

# Servicescape And Customers' Willingness-To-Pay For Vehicle Repairs And Maintenance Services

*Collins Kankam-Kwarteng*

Marketing Department, Kumasi Polytechnic

*Frank Amoateng*

Sikkim Manipal University, Kumasi Campus

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## Abstract

This research work investigates into the servicescape and customers' willingness to pay for mechanical services at the Suame Magazine in the Kumasi Metropolis. The study adopted descriptive survey method and the target population was the mechanics and customers of mechanical services in the Suame Magazine in the Kumasi Metropolis. The study conveniently sampled 150 customers who patronize the services of the small scale auto mechanics who repair and maintain vehicles. Questionnaire was used to collect data from the customers. It was realized that signs, symbols and artifacts were not important to customers who go to the Suame Magazine for mechanical services but customers' perceived ambient conditions and spatial layout as important to them. Customers disagree that Suame Magazine smell badly but they attested that the Suame Magazine is noisy. Suame Magazine has good layout but customers attested that the industrial enclave is always congested. Majority of customers' relatively perceived charges or price of mechanical services to be relatively as expected and majority (58.0%) of the customers were willing to pay for mechanical services at the Suame Magazine. The customers' willingness to pay for mechanical services depends on the servicescape in the Suame Magazine. Mechanical garages with good ambient and spatial layout would have high patronage. The study recommends that mechanics in the Suame Magazine should strategically use servicescape as marketing tool for effective pricing which can influence customer willingness to pay for their services. The mechanical garages should have servicescape policy with specific emphasis on spatial layout and ambient conditions.

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**Keywords:** Servicescape, vehicle repairs, willingness to pay

## **Introduction**

Suame Magazine is the biggest light industrial enclave in Ghana with all mechanical services ranging from fabrications to general repairs and servicing of vehicles. Many people in Ghana, especially Ashanti Region rely on Suame Magazine for mechanical services and it is noted as last stop for all auto mechanical issues. The mechanical services at Suame Magazine includes manufacturing, vehicle repair, metalworking, sale of engineering materials and sale of automobile spare-parts (Adeya, 2001). Vehicle repairs activities include engine overhauling; auto electrical works; vehicle interior upholstery; auto body straightening and spraying whilst metal works activities includes fabrication and plant construction, angle irons, channel irons, bars and so on (Adeya, 2001). The profitability of any type of mechanical service at the Suame Magazine largely depends on customers' willingness to pay for such service.

Willingness-to-pay also known as reference pricing for mechanical services is the amount of money that someone is willing to give up or pay to acquire a mechanical service. Lusk and Hudson (2004) explain that willingness to pay is a price an individual is willing to pay for a given service such as mechanical services. How much customers are willing to pay for mechanical services depends on many factors such as knowledge and information, purchase pattern, demographic factors, socio-economic factors (Balasubramanian, 2004 and Ajzen & Fishbein, 1980) and servicescape (Bitner, 1992).

The competitive nature of the small scale vehicle repairs and maintenance industry has stressed the need for improved servicescape. Servicescape that is the design of the physical environment and the way in which tasks are performed by customer-contact personnel jointly play a central role in customers' willingness to pay. The environment can affect a customer's willingness to pay in three important ways: as a message-creating medium (using the elements in the environment to communicate the special nature and quality of the service experience); as an attention-creating medium (to attract customers from target segments) and an effect-creating medium (to increase the desire for certain goods, services or experiences).

Willingness to pay for a service is an inevitable variable in product innovation and cost-benefit analysis of services offered by artisans or small scale mechanics at Suame magazine (Unnevehr et al., 2012). Researchers such as Bitner (1992) and Mehrabian and Russell (2011) have shown that servicescape affects customers' willingness to pay in three ways. Servicescape serves as a message-creating medium, an attention-creating medium and an effect-creating medium. There is however no specific study in the field of services pricing literature, in particular the relationship between servicescape and customers' willingness to pay for mechanical

services of the small scale auto mechanics at Suame Magazine. There is therefore the need to explore and investigate into servicescape at Suame Magazine and willingness of customers to pay for mechanical services in the area.

### **Theoretical framework**

Servicescape is a concept that was developed by Booms and Bitner (1999) to emphasize the impact of the physical environment in which a service process takes place. Booms and Bitner defined a servicescape as "the environment in which the service is assembled and in which the service provider and customer interact, combined with tangible commodities that facilitate performance or communication of the service. Namasivayam and Lin (2008) described servicescape as the physical environment of an organization encompassing several different elements, such as overall layout, design, and décor of a store. Servicescape is the totality of the ambience and physical environment in which a service occurs. It is the environment in which the service is delivered and in which the firm and the customer interact.

### **Types of Servicescape**

Bitner (1992) viewed the servicescape as the packaging of services and categorized it into three components as ambient conditions, spatial/function, and signs, symbols and artifacts.

### **Ambient Conditions**

Ambient conditions involve sensory elements, such as temperature, color, lights, noise, music and scent (Bitner, 1992), which affect customers' perceptions of the service environment (Nguyen, 2006). Ambient conditions include conditions that influence the five physiological senses: touch, smell, vision, taste and sound.

Empirical studies in consumer research by Milliman (2011) confirm that ambient factors may influence customer responses to the price for a service. Another important ambient condition to vehicle repairs and maintenance services is noise and loudness of sound. Noise and loudness of sound have usually been perceived as irritating and annoying. Loudness is perceived as negative stimulation, especially when the sound is unexpected or is subjectively perceived as undesirable (Kryter, 2012). Kryter explained that too much sound may result in decreased concentration, increased irritation and tension. Kryter further explained that constant sound, quiet, and silence may be equally problematic. Kryter noted that a balance of loud and constant sound is the key to creating a pleasant sound environment. Scent of an area is important to the patronage of services in a particular area. Hirsch

(2011) noted that scent affects customers' behaviour as bad scent repels customers and good scent attracts customers. Hirsch in a study found that good odor significantly increased patronage, while bad odor did not. Bone and Ellen (1999) explained that ambient odor may influence a consumer's mood. Mood is most frequently suggested indicator of individual's perception and behaviors. Bone and Ellen explained that customers in good mood freely interact with their service providers and they are more likely to stay for long time at shops and spend more than when they are in bad mood.

### **Spatial Layout and functionality**

Spatial layout refers to the ways in which machinery, equipment, and furnishings are arranged, the size and shape of those items, and the spatial relationships among them whilst functionality is the ability of the same items to facilitate performance and the accomplishment of goals (Bitner, 1992). Previous research has indicated that a sense of belonging will influence the spatial layout of customers within the environment (Tombs & McColl-Kennedy, 2003) and identification with a service provider. Little has been published about the effects of spatial layout and functionality on customers in commercial service settings. Logic suggests that spatial layout of the environment are highly salient to customers in self-service environments where they must perform on their own and cannot rely on employees to assist them. Similarly, if the tasks to be performed are very complex, efficiency of layout will be more important than when the tasks are mundane or simple.

The furnishings in a servicescape link the space with its occupants and convey the personality of the servicescape through form, line, color, texture, and scale. The furniture placement may convey a sense of enclosure, define spatial movement, function as walls, and communicate visible or invisible boundaries. Recognizable changes in ceiling heights affect spatial perception more than a similar change in room width or length. High ceilings convey feelings of spaciousness, whereas low ceilings are associated with coziness and intimacy (Ching, 1996).

### **Signs and Symbols**

Signs, symbols, and artifacts relate to signage, personal artifacts and style of décor (Bitner, 1992), which contribute to creating an appropriate atmosphere and direct customers to service experiences during their service encounter (Nguyen, 2006). The servicescape includes the facility's exterior (landscape, exterior design, signage, parking, surrounding environment) and interior (interior design and decor, equipment, signage, layout, air quality, temperature and ambiance). Attractive signage such as brand logos, and effective external lighting could send a positive signal to customers, whilst

vice versa, not a proper signage and poor lighting send out negative signals (Bowie & Buttle, 2004).

Many items in the physical environment serve as explicit or implicit signals that communicate about the place to its users (Becker, 2008). Signs displayed on the exterior and interior of a structure are examples of explicit communicators. They can be used as labels (e.g., name of company, name of department), for directional purposes (e.g., entrances, exits), and to communicate rules of behavior (e.g., no smoking, children must be accompanied by an adult). Signage can play an important part in communicating firm image.

### **The Concept of Willingness to Pay**

Willingness to pay (WTP) is the maximum amount an individual is willing to sacrifice to procure a good or avoid something undesirable (Horowitz, Keith & McConnell, 2003). Willingness to pay (WTP) is the price or dollar amount that someone is willing to give up or pay to acquire a good or service. Willingness to pay is defined as the maximum amount of money that an individual is willing to sacrifice to obtain a good or service (Freeman, 2003). From a business perspective, it is thus too limiting to think of customer WTP only in terms of a price premium. Indeed, a sister concept for WTP is willingness to accept (WTA), defined as the minimum amount of money that an individual is willing to receive to forgo a good or service (Freeman 2003). WTP and WTA measure the same phenomenon from a different angle; they are the two sides of the same coin. Willingness to pay could also be defined as the maximum amount of money that may be contributed by an individual to equalize a utility change. Willingness to pay is the maximum sum an individual is willing to pay to acquire some good or service, or the maximum sum an individual is willing to pay to avoid a prospective loss.

Lankoski (2010) has found that there were three distinct sources for customer WTP and these could be ethics-based, benefit-based or pressure-based. Lankoski explains that that a key differentiating element between the WTP types is what exactly the WTP is directed towards. Ethics-based is when customer's willingness to pay for mechanical services is affected by a desire to contribute towards sustainability in the form of a cleaner environment, just compensation for producers and the like (I am willing to pay because I care). This is the WTP type that is often meant when customer WTP for sustainability is being discussed. The customer's motivation is ethically based, and the WTP is directed towards providing the social benefits present in the offering.

By contrast, when the customer's purchasing decision is affected by a desire to secure the private benefits associated with using vehicle, the WTP

for mechanical services is benefit –based (I am willing to pay because I will benefit). Lankoski (2010) explained pressure-based willingness to pay as when the customer's purchasing decision is affected by the fact that the customer feels a pressure to select the mechanical services (I am willing to pay because I am expected to). Such pressure can originate from the customer's own family, friends, social norms, from regulations affecting the customer.

### **Servicescape and Willingness to Pay for Mechanical Services**

A number of factors affect customer's willingness to pay for mechanical service. This study however considered how servicescape affects customers' attitudes, which is a key element in willingness to pay for mechanical services. Attitudes toward any object are determined by beliefs about that object, and beliefs about the object are formed by associating that object with various characteristics, qualities, and attributes (Ajzen & Fishbein, 1980). The attitude toward mechanical services such as repairs and maintenance of vehicles for example will be directly affected by customer beliefs about the environment in which the service is offered.

Bitner (1992) asserted that human behavior is influenced by the physical setting and the organization's physical setting influences customer behaviors. Customers seek evidence of the ultimate quality of the intangible service by observing the tangible elements (physical surroundings), called servicescape. Service products are unique because they are generally produced and consumed simultaneously (Bitner, 1992). However, the service environment where the service is provided consists of both tangible and intangible elements. The assertion that human behavior is influenced by the physical setting in which it occurs is essentially a truism.

Interestingly, however, until the 1960s psychologists largely ignored the effects of physical setting in their attempts to predict and explain behavior. Since that time, a large and steadily growing body of literature within the field of environmental psychology has addressed the relationships between human beings and their built environments (Darley & Gilbert, 1997). Environmental psychologists suggest that individuals react to places with two general, and opposite, forms of behavior: approach and avoidance (Mehrabian & Russell, 2009). Mehrabian and Russell explained that approach behaviors include all positive behaviors that might be directed at a particular place, such as desire to stay, explore and pay. Avoidance behavior is a desire not to stay, explore, work, and affiliate.

In a study of consumers' behaviour, Donovan and Rossiter (1982) found that approach behavior (including enjoyment, returning, attraction and friendliness toward others, spending money) were influenced by perceptions of the environment and the service scape.

## **Research Methodology**

**Research Design:** The study adopted descriptive method. The descriptive survey method is appropriate for this study as it provides a description of attitudes, experiences and opinions of the sample population (Creswell, 2011). It is an efficient way of gathering data using a standard set of questions.

**Population of the Study:** The target population of the study was the customers who patronize vehicle repairs and maintenance services at the Suame Magazine in the Kumasi Metropolis. Suame Magazine was selected because it is considered light industrial area with many workshops for metal engineering and vehicle repairs with an estimated large number of artisans and auto mechanics.

**Sample Techniques and Sample Size:** It is difficult to collect data from the whole population due to financial and time constraints, thus sampling becomes inevitable element in research work. According to Agyedu (1999) the process of sampling makes it possible to limit a study to a relatively small portion of the population. A sample is thus a representative selection of a population that is investigated into in acquiring statistical information of the whole. The study used purposive sampling to select the customers, mechanics and study area. The customers are owners of vehicles who came to demand for general repairs and/ or servicing of vehicles at the time of administering the research instrument. In all, 150 customers formed the sample size of the study.

**Data Collection Instruments:** The research instruments used in the study was structured questionnaire. Structured questionnaire was used because questions asked are precisely decided in advance and everyone is asked the same questions. This makes it quick and easy to create codes and interpret the results.

**Analysis of Data:** The analyses of data were done descriptively using Statistical Package for Social Sciences (SPSS), version 16.0. Each research question was analyzed, presented in tables or figures and then discussed. The study employed Likert Scale ranging from 1 (Strongly Disagree) to 5 (strongly agree) and mean score were determined for each statement. Likert Scale is a psychometric response scale primarily used in questionnaires to obtain participant's preferences or degree of agreement with a statement or set of statements (Bissonnette, 2004). The study further employed chi-square to test whether or not customers' willingness to pay for mechanical services in the Suame Magazine depends on the servicescape of the area.

## Findings

### Socio-demographic Characteristics of Respondents (Customers)

The socio- demographic characteristics of customers of mechanical services considered in this study include age and educational background of the respondents. The responses on characteristics of the customers are shown in Table 4.1. Table 4.1 shows that out of the 150 customers. The study relied on male respondents because the vehicle repairs and maintenance industry is pre-dominantly male oriented. It is indicated in Table 4.1, 48 (32.0%), 85(56.7%) and 17(11.3%) of the customers fell between 25 and 34years, between 35 and 44years and between 45 and 54 years respectively. Therefore the majority (133: 88.7%) of the customers fell between 25 and 44 years. Within this group, people are more economically active to take up paid job or to be self-employed and therefore could maintain or service their vehicles. This implies mechanical services have viable and potential customers. Moreover, on educational level, 15 (10.0%), 31 (20.7%), 71 (47.3%) and 33 (22.0%) of customers had junior high school or middle school leaving certificate, senior high school or secondary school certificate, technical or vocational school certificate and tertiary (degree/ HND/ Diploma) certificate respectively. This suggests that all the customers of mechanics in Suame Magazine had some level of formal education with most of them having post-secondary certificates. This suggests that the customers by virtue of their educational attainment are enlightened to demand quality services for which servicescape plays an important role.

### Servicescape at the Suame light industrial area (Magazine)

Bitner (1992) identified three main types of servicescape and the analysis of servicescape of the Suame Magazine was done on the basis of this categorization. A Likert Scale from 1(strongly disagree) to 5 (strongly agree) was used to examine the importance of each type servicescape to the customers and their possible effects on willingness to pay. Strongly disagree was ranged 1.0-1.49, disagree ranged 1.50-2.49, undecided ranged 2.50-3.49, agree ranged 3.50-4.49 while strongly agree ranged 4.50-5.0. A high mean (3.50-5.0) implies the respondents agreed that a particular servicescape was important whilst low rating average (1.0-3.49) implies the respondents disagreed a particular servicescape was important to them.

Table 2 shows that signs and symbols were not important to customers who go to Suame Magazine for vehicle repairs and maintenance services (Mean=2.733). Out of 150 customers, 33 (22.0%), 26 (17.3%), 39 (26.0%) and 52 (34.1%) of them strongly disagreed, disagreed, indifferent and agreed respectively that signs and symbols are important to them. The customers however indicated that ambient conditions (Mean=3.673) and spatial conditions (Mean=4.120) were important to them. Table 2 shows that



36 (24.0%) disagreed, 14 (9.3%) were indifferent, 63 (42.0%) agreed and 37 (24.7%) strongly agreed that ambient conditions such as scent and noise were important to them. Moreover, out of 150 customers, 25 (16.7%), 82 (54.7%) and 43 (28.6%) were indifferent, agreed and strongly agreed respectively that spatial conditions such as layout and sitting place were important for the repairs and maintenance of the vehicle at the suame light industrial area.

Table 1: Importance of servicescape to Customers

Statement	Strongly disagree	Disagree	Indifferent	Agree	Strongly agree	Mean
Ambient conditions (Scent & noise etc.)	0 (0.0%)	36 (24.0%)	14 (9.3%)	63 (42.0%)	37 (24.7%)	<b>3.673</b>
Spatial conditions (Layout, place of convenience& sitting places)	0 (0.0%)	0 (0.0%)	25 (16.7%)	82 (54.7%)	43 (28.6%)	<b>4.120</b>
Signs and Symbols (style of décor)	33 (22.0%)	26 (17.3%)	39 (26.0%)	52 (34.7%)	0 (0.0%)	<b>2.733</b>

Source: Field Data (2015)

### Scent and Noise in Suame Magazine

Customers' responses on the perception of the extent of scent and noise in Suame Magazine is given in Figure 4.2. Figure 4.2 shows that 31 (20.7%) strongly disagreed, 37 (24.7%) disagreed, 38 (25.3%) were indifferent, 25 (16.7%) agreed and 19 (12.6%) strongly agreed that scent at Suame cluster is bad. This means that majority (58.7%) of customers of mechanical services disagreed that Suame Magazine smelt badly. Customers however attested that Suame Magazine is noisy. Out of 150 customers, 39 (26.0%), 20 (13.3%), 11 (7.3%), 57 (38.0%) and 23 (15.3%) strongly disagreed, disagreed, were indifferent, agreed and strongly agreed that the Suame Magazine is noisy.

The auto mechanics indicated the reasons for the noise and scent in the Suame Light Industrial Area (Magazine). They confirmed the Suame cluster is noisy and the noise comes from manufacturing works in the areas. The manufacturing works use heavy equipment and machines and when they are powered they generate a lot of noise. The mechanics also added that the area is densely populated and they produce noise since there are a lot of mechanic shops and people operating in the area.

The environmental audit survey by Wiredu (2012) showed that noise, dust, vehicle exhaust emissions and metal vapour were identified as sources of environmental problems at Suame Magazine. Wiredu's survey further found that obsolete vehicles, obsolete machinery, and human solid waste were other sources of pollution at the Suame Magazine. Siting of rubbish dumps along the banks of the Suame stream was seen as very unhealthy.

Corrosion was observed as a common feature at the Suame Magazine. The product of corrosion and other chemicals such as oil and acids were constantly washed by rain into the stream. The artisans were found to have very little knowledge of environmental legislation. They seemed to believe it was the duty of the Kumasi Metropolitan Assembly and the Ghana National Association of Garages to keep the larger environment clean.

### **Layout and Congestion**

Customers' perception on the layout and congestion in the environment where the vehicle is repaired indicates that Suame Magazine had good layout. The responses on layout shows that 41 (27.3%) of the respondents were indifferent, 89 (59.3%) of the respondents agreed and 20 (13.4%) strongly agreed that the Suame Magazine had good layout. The customers however attested that the environment is always congested. Also, 28 (18.7%), 74 (49.3%) and 48 (32.0%) of the customers were indifferent, agreed and strongly agreed respectively that the enclave for vehicle repairs and maintenance is always congested.

### **General Description of Servicescape at the Suame Magazine**

This embraces the overall customers' perception on the servicescape of the Suame Magazine. The data indicates that a good number (40.0%) of the customers perceived the general servicescape of the Suame Magazine to be "good" and 11.0% perceived it to be "very good". The remaining 25.0% and 24.0% perceived the servicescape of the Suame Magazine to "bad" and "very bad" respectively. The general description of the servicescape in Suame Magazine was based on ambient conditions, spatial conditions and signs and symbols.

The customers who perceived the servicescape of the areas to acceptable were 2% more than those who perceived the servicescape of Suame Magazine to be unacceptable. This raises concern for servicescape in the Suame Magazine as customers who perceived servicescape of the area to be acceptable was almost equal to those perceived it to be otherwise. Environmental psychologists contend that people respond to their environments holistically. That is, though individuals perceive discrete stimuli, it is the total configuration of stimuli that determines their responses to the environment (Bell, Fisher, & Loomis, 1978; Holahan, 1982; Ittelson et al., 1974). Hence willingness to pay for mechanical services in the Suame Magazine depends on general description of the servicescape of the areas.

### **Willingness to Pay for Mechanical Services**

Customers' perception on relative fees and charges for mechanical services is very important in decision to pay for vehicle repair services at a

given time in a given area. Figure 4.5 shows that 63 (42.0%) of customers perceived mechanical services price at the Suame Magazine to be within the expected range of charges paid for mechanical services. The remaining 58 (39.0%) and 29 (19.0%) of the customers perceived mechanical services at the Suame Magazine to be relatively low and relatively high respectively.

The study further interviewed the mechanics in the Suame Magazine on the customers' reaction to prices of mechanical services. The mechanics confirmed that their customers do not most often complain about fees charged and customers are happy because they have value for money paid by them for mechanical services.

The customers were further asked whether or not they were willing to pay for mechanical services in the Suame Magazine and the responses are summarized in Figure 4.6. Figure 4.6 indicates that majority (58.0%) of the customers were willing to pay for mechanical services at the Suame Magazine whilst 28.0% were not willing to pay and 14.0% were not sure of their willingness to pay for mechanical services at the Suame Magazine.

Those who were willing to pay for mechanical services at the Suame Magazine were further asked the maximum amount of money (in terms of percentage increase for any mechanical service) that they were willing to pay for mechanical services.

The responses here applied to fees charged for repairs and maintenance of vehicles and sale of spare parts (see Table 4.5). Table 4.5 shows that out of 87 customers who indicated that they were willing to pay for mechanical services at Suame Magazine, 12 (13.8%), 8 (9.2%), 37 (42.5%) and 30 (34.5%) were willing to pay up to between 10% and 20% increment, between 20% and 30% increment, between 30% and 40% increment and between 40% and 50% increment respectively for repairs and maintenance of vehicles. However, 29 (33.3%) and 58 (66.7%) of them were willing to pay up to between 10% and 20% increment and between 20% and 30% increment respectively for purchase of automobile spare parts.

Table 2: Maximum Percentage Increase in Fees/Charges that Customers are willing to Pay

<b>Percentage increase in fees/ charges</b>	<b>Frequency (F)</b>	<b>Percentage (%)</b>
<b>Repairs and Maintenance of Vehicles</b>		
Between 10% and 20%	12	13.8
Between 20% and 30%	8	9.2
Between 30% and 40%	37	42.5
Between 40% and 50%	30	34.5
<b>Total</b>	<b>87</b>	<b>100.0</b>
<b>Sales of Automobile Spare Parts</b>		
Between 10% and 20%	29	33.3
Between 20% and 30%	58	66.7
Between 30% and 40%	0	0.0
<b>Total</b>	<b>87</b>	<b>100.0</b>

Source: Field Data (2015)

### **Influence of Servicescape on Willingness to Pay for Mechanical Services**

The study used Chi-square to test whether or not the willingness to pay for vehicles repairs and maintenance services depends on customers' perception of general servicescape at the Suame light industrial area.

The test result is given in Table 4.6. The test hypothesis is stated below:

**H<sub>0</sub>:** Customers' Willingness to pay for vehicle repairs and maintenance services at the Suame Magazine does not depend on the customers' perception of the general servicescape of the areas.

**H<sub>1</sub>:** Customers' Willingness to pay for vehicle repairs and maintenance services in the Suame Magazine depends on the customers' perception of the general servicescape of the areas.

From Table 2, all customers who perceived general servicescape to be "very good" were willing to pay for mechanical services price. Out of 59 customers who perceived the general servicescape of the area to "good", majority (83.1%) indicated that they were willing to pay for mechanical services. However, 16.9% of them did not know whether or not they were willing to pay for mechanical services. Out of 36 customers who perceived the general servicescape to be "bad", 58.3%, 25.0% and 16.7% indicated "yes", "I do not know" and "no" respectively to their willingness to pay for mechanical services. Out of 38 customers who perceived general servicescape to be "very bad", almost (94.7%) indicate that they were not willing to pay for mechanical services whilst 5.3% indicated they did not know whether or not they were willing to pay.

Table 3: Chi-Square Test of Independence of Willingness to pay for Mechanical Services

General Description of servicescape	I am willing to pay for mechanical services			Total
	Yes	I do not know	No	
Very good	17 (100.0%)	0 (0.0%)	0 (0.0%)	17 (100.0%)
Good	49 (83.1%)	10 (16.9%)	0 (0.0%)	59 (100.0%)
Bad	21 (58.3%)	9 (25.0%)	6 (16.7%)	36 (100.0%)
Very bad	0 (0.0%)	2 (5.3%)	36 (94.7%)	38 (100.0%)
<b>Chi-Square= 94.687</b>		<b>P-Value = 0.000</b>		

Source: Field Data (2015)

The test result (Chi-square =94.687: P-value= 0.000) indicated that the null hypothesis which states that customers' willingness to pay for mechanical services in the Suame Magazine does not depend on the customers' perception of the general servicescape of the areas is rejected in favour of the alternative hypothesis (H<sub>1</sub>). Therefore customers' willingness to pay for mechanical services depends on the customers' perception of general servicescape in the Suame Magazine.

Service providers with good ambient and spatial layout would have high patronage. This finding is consistent with previous studies. Bitner, (1992) and Namasivayam and Lin (2008) noted that servicescape influences not only consumers' cognitive, emotional, and physiological states but also their behaviors. Namasivayam and Lin indicated that it is important for service organizations, including auto mechanical service providers, to design the servicescape effectively to enhance customer satisfaction and increase willingness to pay for such services at the Suame light industrial enclave.

## **Conclusion**

The auto-mechanical services shops have sprang up in most part of the Suame Light Industrial and some are still emerging and the customers are also demanding for better mechanical services in an appreciable environment. Customers are more willing to associate themselves with mechanical shops with better servicescape and more willing to avoid mechanical shops with poor servicescape. Servicescape is therefore very important to mechanical services and the sustenance of their business as customer willingness to pay can go a long way influence organizational profitability and growth.

The study was conducted in the Suame Magazine to assess servicescape and customers' willingness to pay for mechanical services. From the study, it is concluded that signs, symbols and artifacts are not important to customers who go to the Suame Magazine for mechanical services. The customers however perceived ambient conditions and spatial layout as important to them. The study further concluded that the Suame Magazine does not smell badly but noisy. The Suame Magazine has good layout but the cluster is always congested.

The study concludes that charges or price of vehicle repairs and maintenance services by the small scale auto mechanics are relatively good and customers are willing to pay for the service charges is dependent on the general servicescape of the provider. It is finally concluded that customers' willingness to pay for mechanical services depends on the servicescape in the Suame Magazine vehicle repairs enclave. Service providers with good ambient and spatial layout would have high patronage.

## **Suggestion for future studies**

The development of theoretical frame and expansion of knowledge in the field of service pricing literature requires continuous research. The small scale auto mechanics have distinctive attributes that requires continues investigation to expand the field. Considering the nature and the environment in which the small scale auto mechanics repair and maintain vehicles, the current study sought to investigate the influence of ambient conditions,

spatial layout and functionality, signs and symbols. This clearly poses a limitation for the investigation since servicescape has a wider components coverage that can be studied for a broader generalization in the vehicle repairs and maintenance industry.

Future studies on the vehicle repairs and maintenance services can expand it to the role of social servicescape on customer willingness to pay. The social servicescape include the person delivering the service, the attitude of other customers and the appearance of the customer. This may have a wider implication on the studies regarding service scape and customer willingness to pay for vehicle repairs and maintenance.

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