



Building Conditions & Facilities Improve Customer Satisfaction?

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Background

- In the field of marketing, products and services are 2 common categories in analyzing competition (Kotler and Keller, 2012, Peter and Olson, 2010)

products



services

Background (contd)

- **The conditions of buildings and facilities improve customer satisfaction, particularly for tenants and visitors?**



Background

- **The research was concentrated in Bandung, the capital city of West Java, Indonesia**
 - **Bandung has experienced significant growth in tourism industry**
 - **Forces some building management of shopping malls, hotels, restaurants or cafes, to completely make-over their properties**



Background

- The general conditions of the building & facilities may become interesting combinations to represent product or services for a particular building
 - Contributing factors to customer satisfaction



Background

- The atmosphere of building has a huge influence on purchasing behaviors (Broers, 2008)
- A study in America, found that over 70% of the in-store purchase decisions were made inside the stores at the time of purchase (Broers, 2008)
- The building atmosphere “creates a mood that is perceived and interpreted by the consumer” (Davies and Ward, 2002)

Background

- Carefully designed *servicescapes* can have a positive influence on customers' purchase decisions, their evaluations of service quality, and their ultimate satisfaction with the service (Keng, et al, 2007)
- *Servicescapes* can also create emotions ranging from pleasant to unpleasant, and from stimulating to boring situations (Srimanothip, 2007)



Literature Review

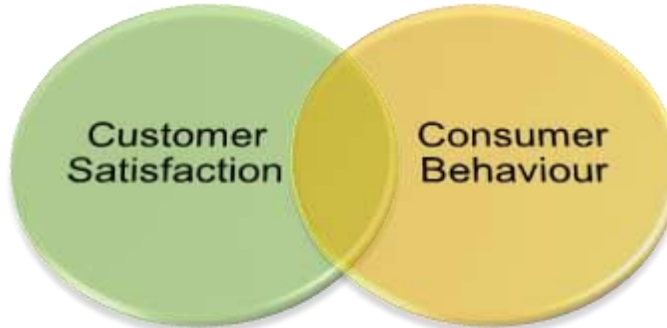
Consumer Behavior and Customer Satisfaction

- Previous study by Scarborough (2010) showed that tenants' satisfaction is more on physical environmental influences which include building layout, interior architecture and décor, lighting, music, aromas and cleanliness



Literature Review

Consumer Behavior and Customer Satisfaction



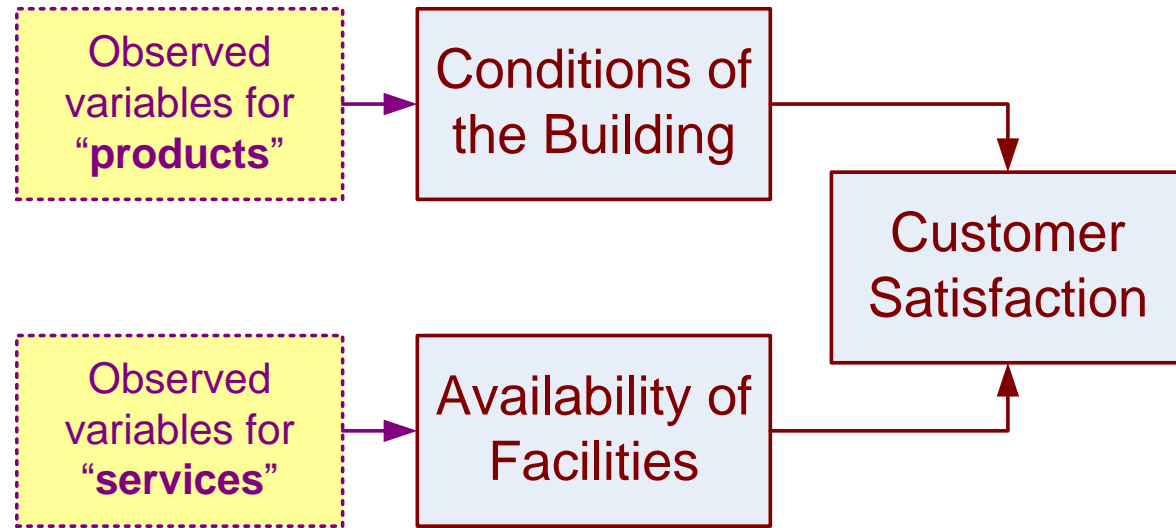
- The more satisfied the customers, the more likely they formulate their purchase decisions
- Consumer Behavior involves dynamic interaction of affect (feelings) and cognition (thought)
- Kotler and Armstrong (2004) “customer satisfaction is...the extent to which a product’s perceived performance matches a buyer’s expectation”

Hypothesis

- H_1 Building conditions positively influences customer satisfaction
- H_2 Building facilities positively influences customer satisfaction
- H_3 Building conditions and building facilities positively influences customer satisfaction

Research Model

Figure 1: Research Model



- 5 Dimensions of SERVQUAL is incorporated to evaluate the level of customer satisfaction

Research Design

- Random and quota sampling method
- 200 respondents: tenants and visitors of selected malls, hotels and restaurants
- Qualitative and Quantitative analysis: questionnaire, on-the spot interviews
- All statistical analyses are processed using SPSS

The Findings

Table 14 (a): Coefficients^(a)

Model		Standardized Coefficients	t	Sig.
		Beta		
1	(Constant)		17.839	0.000
	Office Floor	-0.100	-1.351	0.078
	Building Location	-0.600	-0.827	0.010
	Designs	0.643	0.897	0.071
	No. of Floors	-0.019	-0.257	0.098
	Tiles	-0.155	-1.698	0.091
	Colors	0.473	1.022	0.008
	Decorations	-0.302	-0.032	0.075
	Layouts	0.539	1.928	0.055

(a) Dependent Variable: BC
Source: SPSS

Building location shows negative contribution toward “building condition”

- Outside main area: inconvenience for tenants

For visitors, designs and layouts may still be top priority due to the uniqueness

Decorations carry negative contribution toward ‘building condition’

- Tenants’ preference are not the same
- However, for cafes/restaurants, layouts, colors and decorations may well be the basic reasons for returns

The Findings

Table 14 (b): Coefficients^(a)

Model		Standardized Coefficients	t	Sig.
		Beta		
	(Constant)		7.285	0.000
	Lobby/Waiting Lounge	-0.019	-0.254	0.199
	Convenient Stores	0.123	0.304	0.062
	Elevators	0.104	1.337	0.083
	Escalators	-0.031	-0.393	0.095
	Toilets	-0.249	-0.668	0.005
	Cafeterias	0.626	0.330	0.042
	Food Courts	0.013	0.170	0.165
	Windows	0.682	-1.037	0.001
	Sound Systems	-0.055	-0.657	0.112
	Emergency Exits	0.112	1.451	0.148
	Stairs	-0.092	-1.198	0.232
	Parking	0.507	0.094	0.025
	Security	-0.376	-0.978	0.029
	Public Transportation	0.762	2.084	0.039

(a) Dependent Variable: BF
Source: SPSS



Conclusion and Recommendations

- The conditions and facilities of buildings have substantial contributions toward the level of customer satisfaction
- Though this study may not seem as a breakthrough in the studies of consumer behaviors and customer satisfaction, at least it is able to provide insights on what people may be looking for in buildings

Conclusion and Recommendations

- **Conditions of building contribute 68% toward customer satisfaction**
- **Facilities of building contribute 61% toward customer satisfaction**
- **Location in central business districts are preferred**
- **Exterior and interior designs are important**
- **Layouts of the building interior are important**
- **Accesibility to public transportation is preferred**
- **The presence of windows, cafetarias, and parking space also contributes to the traffic and occupancy rates of buildings**

Conclusion and Recommendation

- **This study can recommend building owners and management to simply focus on location, design, layout, public transportation, windows, cafeterias and parking spaces**
- **Minor, but periodic beautifactions of the exterior and interior may well be the driver toward improvement**
- **There are flaws and deficiencies in this study. Perhaps for future studies, more from technical perspectives, including architectural issues**

Balubur Town Square



BTC Mall



THE END

Kob Khun Ka

**Thank
You**

Mahalo
Kiitos

Dhanyavaad

Tach
Grazie
Obrigado

Toda
Thanks

Takk
Gracias

Merci