

# SERVICESCAPE PERCEPTION IN HIGHER EDUCATION INSTITUTION: A COMPARITIVE STUDY OF GOVERNMENT AND PRIVATE COLLEGES

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## ABSTRACT

*Physical surroundings of service environment often referred as servicescape, firstly introduced by Bitner in 1992, that highly influenced the consumers' perceptions towards an organization. Servicescape considered as commercial exchanges embedded cues in consumers' experiences and are created by taking communicative staging into considerations. Recent literature pointed out significant impact of servicescape in terms of atmosphere, environment, facilities and equipment on satisfaction, intentions to repurchase and word-of-mouth communication. Hitherto, studies did not highlight the perception of servicescape in higher education institutes with respect to government and private college students. Hence, the purpose of this research is to understand servicescape perception among students of government and private colleges. The study covered following dimensions of servicescape ; interior, exterior, layout and facilities, human values (teaching), human values (non teaching), value and product factors and location factors. Hypotheses were formulated on all seven dimensions. Data were collected from students studying in government and private colleges in Delhi. Both groups were representatives of students who are exposed to servicescape in their colleges. Data collected was analyzed using descriptive statistics and Independent sample t test to investigate whether the group means differ between government colleges and private colleges on above mentioned dimensions. The findings of the study were that Servicescape perception of Government College Students differs from Private College student with respect to exterior factors, interior, layout and facilities, Human values (teaching & non teaching) but not on values & product and location factors.*

**Keywords:** Perception, Physical Surroundings, Servicescape, Services Industry, Service Quality.

## INTRODUCTION

With the introduction of increased fees and the stagnation of graduate employment, Higher Education has become an increasingly competitive environment; universities vie to attract prospective students and choice of university has progressively become a more complex decision making process. When Briggs (2006) talks of perception being an important determinant of student choice of institution, the association with the concept of branding is apparent. As part of marketisation, it is argued that branding is a key organisational competence as universities compete for students (Louro & Cunha, 2001; Veloutsou et al, 2004; Helmsley-Brown & Oplatka, 2006). Bulotaite (2003) suggests that university brands actually have the potential to create stronger feelings than most brands and that the key to doing this successfully is to create a unique communicative identity. Universities, however, have plural identities (Lowrie, 2007) that make articulating a simplistic identity challenging and Jevons (2006) argues that universities often fail to 'practice what they preach' in terms of differentiation. It seems that university brands have possibilities that may not be fully exploited due to a lack of a clear conceptualization of what a successful university brand really encompasses, and on occasion a tendency to rely too heavily on visual identity.

Arguably, the provision of a university education is an experience centric service (Voss, Roth, & Chase, 2008); a service in which the customer experience is deliberately created to provide a service which can be distinguished from similar offerings from other providers. If this is accepted, then the domain of experiential branding could offer possibilities for the branding of HE which is arguably not wholly supported by existing commercial branding conceptualisations and practices (Hemsley-Brown and Oplatka, 2006). Since experiential marketing replaces functional values and focuses on customer experiences that provide sensory, emotional, cognitive and behavioural values (Schmitt, 1999), the service design and delivery environment becomes a major concern for the organisation (Zomerdijk & Voss, 2010).

## REVIEW OF LITERATURE

The servicescape plays a greater role than was well thought in most previous studies. The servicescape is not only a cue for the expected service quality, but also influences customers' evaluations of other factors determining perceived service quality. Thus, the servicescape has a direct and an indirect effect on perceived service quality, which leads the servicescape to have a high overall outcome. The results also show that the servicescape is of greater importance in determining customers' evaluations of the expected service quality in a hedonic service

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compared to a utilitarian service. Ever since Bitner(1992) defined the term “servicescape” as the physical environment in which the service is build up, several scholars and practitioners have tried to make out the impact of , several scholars and practitioners have tried to make out the impact of the built environment in the perspective of diverse service surroundings. While servicescape is a topic of increasing academic interest among scholars and practitioners, most studies in the area are dedicated to understanding the built environment of hedonic services and understanding utilitarian to minimum level.

Over the past number of years there has been a growing body of knowledge within the services marketing literature demonstrating that the servicescape impacts both the customer and the employee (Bitner, 1992; Homburg and Stock, 2004; Kim and Moon, 2009; Schneider and Bowen, 1985; Schneider et al., 2000; Schneider et al., 2009; Wiley, 1991). Various studies conducted suggests that organizations need to be intensely conscious of how they handle a wide range of internal design issues because they appear to affect the perceptions, emotional state and behavioral intentions of both employees and customers. As a result of the servicescapes model there has been considerable research on the individual elements (e.g. music, light) but limited research on the perception of consumers towards servicescape in health sector, Educational sectors and so on.

More studies are needed to examine what is the perception of customers be it hospitality, education, tourism sector towards servicescape. And in this paper, researcher has focused on educational environment. This study aims to identify the student perception about servicescape in government and private colleges. Though number of studies has been conducted on servicescape and its dimensions but still there are hardly any study where perception of government college student and private college student has been conducted. Therefore there is need for such study. A lot of research had highlighted the strategies to design a servicescape in retail and service industry but little is known about how to design a stimulus to enhance the consumer experience in educational sector.

Servicescape is defined as physical surroundings so as to provide a superior service experience. Servicescape refers as the design of physical environments that outlines by a firm to enhance the action of their employee and customer Servicescape is manmade environment and it is tangible Past literature agreed that servicescape play as an important factor in influence customer’s behavior, either positive or negative in service industry, servicescape become more important because of the intangible nature of the service. Although servicescape plays a significant role in marketing literature, past literature had never agreed on the operationalization of servicescape in any industry. Designing a service environment (such as required by HE institutions) is not only an important competitive marketing tool, but an effective design can establish a desired positioning and image and alter quality perceptions

(Babin, Boles and Griffin 2015). Furthermore, a servicescape design is especially applicable to interpersonal services, which are typical at HE institutions, where both the customers (students) and the employees are highly involved in the service delivery process by performing critical tasks (Bitner 1992).

Higher education institutions face the challenging task of selling an intangible offering, as their core service is directed towards people’s minds (Wilson, Zeithaml, Bitner and Gremler 2016). Therefore, the use of traditional elements and ways to introduce and sell their offerings may no longer be effective. Institutions of HE thus should continuously search for new and innovative ways to communicate with their clientèle. One of these approaches is to focus on the physical environment, and, more importantly, to find a mix of physical elements that best suit the interest of all their stakeholders. However, despite the richness of research on servicescapes and physical environments, it appears that the application of the concept in an HE environment in particular is under-researched.

## **OBJECTIVES OF THE STUDY**

The primary objectives of the study are:

- (a) To understand the importance of servicescape in service organisations.
- (b) To understand the significant differences in servicescape perception among the students of Government colleges and Private colleges.

## **METHODOLOGY**

To study the perception of students toward Servicescape in Government and Private Colleges, following dimensions of servicescape were covered; interior, exterior, layout & facilities, human values (teaching), human values (non teaching), value & product factors and location factors. Hypotheses were formulated on all seven dimensions. To test all seven research hypotheses, data were collected from students studying in government and private colleges in Delhi. Both groups were representatives of students who are exposed to servicescape in their colleges. An initial group of 145 students (69 from government colleges and 76 from private colleges) responded to set of questions. After removing invalid responses, the total number of participants was 130(65 for government and 65 for private).

Perception is measured with 43 items on five point likert scale ranging from 1= strongly disagree to 5= strongly agree. The reliabilities of the resulting scale were examined by calculating the Cronbach’s alpha statistics. The value of Cronbach’s alpha for exterior with 6 items was 0.882, value for location factor with 3 items was value for layout and facilities with 9 items was 0.785; value for teaching factor with 5 items was 0. 842, value for non teaching factor with 5 items was 0.886, value for interior factor for 11 item was 0.773 and finally value for value and product factor for 4 items was 0.833. Value for all of these is well above the acceptable level (Nunnally, 1967). Data

collected was analyzed using descriptive statistics and Independent sample t test to investigate whether the group means differ between government colleges and private colleges on above mentioned dimensions. As far as statistical tool is concerned, SPSS was applied to analyze data.

## HYPOTHESES

Keeping in view the said objectives, consequently, the study hypothesized that:

**H<sub>1</sub>:** Servicescape Perception of Government College Students differs from Private College student with respect to exterior factors.

**H<sub>2</sub>:** Servicescape Perception of Government College students differ from private college student with respect to layout and facilities factors.

**H<sub>3</sub>:** Servicescape Perception of Government College students differ from private college student with respect to Human Values (teaching Staff).

**H<sub>4</sub>:** Servicescape Perception of Government College students differ from private college student with respect to Human Values (non teaching Staff).

**H<sub>5</sub>:** Servicescape Perception of Government College students differ from Private College student with respect to Interior factors.

**H<sub>6</sub>:** Servicescape Perception of Government College students differ from Private College student with respect to location factors.

**H<sub>7</sub>:** Servicescape Perception of Government College students differ from Private College student with respect to value and product factors.

## RESULTS AND DISCUSSION

Table 1 depicts the sample means and standard deviation for all seven dimensions for government and private colleges. The following result was interpreted for both the institutions across seven dimensions.

- (a) As far as exterior factor is concerned students from government colleges have an average servicescape perception of 21.38 where as students from private colleges have 18.61. Students of government colleges are higher in servicescape perception with respect to exterior than private college students.
- (b) Servicescape perception on layout & facilities for government colleges is 25.12 as compared to private colleges with 29.83 which indicate that on layout & facilities dimension students of private colleges are higher than government colleges.

- (c) Students of private colleges have servicescape perception of 19.20 as compared to government colleges having 18.24 with respect to human values (teaching factor). There is small difference between sample means.
- (d) As far as human values (non teaching factors are concerned), average servicescape perception of students of private colleges is 17.35 in comparison to government colleges having 13.52. There is difference in sample means.
- (e) Average servicescape perception of students of private colleges is higher than students of government colleges on interior dimension with 39.15 and 32.43 respectively.
- (f) Small difference in mean was observed among government college students and private college students with respect to servicescape perception (location). Government colleges mean was 9.07 as compared to private colleges with 8.66.
- (g) Government colleges' mean of 14.64 is higher than mean of 13.93 for private colleges with respect to value & product.

The group statistics tell us the difference in sample means but to prove whether this difference is statistically significant or not the researcher has applied Independent Sample t test. Table 2 reveals the output of Independent t test.

One of the assumptions of Independent sample t test is homogeneity of variance which means that there is equal variance across the samples. This assumption is checked through Levene's test. The null hypothesis for Levene's test is that there is no difference in the variances between the groups. From the result of Levene's Test for Equality of Variances (Table 2) we can reject the null hypothesis that there is no difference in the variances between the groups and accept the alternative hypothesis that there is a statistically significant difference in the variances between groups for exterior factors, layout & facilities, human values (teaching factors), interior and location factors as sig. value for all these dimensions is less than 0.05 ( $P < 0.05$ ).

Therefore results for t test would be interpreted from second row of output of Levene's test (equal variance not assumed) for all these five dimensions. On the other hand for human values (non teaching) and values & product factors, the results of t test would be interpreted from first row of output of Levene's test (equal variance assumed) as sig. value for these two dimensions is greater than 0.05 ( $P > 0.05$ ). Table 2 clearly indicates the results of independent t test on servicescape perception among students of government colleges and private colleges. On the basis of hypotheses formulated the interpretation is as follows:

**Table 1: Descriptive Statistics**

Factors	Institution	N	Mean	Std.Deviation
Exterior	Government	65	21.3846	2.38283
	Private	65	18.6154	3.08065
Layout and Facilities	Government	65	25.1231	4.98300
	Private	65	29.8308	4.98300
Human Value (Teaching Staff)	Government	65	18.2462	1.63965
	Private	65	19.2000	2.45077
Human Value (Non-teaching Staff)	Government	65	13.5231	1.87173
	Private	65	17.3538	2.44586
Interior	Government	65	32.4308	2.29108
	Private	65	39.1538	3.65390
Location	Government	65	9.0769	1.30273
	Private	65	8.6615	2.55121
Value & Product	Government	65	14.6462	2.00336
	Private	65	13.9385	2.15694

Source: Survey Analysis

**Table 2: Independent Samples T-Test on Servicescape Perception among Students of Government and Private Colleges**

		Levene's Test for Equality of Variance		T test for Equality of Means		
		F	Sig.	t	df	Sig.(2-tailed)
Exterior	Equal variance assumed	23.342	0.000	-6.464	128	
	Equal variance not assumed			-6.464	81.943	0.000
Layout and Facilities	Equal variance assumed	8.591	0.004	-6.509	128	
	Equal variance not assumed			-6.509	105.605	0.000
Human Values (teaching staff)	Equal variance assumed	9.923	0.002	-2.608	128	
Human Values (non teaching staff)	Equal variance not assumed			-2.608	111.731	0.010
	Equal variance assumed	2.943	0.089	-10.028	128	
	Equal variance not assumed			-10.028	119.817	0.000
Interior Factors	Equal variance assumed	6.090	0.015	-12,568	128	
	Equal variance not assumed			-12.568	107.587	0.000
Location Factors	Equal variance assumed	31.417	0.000	1.169	128	
	Equal variance not assumed			1.169	98.251	0.245
Value and Product Factors	Equal variance assumed	0.077	0.782	1.938	128	
	Equal variance not assumed			1.938	127.308	0.055

Source: Survey Analysis

- (a) Servicescape perception of Government college students (M=21.38, SD=2.38) significantly differ from Private college students (M=18.61, SD=3.08) with respect to exterior factors;  $t_{(81.94)} = 6.464, p=0.000$ .
- (b) Servicescape perception of Government college students (M=25.12, SD=3.02) significantly differ from Private college students (M=29.83, SD=4.98) with respect to layout and facilities;  $t_{(105.605)} = -6.509, p=0.000$ .
- (c) Servicescape perception of Government college students (M=18.24, SD=1.63) significantly differ from Private college students (M=19.20, SD=2.45) with respect to human values (teaching factors);  $t_{(111.731)} = -2.608, p=0.010$ .
- (d) Servicescape perception of Government college students (M=13.52, SD=1.87) significantly differ from Private college students (M=17.35, SD=2.44) with respect to human values (non teaching factors);  $t_{(128)} = -10.028, p=0.000$ .
- (e) Servicescape perception of Government college students (M=39.15, SD=3.65) significantly differ from private college students with respect to interiors. ;  $t_{(107.58)} = -12.568, p=0.000$ .
- (f) Servicescape perception of Government college students (M=9.07, SD=1.30) do not differ significantly from private college students (M=8.66, SD=2.55) with respect to location;  $t_{(98.25)} = -12.568, p=0.245$
- (g) Servicescape perception of Government college students (M=14.64, SD=2.00) do not differ significantly from Private college students (M=13.93, SD=2.15) with respect to value and product factors;  $t_{(128)} = 1.938, p=0.055$ .

## CONCLUSION

Service providers should give careful consideration to their servicescape. Be it government college or private college, the servicescape can change the perception of students. The research findings presented clearly indicate that except location and value & product factors, servicescape perception of government college student differs from private college students in all dimensions. In recent years there has been increased discussion of the subjective, emotional and sociological factors influencing student choice of university. What constitutes these feelings is important question for marketer? Students may get deterred by poor physical environments and excited by enthusiastic staff and students both in government and private colleges

## MANAGERIAL IMPLICATION

The need to understand how prospective students decide which higher education institution to attend is becoming of paramount importance as the policy context for higher education moves towards market-based systems in many countries. The research

presented here offers some guidelines for higher education Institutions that can be used as input to improve their service offering. Firstly, it is essential that service providers must recognize the influence of the servicescape as a marketing tool.. Though, it is imperative to ensure that repatronage intentions are optimized in all services but when it comes to education sector, the repatronage may sound different. Repatronage is consumer willingness to make repeat purchase. In education sector it may result in word of mouth or referral marketing. To meet this end, Institutes need to consider the importance of both tangible and intangible cues as strategic goals.

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