

An Investigation of Casino Service Experience



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Overview

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Practitioner's View Point



“This company has done everything in its power to make sure that customer experience, even in the hard times, is not compromised” (Wynn, 2009)

“Customer satisfaction related to service quality during the vacation experience is of paramount importance to the travel and tourism industry” (Neal, Williams, & Uysal, 2007)

Research Questions



- What service experience attributes customers seek?
- What is the role of service experience in customer equity: value, relationship, and brand equities?
- What are the effects of the three customer equity drivers on customer satisfaction and loyalty?

Literature Review



Service Experience	Arguments and findings	Experience attributes ^a	Selected supporting literature
Service experience in general	<p>Customer experience can be triggered by emotional experiences of value, entertainment, and empathic service. Experience arises from interactions between the providers and the customers. It takes place when the providers use services as the stage and goods as props. The customer experience process blends the physical, emotional, and value attributes of the service encounter.</p>	Functional and emotional	Mascarenhas et al. (2006)
	<p>Service firms should integrate their service system (including the physical environment and contact personnel) to assist customers to co-create their service experience.</p>	Functional and emotional	Patricio et al., 2011
	<p>The economy is becoming more experience-centric, with design of memorable experiences through themed service settings and activities, memorabilia, and engagement of all five senses.</p>	Functional and emotional	Pine and Gilmore, 1998
	<p>Experience can involve emotional connection with customers through careful planning of tangible and intangible elements. It includes both functional and emotional elements of the service encounter.</p>	Functional and emotional	Terblanche, 2009

Literature Review



Employee service

Interaction between customers and employees is the heart of service experience creation.

Functional and emotional

Chang and Horng, 2010

Creating branded experience through various touch points including the physical store setting and the customer service. It is people that make brands great and customer experiences memorable; hence, employees are a crucial component in delivering positive customer experiences, and they should be empathetic and responsive to customer needs.

Functional and emotional

Crosby and Johnson, 2007

Total customer experience rests on the customer-provider interaction. Customer experience and lasting customer loyalty imply an integrated business strategy that goes beyond single-point solutions in areas such as customer service.

Functional and emotional

Mascarenhas et al., 2006

Service experience is developed through various customer service touch points and service interfaces.

Functional and emotional

Patricio et al., 2011

Customers develop positive or negative emotions from the interaction with service personnel. Addressing the customers by their names, using respectful words, and greeting them warmly are means to nurture customer experience and hence loyalty.

Functional and emotional

Wilburn, 2006

Literature Review



Service environment	The servicescape (ambient conditions, space/function, and signs, symbols, and artifacts) provides tangible cues to the quality of a service. Customer response is a result of the interaction between the customers and the servicescape.	Functional	Bitner, 1992
	Customer experience is created through interaction of the service environment such as the physical facilities and décor.	Functional and emotional	Chang and Horng, 2010
	The servicescape has a direct effect on customers' affect, which in turn influences customers' behaviors in the service encounter.	Functional	Hightower et al., 2002
	Customers patronize a service provider (e.g., a restaurant) for three major benefits: functional (or practical), social, and emotional. Service experience is co-created between customers and employees.	Functional and emotional	Rosenbaum, 2006; 2008
	In-store interactions mainly take place in the servicescape. The servicescape creates emotional reactions that affect customers' attitude and behaviors.	Functional and emotional	Terblanche, 2009
	The service environment plays a key role in the creation of customer experience. The facilities, lighting, décor, and more impact customers' emotions and behaviors.	Functional	Wilburn, 2006

Literature Review



Service
convenience

Convenience denotes the time and effort consumers spent in their purchase. Service convenience facilitates the sale of services. It is postulated to associate with customer satisfaction, service quality, and fairness.

Functional

Berry et al.,
2002

Convenience is a major component of value equity

Functional

Rust et al.,
2004;
Rosenbaum and
Wong, 2009
Sefton, 2004

Service accessibility has become salient to the development of customer experience.

Functional

Service convenience is salient during key stages of the service experience. Service acquisition is associated with time and effort costs; hence a convenient location would influence customers' purchase behaviors.

Functional

Seiders et al.,
2007

Literature Review



Hedonic service

Hedonic services, such as theme parks, fine dining, and vacations, create customer experience which reflects the need for pleasure, fun, and excitement.

Emotional

Bigne 2008

Total customer experience can be ensured by a mix of excitement, entertainment, and adventure. Firms should provide unique positive service experience in shopping, purchase, and use.

Emotional

Mascarenhas et al., 2006

The hedonic dimension of travel service experience includes excitement, enjoyment, and memorability.

Emotional

Otto and Richie, 1996

Firms are transforming dining, shopping, and entertainment services, for example, into a memorable experience through theme-park-like exposition with fun activities and fascinating displays. They script experiences around enticing themes and activities that captivate shoppers. Customer experience can be staged through entertainment service.

Functional and emotional

Pine and Gilmore, 1998

Interaction between the customers and the retail store environment creates both functional and emotional experiential benefits.

Functional and emotional

Terblanche, 2009

Study 1: Methods



- Qualitative field study
 - In-depth interview
 - N = 47 (mainland China, HK, locals, and international)
 - Hotel and casino complex: casino floor, restaurants, hotel lobby, shopping mall, and more

Study 1: Results



Theme	Illustrative customer comment
Service Environment	<p>I love the canal, the music, the decoration, and the sky canopy here. I have been in Venice. I think that staying in the Venetian is like I was in Venice... I think the concept of the Venetian is like a city with a theme which makes the property unique, and it feels like a reproduction of Venice. Moreover, the idea of singing performers throughout the mall is very great and fantastic (Casino complex: male, early 40s, Australia).</p> <p>I expect that I can stay at a hotel which is really different from others. For this hotel, besides its special designs, its aroma is also a major selling point. (Hotel and restaurant: male, early 50s, Spain).</p>
Employee Service	<p>I had my best experience [at this hotel]...The service of the hotel was excellent. The staff was very friendly and attentive. I remember that the staff asked actively about the time of my flight... She suggested me to extend my check-out time to 1 p.m. I consider this kind of service highly important (Male, mid 20s, China).</p> <p>When I asked for something, I didn't need to wait for a long time. The staff was polite. They approached me to see what I needed and helped. That impressed me (Casino complex: female, early 20s, Malaysia).</p>

Study 1: Results



Service Convenience

The location is very important for me. It has to be close to downtown so that I can go shopping and find restaurants conveniently (Hotel: female, 30, China).

I really like staying at the Wynn Resort. Not only does it have nice rooms and atmosphere, its location is very good (Casino complex: female, 25, Hong Kong).

Hedonic Service

The unique shopping experience brings me here. There are so many varieties of shops and collections of items in this mall. I like walking along the canal. I particularly enjoy the streemosphere and live performance inside the mall (Casino complex and shopping mall: female, late 40s, Hong Kong).

The best and most memorable experience I had was dining at the Ristorante Il Teatro restaurant at the Wynn Resort. The food and service were great, and the dining environment was grandiose. But the best thing about the restaurant was sitting right in front of the fountain and watching [the fountain show at the Performance Lake] with pleasant music throughout the meal. It was truly extraordinary... Yes, it was expensive, but I think it is worth another visit (Casino complex and restaurant: male 34, Macau).

Hypothesis Development



- Customer experience
- Customer equity (Lemon, et al. 2001; Rust et al., 2004)
- Customer satisfaction (Oliver, 1980; and more)
- Customer loyalty (Zeithaml et al., 1996; and more)

Research Hypotheses



- **H1:** Perceived service experience equity is driven by service environment, employee service, service convenience, and hedonic service.
- **H2a:** Perceived service experience equity has a positive impact on customer satisfaction.
- **H2b:** Perceived service experience equity has a positive impact on customer loyalty.

Research Hypotheses



- **H3a:** Perceived relationship equity has a positive impact on customer satisfaction.
- **H3b:** Perceived relationship equity has a positive impact on customer loyalty.
- **H4:** Perceived brand equity has a positive impact on customer loyalty.
- **H5a:** Customer satisfaction has a positive impact on brand equity.
- **H5b:** Customer satisfaction has a positive impact on customer loyalty.

Study 2: Methods



- Survey

- Respondents were intercepted from 6 casinos
- Person-administered interview
- N = 274 (60% mainland China, some HK, Taiwan, and others)
- 56% male, 66% 20 – 39 years old, spending range USD 65 (26%) and > USD 500 (21%)

Study 2: Measures



- Service experience equity
 - Service environment (Hightower et al., 2002)
 - Employee service (Hightower et al., 2002)
 - Service convenience (Rust et al., 2004)
 - Hedonic service (see next page)
- Brand equity (Yoo et al., 2000)
- Relationship equity (Rust et al., 2004; Vogel et al., 2008)
- Customer satisfaction (Mattila and Wirtz, 2001)
- Customer loyalty (Zeithaml et al., 1996)

Study 2: Results



Results of the Research Model

Variable	First-Order SEE ^a	Loyalty ^b				
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>SEE</i> → <i>Service Environment</i>	.85*** ^c					
<i>SEE</i> → <i>Employee Service</i>	.71***					
<i>SEE</i> → <i>Service Convenience</i>	.45***					
<i>SEE</i> → <i>Hedonic Service</i>	.54***					
SEE	--	--	.77***	.32**	.18	--
Relationship equity	--	--	.09 ^d	-.04	--	--
Satisfaction	--	.92***	--	.70***	.61***	.77***
Brand equity	--	--	--	--	.26**	.24**
SEE → Satisfaction	--	--	--	--	.72***	.74***
Relationship equity → Satisfaction	--	--	--	--	.17**	.17**
Satisfaction → Brand equity	--	--	--	--	--	.71***
R ² (Loyalty)	--	.84	.63	.87	.89	.91
R ² (Satisfaction)	--	--	--	---	.61	.64
R ² (Brand)	--	--	--	---	--	.51

Note: † p < .10; *** p < .001.

Parameter estimates are standardized.

Italicized coefficients in Model 1 are factor loadings.

Fit statistics for Model 6: $\chi^2_{(df)} = 1418_{(851)}$, CFI = .97, RMSEA = .05, SRMR = .06.

^a SEE = Service experience equity. It is a second order construct which includes four first-order constructs: service environment, employee service, service convenience, and hedonic service experiences.

^b Loyalty is a second order construct which includes two first-order constructs: repatronage intention and willingness to pay more.

^c The factor loadings for Model 2 – 6 remain the same as that of Model 1; hence, they are not repeated in these models.

^d The $\beta = .33$ (p < .001) when SEE is not controlled.

Conclusions



- Customer experience attributes
- Service experience scale
- Service experience framework
 - Linking service experience equity, relationship equity, customer satisfaction, brand equity, and loyalty (pay more and intention)



Thank You!

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