challenge. Circus legend P. T. Barnum set up his exhibits and signage to guide customers from start to finish. It is said that he used signs guiding guests along, stating, “This way to the egress.” Circus patrons (many not knowing egress was another word for exit) found themselves passing smoothly, effortlessly, and efficiently through the exhibit through the final door into the alley outside the building.

Hospitality settings should be designed to ensure smooth flow for both guest and employee. Guests must feel they are moving effortlessly through the service setting. Employees must have sufficient space, traffic routes, and sufficiently short distances to travel to provide timely service to guests. In a restaurant, if waiters entering and leaving the kitchen use the same door, collisions and dropped trays—which, of course, do not enhance the
diner’s experience—are inevitable. If the kitchen is too far from the dining area, food temperatures will suffer. If tables are too close together, servers cannot move smoothly across the room, and the guest experience suffers.

Restaurants offer a classic example of how the placement of facilities within a space is related to the level and character of the guest experience provided. In a casual-dining restaurant, guests accept a distance of only two to three feet between tables (plus their chairs). In an upscale restaurant, tables must be at least four feet apart. If they are closer together, guests may not be able to put a finger on just what is wrong, but the service environment will not suit their expectations.
**Functional Congruence**

*Functional congruence* refers to how well something with a functional purpose fits into the environment in which it serves that purpose. The functioning of the equipment, layout of the physical landscape, design of the building, and the design of the service environment must be congruent with what the guest expects to find in that environment. Entrances should be where guests would logically expect them, rooms should be large enough to house the expected meetings, and rest rooms should be large enough to accommodate expected demand at a convention break. In a self-service environment, items and equipment necessary to the experience must be easy to use, or someone had better be available to help guests figure out how to “serve themselves.” If customers must perform complicated or unfamiliar tasks, like figure out how to operate a self-service kiosk at an airport or hotel or a virtual reality experience on a computer, the instructions had better be clear and easily located.

Self-service technology, as in pumps at self-service gas stations, airport check-in kiosks, and self-service restaurants, requires more focus on spatial design clarity and layout than would service experiences accompanied by a gas attendant, airline counter personnel, or server.18

In an effort to obtain a competitive advantage based on differentiating a functional component of any hotel, Westin Hotels introduced its Heavenly Bed in 1999. Since a bed is the essential functional part of any hotel room, Westin wanted to focus its guests’ attention on the comfort of its bed, turning the bed into a nonverbal cue that would signal how Westin’s bed would provide a good night’s sleep. Westin essentially began a competition among hotels in terms of whose bed could offer the best night’s sleep. The Heavenly Bed was so successful that every major hotel brand eventually followed suit with the development of signature beds. Through its Heavenly products, Westin also began the hotel-retail phenomenon, as so many of its guests wanted to purchase the beds, pillow cases, and sheets provided by the hotels.19

The functional congruence of environmental elements is given great consideration in a well-designed service environment, so that whatever physical or environmental element the guest requires for maximum enjoyment of the experience is provided when needed. As the Magic
Kingdom guest enters Main Street, U.S.A., stores on the right-hand side sell items useful inside the park, like film, sun screen, and snacks. Disney carefully places theme park eating places where guests can find them, often just after a ride or attraction. Retail shops are located at the exit points of rides for guests wanting a souvenir of the experience they have just enjoyed. As guests leave the park, retail outlets on the right side sell souvenirs. Disney knows that most guests will be looking and walking on the right-hand side of the street, so they make sure that shops on the right sell those things that guests will be looking for at that stage of their park visit.

Signs, Symbols, and Artifacts

The fourth component of the environment is the signs, symbols, and artifacts that communicate information to the guest. Carl Sewell, author of the classic Customers for Life, states that signs serve one or more of only three purposes: to name the business (e.g., Nordstrom’s Department Store, Ramada Inn, Shula’s Steak House), to describe the product or service (e.g., Rooms for Rent, Hot Dogs, Rest Rooms), and to give direction (e.g., Entrance, Do Not Enter, Pay Here, No Smoking, Employees Only, Wrong Way, You Are Here).

Signs are explicit physical representations of information that the organization thinks guests might want, need, or expect to find. Signs must be easy to read, clear, and located in obvious places where they can direct and teach people how to use the service easily. Tourist cities wanting international visitors to come back know that, to encourage returns, they must stimulate positive emotional and cognitive responses within visitors from many countries. Taking guests’ national origins and cultural backgrounds (demographics is one of the individual moderators [see Figure 3-1]) into account, they go to great effort and expense to create not small signs in English (which would cause negative cognitive and emotional responses in non-English-speaking visitors) but large, easy-to-see street and directional signs with universal symbols on them to make it easy for all tourists to find their way. Even such an apparently small and easy a job as making a sign must be done from the guest’s point of view, rather than the organization’s. For example, hotels, airports, and other tourist locations often use “You Are Here” signs to help orient guests within the service environment. If these signs are not done carefully, and from the perspective of a total stranger to the environment, they can cause more confusion than if there was no sign in the first place. Poorly designed signs leave the customer not only lost or disoriented but also feeling stupid, and customers do not continue to patronize organizations that make them feel stupid. Signs are so important that Miami’s airport hired a person to specifically audit the naming logic and consistency of its signage when it realized that its existing signage was confusing its visitors trying to find flights, services, or exits. Wayfinding signage is especially important for airports as they deal with so many hurried, tired, global travelers who may be unfamiliar with an airport or the language.

Signs are used to convey messages through the use of symbols, often language itself. Some signs contain not words but other symbols, such as representational icons that can replace any specific language. These signs, of course, are especially important in travel and tourism settings, to which guests come from many nations, cultures, and linguistic backgrounds. If the customer must remember the information on the sign, a symbol often works best. Universal Studios uses its famous movies to represent sections in the parking lot. When parking their cars, the sign is combined with ambient signals such as music from Jaws, colors, and sounds to increase the likelihood that people will remember where their cars are. At the end of the day, people should be able to more easily remember that the car is in the Jaws section than in Section 17A or Section 31D.
Artifacts are physical objects that represent something beyond their functional use. As such, they are a type of symbol. Themed restaurants use artifacts extensively to help convey the theme. What would Margaritaville be without an erupting volcano to support the Jimmy Buffet theme?

Other People

The last component of the environment is the other people in it: employees, other guests, or perhaps even audio-animatronics creations that guests come to think of as real people. Guests often want to see other guests. If they are alone, they wonder why; are they foolish to be where no one else is? No one likes to eat in an empty restaurant; you can eat alone at home. A positive eating experience generally requires the presence of other diners enjoying their meals. Guests of many hospitality organizations expect to see other people also enjoying the experience. Happiness and satisfaction are contagious. Many service settings would feel depressing and lonely without other guests.

Employees are environmentally important even before they deliver the anticipated service. A restaurant that employs well-dressed, well-groomed people will have an atmosphere very different from that of a place where everyone wears torn and dirty uniforms. Most guest-service activities have standards of dress and personal appearance codes for employees and guests that can be very structured and specific. Employees must look like what guests expect to see when they enter the organization. If the guests being served view clean, neat, appropriate attire as a mark of respect for them and congruent with the type of place they want to be, then employees need to meet those expectations. Although there are some hospitality organizations that seek to cater to guests who want and expect unshaven, overly made-up, or haphazardly attired employees with multicolored spiked hair and visible body decorations, this is a specific market segment. Though society’s standards of dress and appearance are more casual than they once were, that market niche is still fairly small.

Guests also arrive in some service settings with expectations for each other. Although patrons of a fancy restaurant may not expect other guests to dress up to employee standards (who may be wearing tuxedos), most people are less enthusiastic about paying
fine-dining prices when some guests are sitting around in cut-off shorts and halter tops. On the other hand, patrons at an open-air fish camp restaurant or at the Phantom Ranch at the bottom of the Grand Canyon would expect a more relaxed dress code for both employees and guests. Some restaurants seeking to serve both types of guests have devised ways to divide their restaurant into separated spaces so that similarly attired guests sit together and apart from dissimilarly attired guests.

Although Figure 3-1 includes other people as part of the environment, and clearly they often are, they sometimes seem almost like part of the service itself. If you go to a baseball camp, dude ranch, a conference, or on an Outward Bound team-building trip through the wilderness, other people are not just wallflowers or scenery; they are necessary to the experience, and you may even participate in or coproduce it with them. However, although the other customers may be an important or even a necessary part of a guest experience, and can even sometimes make it or break it, their presence is only rarely the reason why you sought out the experience. They are usually best thought of as part of the environment within which the service is delivered, which has to be carefully managed so that these other people are congruent with the guest expectations, rather than as part of the service itself, though the distinction is not always clear.

The Servicescape

Temperature, smells, sounds, lights, signs, physical structures, furnishings, green space, open space, other people—although no guest ever singles out or even notices all the elements within the environment, they do combine to create an overall, unified impression of that environment. In the model seen in Figure 3-1, we use the term perceived service environment for the general perception or whole picture that the guest draws from the countless individual environmental factors. Bitner calls this overall perception the servicescape; it is what the individual environmental factors add up to for each guest.

Because each guest perceives different environmental elements, each guest’s servicescape is a little bit different. Making even more difficult what might have seemed an easy task—providing a setting within which to deliver the service—the hospitality service provider must realize that each guest’s reaction to the perceived servicescape is affected or “moderated” by the guest’s mood, personality, expectations, and demographic characteristics. Even if they perceive the servicescape similarly, a shy seventy-year-old female entering a wild-night club by mistake is going to have a reaction different from that of a twenty-four-year-old male accustomed to spending most evenings there. Not only that, but both the seventy-year-old and the twenty-four-year-old may be in different moods and have different expectations of the night club experience. Service experience designers and hospitality managers must realize that the guest whose perception of the servicescape has been moderated by that guest’s individual differences from all other guests is going to respond to the servicescape in one, or perhaps more likely in some combination, of three ways: physiologically, emotionally, and cognitively. We shall discuss each of these below.

Factors That Moderate Individual Responses

Not only do different guests respond differently to the same environment, but even the same guest may respond differently from day to day or even hour to hour. Although the hospitality organization usually provides the same servicescape elements for everyone, it should always remember the uniqueness of guests.

We label as moderators the individual, personal factors that cause guests to respond to the service setting in different ways. Guests bring a particular day’s moods, purposes, demographic characteristics, and personality traits to a particular day’s guest experience. These factors affect or moderate each guest’s response to the servicescape.
Some people like to be alone and object to standing in long, crowded lines. Other people love to be around crowds and view rubbing elbows and sharing harmless gripes with people in line as part of the fun. Some customers arrive in a happy mood while others are angry or upset. Some older people have a hard time walking longer distances while most young adults don’t mind and may prefer it. Some parents don’t like to get wet on a ride while most teens think it’s great. Some people have been there and done that before and have certain expectations of what the environment should be like while others are first timers and find everything fascinating.

Cultural values and beliefs also influence how guests respond to the servicescape. Some cultures find red a happy color, and others find it threatening; some find handshakes a positive gesture, and others are offended. Some cultures believe in waiting in line and others do not. Each culture produces a multitude of cultural nuances, and hospitality managers can only do their best to recognize the individual variations that these differences create and design an environment that will offer a guest experience of high quality and value to most people.

Moderators also include the individual moods that people bring to the servicescape. When people are upset or angry, they may not be able to perceive any environment as positive or fun. Every restaurant server dreads the arrival of an unhappy diner. Regardless of how good the service, fine the dinner, or exciting and pleasant the environment, the diner is likely to leave as unhappy (and unlikely to leave a generous tip) as when that person arrived.

People arriving either in a neutral mood or unfamiliar with the experience awaiting them will be most influenced by environmental cues. The wonderful smell of freshly popped popcorn or baking cinnamon buns will influence the neutral guest to consider purchasing the food product. Smart retailers make sure these familiar odors are fanned out into the wandering crowd to encourage product awareness and interest. Cinnabon does its best to ensure that everyone walking by its retail stores smells the tempting aroma of cinnamon. Among other smells it can produce, the Disney Smellitzer machine reproduces and projects the aroma of freshly baking chocolate-chip cookies to tempt the crowds walking by the bakery on Main Street, U.S.A., in the Magic Kingdom.

Responding to the Servicescape
A guest can respond to a service setting in one or more of three ways: physiologically, emotionally, and cognitively. The moderating factors discussed in the previous section will affect the nature of the response.

Physiological Responses
The Senses A physiological response results primarily from the servicescape’s effects on the guest’s senses. As seen in Figure 3-1, most physiological responses to the environment are responses to such ambient conditions as temperature, humidity, air quality, smells, sounds, and light.

Information Processing A second type of physiological response to the environment is the information-processing capabilities of the brain. A well-known study of how much unfamiliar information a human brain could process at any one time found that the capacity was seven (plus or minus two) random pieces of information, such as random numbers. The study was done for the phone company, which wanted to know how long a telephone number people could remember. The study results led to using combinations of words and numbers (like REpublic-45914) to help people overcome their physiological
limitations by combining a familiar word with five unfamiliar numbers. We can see variations on this method today in the word-based phone numbers used by organizations competing for our business with easy-to-remember numbers, such as 1-800-I-FLY-SWA, 1-800-HOLIDAY, 1-800-HILTONS.

The importance of this concept to those managing the service environment is to recognize that random information will quickly overtax the capacity of the human mind to comprehend the environment and enjoy the service experience. It doesn’t take much unconnected information—a lengthy menu in an unfamiliar restaurant, for example, or a vast assortment of machines in a self-serve photocopy center—to confuse a customer, and many service experiences are unfamiliar territory to their customers. Guests become frustrated when confused, lost, or overwhelmed with too much information or too many options for their minds to comprehend. Organizations must respect the information-processing limitations that all people share and devise ways to make random information nonrandom and familiar.

**Rich and Lean Environments**

Environments can be made information rich or information lean. Obviously, an information-lean environment will help when guests are expected to be unfamiliar with the setting, or when they have to process a lot of information, whereas an information-rich environment can be used when guests are familiar with the setting or have few choices or decisions to make. The directional or instructional parts of the environment must be kept lean enough to make sure that guests can figure out what they are supposed to do or where they are supposed to go; the richer or more elaborate environments can be used when guests have no responsibility for figuring anything out. Thus, a themed restaurant can be rich in detail and content because the guest only has to sit, observe, and eat. If customers must make decisions about where they are or what to do next, as in a major convention hotel complex, the setting should be kept relatively simple and familiar. This point ties in well with the cognitive aspects of the environmental experience.

**Cognitive Responses**

**Expectations and the Servicescape**

The cognitive impact of an experience depends on the knowledge the guest brings to the experience. Guests enter every experience with a set of expectations based on what they have seen, heard about, and done before. The human tendency is to seek points of similarity between what we have done, seen, or experienced before and what we encounter in the new situation. These prior experiences build expectations as to what ought to be seen, which obviously influences what is perceived. For example, when reading sentences, what we expect to read influences what we think the words say. As an example, just consider that last sentence. Likewise, if we enter a cafeteria similar to one we have visited before, we have our behavior scripted to perform the tasks necessary to eat by the familiar cues in the environment (the arrow pointing to the beginning of the line, the arrangement of the trays, the rack for the silverware, and the bars upon which our tray should slide as we review the food items available).

Indeed, one advantage of chain or branded restaurants is that we know what to expect because we have been there before. We know that the environment in one McDonald’s is pretty much like the environment in another, and so we know immediately how to get our food selections after a quick scan of the physical facility to confirm that it is set up the same as every other McDonald’s. Imagine, in contrast, the customer who has never seen a McDonald’s before and has had no similar experience. Or worse, what if McDonald’s managers were authorized to lay out the restaurants however they wished, as a cafeteria, a typical restaurant, or otherwise? Without any previously scripted behavior patterns to rely on, customers new to each location would be quite confused and would require employee time and assistance to navigate through this unfamiliar experience.
The point is that hospitality organizations should recognize the information-processing limitations of their guests and seek to introduce the environmental cues necessary to ensure that the present experience ties into some previously built and familiar guest mental map. As noted earlier, theming is used extensively to simplify the ability of guests to orient themselves to a location. If you are in the Magic Kingdom’s Frontierland, all the streets, decorations, cast-member costumes, and even the trash cans are themed to provide the multiple cues that help guests quickly determine where in the park they are. The more familiar the organization can make the experience to the guest, the less confusion, frustration, and unhappiness the guest will have. Of course, sometimes guests are seeking a unique experience, and so will purposely seek out an unfamiliar restaurant, perhaps to have an experience unlike ones they have had anywhere else.

**Nonverbal Cues and Communication** Those aspects of the environmental setting that evoke a cognitive response can be viewed as a form of nonverbal communication whereby the designers of the guest experience communicate what the experience is and teach the guest how to enjoy it. If patrons see an array of cues such as white linen tablecloth in a restaurant, they link that information back to what they have learned previously about the relationship of white linen to restaurant type and price range. In other words, servicescape layout and content tell the guest something about what to expect from the experience. These informational cues tap into previous knowledge and form the expectations about what the experience should be like. If diners find that the white-linen-tablecloth restaurant also has inexpensive menu prices and excellent food, they will be wowed about what a great deal the experience represents because they have been cued to expect a big bill. Conversely, if the same diners see disposable china on plastic tables and are then handed menus filled with forty-dollar entrees, they will be upset. Guests bring a lifetime of their own experiences and expectations that influences what they expect to find. Whether or not their expectations are met obviously bears on their satisfaction with the experience, so physical cues—like all other aspects of the experience—must be carefully constructed and managed to be consistent with the expected experience.

**Emotional Responses**
Finally, the customer may react emotionally to the servicescape. Old graduates get choked up when they return for reunions at their college campuses. Children and adults alike are emotionally touched by holiday decorations. The flags flying, the breeze blowing, the dramatic music, and the majesty of the distinguished speakers have strong emotional impact on many American visitors to Epcot’s American Adventure. Young children have the same emotional reaction when Sponge Bob SquarePants walks by. It not only represents an individual physical act but also builds an emotional tie to the entire park experience that many children never forget.

Emotional responses have two distinct elements of interest to the hospitality organization. The first is the degree of arousal, and the second is the amount or degree of pleasure/displeasure that the experience represents. The emotional response that the hospitality organization seeks to create should have elements of arousal and pleasure to gain the emotional interest of its guests. People want to spend time and money in pleasurable environments; they avoid unpleasant environments; those that create high levels of arousal are viewed positively unless the arousal is unpleasurable. A sudden explosion that creates loud noise, confusion, and overstimulation would be high on arousal but low on pleasure, except on national holidays like the Fourth of July or during an expected fireworks display. Most people avoid explosive settings.
On the other hand, some people seek out high levels of arousal and pleasure in such activities as sky diving, ultra-light plane flying, playing or watching extreme sports, stock car racing, or rock climbing. A trip on a roller coaster is a scary but not terrifying ride, which yields high levels of pleasant experience combined with high levels of arousal. In such activities, a little fear stimulates a positive experience for the customer. Arousal can also be obtained in other ways, such as the appeal to patriotism in Fourth of July celebrations or Irish music at a St. Patrick’s Day parade.

Good hospitality managers have learned to use arousal cues effectively. For example, in the morning when guests are flooding into a theme park, they might hear upbeat, up-tempo music; employees would greet guests in strong, enthusiastic voices to sustain the positive feelings and high level of energy with which guests come into the park. When guests are leaving at the end of the day, both the music and the final comments of employees should probably be sedate and restrained, to be consonant with the lower arousal level of the tired guests.

**The Bottom Line: Come and Stay, or Stay Away**

These three response factors—physiological, cognitive, and emotional—operating together lead the guests to make one of two choices: to become patrons (i.e., come and stay) or to give their business elsewhere (i.e., stay away) (see far right of Figure 3-1). Leaving the service and its delivery out of the equation, the guest can decide that the experience of the service environment was, on the whole, positive or negative. Servicescape perceptions can encourage the guest to stay longer and come again, or go away and stay away. Hospitality organizations must work hard to create environments that encourage the longer stays and repeat visits that result in increased revenues.

The model in Figure 3-1 should help hospitality managers to choose and arrange environmental factors so as to provide servicescapes that enhance the service and its delivery and that guests, in their infinite variety, will generally respond to in a positive way.

**LESSONS LEARNED**

1. Envision and create the service setting from the guest’s point of view, not your own.
2. Use signs and symbols to make it easy for guests to go where they want to go and to know where they are, whether in your physical space or on your Web site.
3. Make sure that the functional parts of the setting work and work the way the guest expects.
4. Design the space to fit the guest’s needs, wants, and expectations.
5. Theming can add quality and value to the setting by making it memorable.
6. Realize that for each guest both other guests and employees are part of the setting.
7. Supply information-rich environments when and where guests have time to appreciate and enjoy them; use information-lean environments when and where guests are trying to figure out what they should do or where they should go.
8. Do not overload the environment with information; recognize that most people can process only small amounts of unfamiliar information at one time.
9. Know and manage the cognitive, physiological, and emotional impact of your environment on guests.
10. Manage the environment to maintain the guest’s feeling of safety and security.
11. Recognize that guests can differ in mood, expectations, and experience from one experience to the next; what was a wow for a guest today may only be an as-expected tomorrow.
REVIEW QUESTIONS

1. Consider how theming a guest experience adds value or improves the quality of the guest experience. Compare two similar experiences you have had, such as one restaurant that offered a themed experience and another that did not. What differences did you note between the quality and value of the two experiences?

2. Why should managers pay attention to the environmental setting in which the guest experience occurs?

3. Reflect on the service environments of two different hospitality organizations, one that felt good to you and one that felt uncomfortable. Use the factors in the model in Figure 3-1 to determine why they felt different.

4. Imagine yourself as a first-time visitor to your town or your campus.
   A. How hard or how easy would it be to direct yourself to the location where you are right now?
   B. How could you make finding this location easier for an unfamiliar visitor, using the ideas suggested in this chapter?

5. Think about the environmental and “people” factors that make you feel safe and secure in the location where you live.
   A. To what extent are these same factors applicable to hospitality environments?
   B. Have you ever been in a hospitality setting in which you did not feel safe and secure? What more could or should the organization have done to enhance your feelings of safety and security?

6. Consider the places you go as a guest or customer.
   A. Are these environments too rich or too lean with information, and why do you make that judgment?
   B. How would you change those environments to make the amount of information in those environments just right for achieving whatever it is you need to do when you are in that particular situation?

ACTIVITIES

1. The hospitality service product is largely intangible. Observe and report how one or more hospitality organizations with which you are familiar use environmental design cues to give a degree of tangibility to this intangible service product.

2. Using Figure 3-1 as your reference, go to a hospitality organization and take note of as many environmental factors as you can. Which ones seem to have been “managed” by someone? Which factors can and cannot be managed by the local manager? Which ones seem managed well and which ones do not?

ETHICS IN BUSINESS

A number of themed establishments try to represent different eras in history. While accurately representing history can be both educational and entertaining, different periods in history have had very different norms, mores, and construction and safety standards. In particular, many of the attitudes and policies toward women, minorities, and non-Christians in the eighteenth and nineteenth centuries would be considered highly
offensive today. To some extent, a themed establishment wants to remain “true” to its historical basis. For example, think of a historic area like Colonial Williamsburg that tries to represent and recreate life in the eighteenth century. To what extent should an establishment try to be historically accurate, versus artificially injecting modern construction and interpersonal standards into the experience especially in regard to the way the actors behave when providing their services?

CASE STUDIES

Safety at the Downtown Hotel

It is 2012. Faramarz has recently purchased the Downtown Hotel, a 125-unit facility in downtown Central City, a large city in the northeast. The Downtown Hotel was originally a Holiday Inn, built in 1990 and owned by the parent company, InterContinental Hotels Group, rather than a franchisee. The hotel was later rebranded as a Holiday Inn Express. Since its launch in 1991, Holiday Inn Express had grown from 0 to 500 properties by 1996, and had locations throughout the United States, Europe, the Middle East, Africa, and the Asia Pacific. When the Central City Holiday Inn was built, it was located near the bustling central business district but in a neighborhood that was typical of the older northeast working-class ethnic neighborhoods. Although most Holiday Inn hotels built in or near central business districts at that time were many stories tall, a zoning peculiarity on this site restricted the building to two levels.

Around 2000, as part of restructuring at InterContinental Hotels Group, the property in Central City was sold. By this time, the neighborhood in which the hotel was located had become more dangerous, the inner-city central district was less desirable to businesses, and the hotel building had begun to look dated. Faramarz knew these facts but bought the property anyway; the price was right, and he anticipated that he could revitalize it. The building was still structurally sound and located next to an interstate highway. It still had a 50 percent occupancy rate, although the rate had been gradually falling over the past few years. Faramarz attributed the falling occupancy rate to poor management and facility deterioration; he thought he could do better.

Faramarz spent considerable money refurbishing the property. When he was finished, the rooms were nicely decorated, the amenities appropriate for the intended market segment, and the exterior pleasant to look at.

The design of the hotel was typical of early 1990s construction: two levels of rooms facing the street with exterior entrances to rooms on both levels, the guests on the second level entering their rooms from an open balcony facing the street. Guests parked their cars in front of the rooms in an unfenced lot. The original bushes and trees that were planted years ago were now fully mature and, in combination with the two-level building structure, gave the property a shaded country feel.

Now that he had enhanced the attractiveness of his building and its rooms, Faramarz wanted to develop a strategy to improve the Downtown Hotel’s occupancy rate. His basic information source was guest comment cards and mystery shoppers. The common theme of their feedback was that while they appreciated the modernization and the country feel of the place, they felt rather unsafe here. Many guests said that they did not intend to return to the hotel on future visits to Central City. Faramarz could see that he had a problem but didn’t know quite how to solve it.

***

Based on the ideas in this chapter and what your own common sense tells you (and any interviews you might obtain with hotel personnel), develop a strategy for making Faramarz’s guests feel safer at the Downtown Hotel.
Fine Dining at the Silver Slipper

After profitable careers in the stock brokerage industry, Fred and Song Yi attended Chef Elmo’s School of Culinary Arts. When they graduated, they fulfilled their dream of many years: They opened their own fine-dining restaurant, The Silver Slipper.

They found a building in what they concluded was an excellent location. It had originally been a Denny’s Restaurant. The next owner, Bella Starr, had converted the family restaurant into a steakhouse, the Tombstone Restaurant and Saloon. She left most of the Denny’s decor intact but superimposed on the interior the rough timbers and boards that Americans have come to expect in their western steakhouses.

Buying the Tombstone Restaurant and Saloon used up a large chunk of Fred and Song Yi’s available capital. They decided that since their focus was to be excellent food, they would invest the rest of their funds in an upgrade of the kitchen. They patterned their kitchen after the model fine-dining kitchens at Chef Elmo’s School. The couple realized that the dining area needed refurbishing and upgrading, but they couldn’t do everything at once. They decided to struggle along with the vinyl upholstery, plastic furnishings, and rough-hewn timbers and boards until their superb meals had generated some profits. After all, guests came to a fine-dining restaurant for fine dining, not for the decor. They knew that some of Europe’s finest restaurants, with the highest prices, were simple and basic almost to the point of bareness. They had graduated at the top of their culinary class, had served apprenticeships at excellent restaurants, and knew they could provide tastier culinary creations than any other chefs in town.

The big night came; Fred and Song Yi were open for business! Their reputations as trained chefs had preceded them, and many guests arrived in response to the excitement created by the new fine-dining opportunity. Fred and Song Yi received many compliments on the excellence of the food. But more than a few guest comment cards also referred to how expensive the meals were.

Although comments on the food continued to be highly favorable, the crowds of diners began to dwindle as the initial excitement wore off. Within a few weeks, though the small numbers of diners still willing to pay premium prices continued to rave about the food, Fred and Song Yi saw that they had to do something or they weren’t going to make it. Song Yi even had to begin selling mutual funds on the side.

Fred wrote a letter to Chef Elmo, asking him for advice. Chef Elmo offered to “help out in the kitchen” for a weekend, after which he would give his frank opinion as to how Fred and Song Yi should proceed.

***

What do you think Chef Elmo will tell Fred and Song Yi is wrong with their new business endeavor? What advice do you think he will give them?


NOTES


17Walt Disney. Famous Quotes. 1994. Printed for Walt Disney Theme Parks and Resorts, p. 29.


