



INFLUENCE OF EXTERNAL PHYSICAL SERVICESCAPE ON CUSTOMER LOYALTY: A CASE OF SELECTED HOTELS IN MWANZA CITY, TANZANIA.

By

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Abstract

Purpose of the Study: This study aimed to investigate how external physical servicescape elements specifically landscaping, signage, and outdoor entertainment facilities affect customer loyalty in selected hotels in Mwanza City, Tanzania. The objective was to understand how these visible exterior cues shape customers' perceptions, satisfaction, and intention to revisit or recommend the hotels.

Methodology: A cross-sectional research design was adopted. Data were collected through structured questionnaires administered to customers across selected mid-tier hotels in Mwanza City. Using convenience sampling, 336 responses were analyzed. Multiple regression analysis was used to determine the predictive influence of each external servicescape dimension on customer loyalty.

Findings: The results showed that all three external physical servicescape elements significantly influence customer loyalty. Outdoor entertainment had the strongest positive effect ($B = 0.393, p = .000$), followed by landscaping ($B = 0.297, p = .000$) and signage ($B = 0.202, p = .000$). The results show that improvements in these external features meaningfully increase customer satisfaction and loyalty.

Originality: This study adds empirical evidence from the Tanzanian hospitality sector, where research on external servicescape remains limited. By applying the S-O-R Theory, the study demonstrates how external hotel attributes trigger customer evaluations that ultimately shape loyalty behavior.

Practical Implications: Hotel managers should prioritize visible external improvements such as enhancing outdoor entertainment spaces, upgrading landscaping, and ensuring clear and professional signage to strengthen customer loyalty. Regular maintenance and aesthetic upgrades can significantly boost customer perceptions and repeat patronage.

Social Implications: Improved hotel exteriors contribute to a more attractive city environment, enhance visitor experiences, and support local tourism development. A visually appealing surroundings may also stimulate positive word-of-mouth and community pride.

Keywords: External servicescape, customer loyalty, landscaping, signage, outdoor entertainment, hotels, Mwanza City, S-O-R theory.

1.1 Background of the Study

The concept of servicescape—the physical environment in which service delivery takes place—has become a key focus in hospitality research. Bitner (1992) identified ambient conditions, spatial layout, and signage as central components influencing customer and employee behaviour, a definition

later expanded to include both external physical servicescapes (building exteriors, landscaping, signage) and e-servicescapes that represent digital service interfaces (Harris & Goode, 2010). These elements shape customer perceptions, emotions, and ultimately loyalty. Despite the rapid adoption of automation and AI, physical and emotional features of service

environments remain crucial in shaping memorable customer experiences. Forbes (2023) emphasises that first impressions created by external servicescape elements strongly influence expectations and satisfaction. Similarly, Lee and Chuang (2021) found that exterior design, accessibility, and surrounding aesthetics significantly affect customer perceptions and behavioural intentions in hospitality settings. As service industries integrate digital and physical touchpoints, the World Bank (2021) highlights the need for businesses to strengthen both in order to stay competitive. In Africa, hospitality is a major driver of tourism, economic growth, and employment. The World Bank (2013) reports that quality physical infrastructure—hotel design, cleanliness, accessibility, and signage—is vital in attracting and retaining tourists. Recent studies further note that African hotels must harmonise physical and digital environments to build trust and loyalty, though challenges such as infrastructural limitations and inconsistent technological investment persist (Nadesan & Ariffin, 2023). These issues are particularly common in mid-level hotels, which struggle to maintain appealing and consistent service environments.

Tanzania's hospitality sector has recorded strong growth, contributing significantly to national GDP (TZ Business News, 2022). However, gaps remain in infrastructure and service quality, especially in the external physical environment that shapes first impressions yet receives limited attention (Chang & Lin, 2024). Mwanza City, the country's second-largest urban centre and a growing tourism hub, hosts several hotels serving both local and international visitors. Despite this growth, there is limited empirical research examining how external servicescape elements influence customer loyalty in Mwanza. Although the Mwanza City Council (2023) promotes urban beautification and improved external design to attract tourists, the role of external servicescape in enhancing customer loyalty remains underexplored. This gap highlights the need for focused research on how physical surroundings of hotels impact customer perceptions and loyalty in the city's hospitality sector.

1.2 Statement of problem

Although hotels in Mwanza City have improved internal service quality, their external physical environments including building exteriors, signage, landscaping, and outdoor facilities—remain underdeveloped (Mrutu, 2008). This limits their ability to create strong first impressions and compete effectively, especially as visual appeal increasingly influences customer choice and loyalty in the hospitality sector (World Bank Group, 2024). Existing research confirms that external servicescape elements significantly affect customer loyalty, but most studies are based in international settings. For example, Nadesan and Ariffin (2023) highlighted the impact of outdoor aesthetics in Malaysian hotels, while Chang and Lin (2024) emphasized the value of gardens and green spaces. In Tanzania, however, external hotel features continue to receive minimal attention despite their importance. Yet, no localized studies have examined how external physical servicescapes influence customer loyalty in Mwanza City, a

rapidly growing tourist hub. This gap limits evidence-based improvements in hotel competitiveness. Therefore, this study investigates the influence of external physical servicescape on customer loyalty in selected mid-tier hotels in Mwanza City, addressing an overlooked but critical aspect of service quality.

1.3 Specific Objectives

The following specific objectives will guide the study's general objective.

- (i) To examine the influence of landscape features and customer loyalty in selected hotels in Mwanza City.
- (ii) To assess the effect of Signage on customer Loyalty in selected hotels in Mwanza City.
- (iii) To determine the influence of outdoor entertainment facilities on customer loyalty in selected hotels in Mwanza City.

2.1 Stimulus–Organism–Response (S-O-R) Theory

2.1.1 Key Idea

The Stimulus–Organism–Response (S-O-R) theory, originally introduced by Woodworth (1929) and later expanded by Mehrabian and Russell (1974), explains how environmental stimuli influence individuals' internal emotional and cognitive states, which subsequently shape their behavioural responses. In service environments such as hospitality, physical surroundings—including landscaping, building design, signage, and entertainment facilities—act as external stimuli that trigger internal evaluations such as satisfaction, comfort, or arousal, ultimately influencing customer loyalty and behavioural intentions.

2.1.2 Assumptions of the Theory

The S-O-R model is built on three core assumptions. First, environmental stimuli directly affect individuals' internal states, meaning that sensory elements such as colour, layout, and ambience can generate emotional reactions that guide behaviour. Second, individuals actively interpret stimuli based on their experiences, cultural background, and context; thus, customers may perceive the same environment differently, leading to varied emotional outcomes. Third, the model assumes a linear and causal progression in which a well-designed environment (stimulus) leads to positive internal states (organism), which then produce favourable behavioural responses such as loyalty, repeat visits, or word-of-mouth recommendations.

2.1.3 Strengths of the Theory

A major strength of the S-O-R theory is its flexibility and applicability across disciplines such as psychology, marketing, and environmental design. It allows incorporation of diverse types of stimuli and internal processes, enabling detailed analysis of customer emotions and cognitive evaluations. The model also supports mediating factors like satisfaction, enhancing its explanatory power for consumer behaviour. Its focus on both emotional and cognitive dimensions offers a more holistic understanding compared to models that emphasize only observable actions.

2.1.4 Limitations of the Theory

Despite its usefulness, the S-O-R theory has been critiqued for assuming a simplified and linear relationship among stimuli, internal states, and responses, which may not fully capture the complexity of human behaviour or feedback loops. It also struggles to accommodate individual differences in perception, as people interpret the same environment differently based on personal and cultural factors. These limitations suggest that while the theory is functional, it may need to be complemented with additional theoretical perspectives for a more comprehensive understanding.

2.1.5 Application of the Theory to the Study

In this study, the S-O-R theory provides a suitable framework for examining how external physical servicescape elements of selected hotels in Mwanza City influence customer loyalty. Here, landscaping, building design, signage, and entertainment facilities function as stimuli that trigger customers' emotional and cognitive evaluations (organism), shaping outcomes such as satisfaction and loyalty behaviours (response). The theory supports the study's focus on environmental cues as drivers of customer experience and reinforces the role of satisfaction as a mediating factor linking servicescape quality to loyalty.

2.2 Environmental Psychology Theory Summary

2.2.1 Key Idea

Environmental Psychology Theory explains how physical environments shape human emotions, cognition, and behaviour. Built on the foundational work of Mehrabian and Russell (1974), the theory argues that environmental stimuli—such as design, aesthetics, landscaping, and spatial layout— influence emotional states of pleasure, arousal, and dominance, which subsequently guide approach or avoidance behaviours. In hospitality contexts, external features like gardens, signage, and entertainment areas trigger psychological responses that determine guests' comfort, trust, attachment, and overall engagement. Subsequent research, including Donovan and Rossiter (1982), further shows that perceived environmental quality strongly predicts behavioural intentions, making the theory essential for examining how servicescape elements influence customer satisfaction, experience, and loyalty.

2.2.2 Assumptions of the Theory

Environmental Psychology Theory rests on five key assumptions. First, physical environments directly influence emotions and behaviour, meaning aesthetic and design cues evoke reactions that shape observable actions. Second, environmental responses are driven by affective and cognitive processes; individuals interpret spaces based on experience, culture, and personal preferences, resulting in varied perceptions. Third, approach-avoidance behaviour is a primary behavioural outcome, with attractive features encouraging engagement and negative cues prompting withdrawal.

2.2.3 Strengths of the Theory

The main strength of Environmental Psychology Theory is its holistic explanation of how individuals interact with physical environments, integrating emotional, cognitive, and behavioural dimensions. Its constructs—such as approach-avoidance behaviour, perceived environmental quality, and affective responses—are widely applicable and empirically supported in hospitality and tourism research. The theory's flexibility allows it to integrate with complementary models like the S-O-R framework, enhancing its explanatory depth in complex service settings. Its emphasis on multisensory impressions makes it particularly relevant for hospitality contexts where ambiance, design, and external servicescape features are central to shaping customer experiences and loyalty.

2.2.4 Limitations of the Theory

However, Environmental Psychology Theory is not without limitations. It often simplifies the relationship between environmental stimuli and behaviour by assuming linear effects, despite the complexities of real human behaviour influenced by cultural, social, and contextual factors. The theory also tends to prioritize emotional responses while giving less attention to cognitive and motivational processes that may mediate or moderate environmental effects. Its broad scope limits its predictive precision, and constructs such as perceived environmental quality are inherently subjective, leading to inconsistencies in measurement across studies.

2.2.5 Application of the Theory to the Study

In this study, Environmental Psychology Theory provides a robust foundation for analysing how external servicescape elements of selected hotels in Mwanza City influence customer loyalty. Gardens, building design, signage, and entertainment facilities act as environmental stimuli that shape guests' emotional states, perceived environmental quality, and approach-avoidance tendencies. These psychological responses determine satisfaction, attachment, and ultimately loyalty behaviours such as repeat visits and positive recommendations. The theory supports the study's focus on emotional and cognitive evaluations as pathways linking the external physical environment to customer loyalty, reinforcing the argument that improving the external servicescape enhances customer engagement and strengthens loyalty outcomes.

2.3 Complementarity of the Two Theories

The two theories complement each other by combining the structured causal pathway of the S-O-R model with the contextual depth of Environmental Psychology Theory. While S-O-R explains how environmental stimuli influence internal states and behavioral responses, Environmental Psychology clarifies why specific cues such as landscaping, signage, and entertainment facilities evoke particular emotional reactions and approach behaviors. Recent studies (Hochreiter et al., 2023; Lu et al., 2025; Sumardi et al., 2025) show that S-O-R is rooted in environmental psychology, with both theories jointly used to analyse how physical environments shape

emotions and behavior. Together, they offer a comprehensive framework for understanding how external servicescape elements influence customer satisfaction and loyalty in hotel settings.

2.4 Empirical Review

2.4.1 The Influence of Landscape Features and Customer Loyalty

Landscaping, as a key element of the external physical servicescape, significantly shapes customer perceptions, satisfaction, and loyalty in hospitality settings. Features such as gardens, green spaces, flowers, and trees enhance aesthetic appeal and create relaxing atmospheres that foster emotional attachment and positive customer experiences. Empirical studies across various service sectors highlight this relationship. Ginting, Lubis, and Sembiring (2022) found that visually appealing outdoor environments—including landscaping—positively influenced customer satisfaction and loyalty in a coffee shop setting, supporting the idea that well-designed external features enhance behavioral outcomes, despite the study's limited generalizability. Similarly, Chang and Lin (2024) demonstrated that landscaped outdoor areas in theme hotels significantly affected guests' emotional evaluations, perceived value, and loyalty, recommending investment in outdoor design as a strategic tool for retention. Although conducted in the banking sector, Muiyuro (2024) also showed that well-maintained landscapes improve customer satisfaction and loyalty, reinforcing the cross-sector relevance of external aesthetics. Collectively, the reviewed studies affirm that landscaping functions as a powerful stimulus within the S-O-R framework, triggering emotional responses that lead to loyalty-related behaviors. Environmental Psychology Theory further explains that such environments evoke positive affective states, promoting approach behavior and strengthening attachment to service settings. However, existing studies primarily focus on contexts outside Tanzania and on high-end or non-hospitality sectors. This reveals a gap in localized research examining the influence of landscaping on customer loyalty in mid-tier hotels in Mwanza City. The present study seeks to address this gap by analyzing the causal impact of external landscape features on customer loyalty within the region's hotel industry.

2.4.2 The Effect of Signage on Customer Loyalty

Signage is a key element of the external physical servicescape that influences customer perceptions, satisfaction, and loyalty by improving navigation, reducing confusion, and reinforcing brand identity. Studies show that clear, visible, and well-designed signage enhances customer experience and behavioural intentions. For example, Ali et al. (2021) found that signage indirectly boosts loyalty through customer satisfaction in Malaysian restaurants, while Ariffin et al. (2025) reported that signage in resort hotels influences loyalty via place attachment and satisfaction. Similarly, Srivastava, Dubey, and Kumar (2024) highlighted signage as a tangible factor that enhances satisfaction and loyalty in the hospitality sector. These findings indicate that signage acts as a stimulus within the S-O-R framework, evoking emotional comfort and

guiding loyalty behaviours, while Environmental Psychology Theory explains that clear signage improves perceived environmental quality and reduces cognitive load. Most prior studies are outside Tanzania and rarely isolate signage as a variable, limiting their applicability. This study addresses that gap by examining the causal effect of signage quality on customer loyalty in mid-tier hotels in Mwanza City.

2.4.3 The Influence of Outdoor Entertainment Facilities on Customer Loyalty

Outdoor entertainment facilities such as poolside music, garden events, recreational activities, and open-air lounges are important components of the external physical servicescape that influence guest perceptions, satisfaction, and loyalty. These features contribute to sensory and emotional experiences, shaping first impressions and overall engagement with the hotel environment. Empirical studies highlight the role of entertainment in enhancing customer loyalty. For instance, Gorji, Siami, and Grimmer (2021) found that music and visual stimuli in retail settings, combined with positive interactions, improved emotional responses and loyalty, supporting the S-O-R framework. Similarly, Mattila and Wirtz (2022) demonstrated that congruent sensory stimuli, including music, enhanced mood, satisfaction, and repeat behaviour in hospitality settings. Other studies, such as Torralba and Ylagan (2023) and Shyju et al. (2023), indicate that entertainment amenities contribute to perceived service quality and customer loyalty, although these studies often treat entertainment as a secondary element rather than isolating it as a distinct variable. Collectively, the evidence suggests that outdoor entertainment facilities act as stimuli that evoke positive emotional responses, enhancing satisfaction and loyalty, consistent with the S-O-R and Environmental Psychology frameworks. However, most prior research focuses on high-end or international contexts, leaving mid-tier hotels in developing regions underrepresented. The current study addresses this gap by examining the specific impact of outdoor entertainment facilities on customer loyalty in selected mid-tier hotels in Mwanza City, providing context-specific insights into the role of these features within the external servicescape.

2.5 Research gap

While prior studies have examined servicescape broadly, they often fail to differentiate internal and external elements, limiting understanding of how specific features—such as landscaping, signage, and outdoor entertainment—individually affect customer loyalty. Most research also focuses on high-end or international settings, neglecting mid-tier hotels in developing regions like Mwanza City, Tanzania. This study addresses this gap by empirically investigating the impact of these external servicescape elements on customer loyalty in selected mid-tier hotels, providing localized and targeted insights.

3.0 RESEARCH METHODOLOGY

3.1 Research Philosophy and Approach

This study adopted a positivist philosophy, emphasizing objective, measurable, and observable phenomena (Cohen et

al., 2007). A deductive approach was employed, applying the Stimulus Organism–Response (S-O-R) theory to test whether external physical servicescape elements landscaping, signage, and outdoor entertainment facilities affect customer loyalty through emotional responses (Mehrabian & Russell, 1974; Jacoby, 2002).

3.2 Research Design and Area

An explanatory cross-sectional design was used to investigate causal relationships between servicescape elements and customer loyalty in selected mid-tier hotels in Mwanza City, Tanzania. The study focused on five purposively selected hotels in Ilemela District, chosen for their visible external features and popularity among local and international guests.

3.3. Sampling and Population

Hotels were stratified by star rating, and purposive sampling selected those with prominent servicescape elements. Convenience sampling recruited guests for participation via online and in-person questionnaires. The target population comprised hotel guests and visitors exposed to external servicescape features. Using a 95% confidence level, 384 respondents were selected proportionally across the four hotels.

3.4 Data Collection

Primary quantitative data were collected using structured questionnaires and observational checklists. The questionnaire, available in English and Kiswahili, measured perceptions of landscaping, signage, and outdoor entertainment facilities, along with customer loyalty, using a five-point Likert scale. Items were adapted from validated studies, focusing solely on external physical elements.

3.5 Study Measures

Landscaping assessed visual appeal, maintenance, and emotional impact (Ginting et al., 2022; Lin & Mattila, 2010). Signage measured visibility, clarity, and design quality (Ali et al., 2021; Ariffin et al., 2025). Outdoor entertainment examined music and recreational features (Torralba & Ylagan, 2023; Mattila & Wirtz, 2022; Gorji et al., 2021). Customer loyalty included behavioural, attitudinal, and advocacy dimensions (So et al., 2024).

3.6 Data Analysis

Quantitative data were analysed using SPSS v26. Descriptive statistics summarized demographics and response trends, while inferential statistics, including regression analysis, examined relationships between external servicescape elements and customer loyalty.

4.0 FINDINGS AND DISCUSSION

4.1 Reliability Analysis

The reliability of the study instruments was assessed using Cronbach's Alpha to measure internal consistency, with all constructs exceeding the acceptable threshold of 0.70 (Tavakol & Dennick, 2011; Nunnally & Bernstein, 1994). The Landscape variable ($\alpha = 0.920$) demonstrated excellent reliability, Signage ($\alpha = 0.849$) and Customer Loyalty ($\alpha = 0.855$) showed good reliability, and Outdoor Entertainment ($\alpha = 0.778$) reflected acceptable reliability. These results indicate

that the questionnaire items consistently measured respondents' perceptions of the external physical servicescape and its influence on customer loyalty, supporting the suitability of the instruments for further statistical analysis.

Variable	No. of items	Cronbach's Alpha
Landscape - IO	6	0.920
Signage -IO	4	0.849
Entertain- IO	3	0.778
Customer Loyalty - DO	4	0.855

4.2 Pearson Correlation Analysis

		landscap	Signag	Entertai	Loyalty
		e	e	n	
landscape	Pearson Correlation	1	.624 **	.639 **	.687 **
	Sig. (2-tailed)		.000	.000	.000
	N	336	336	336	326
Signage	Pearson Correlation	.624 **	1	.589 **	.623 **
	Sig. (2-tailed)	.000		.000	.000
	N	336	336	336	326
Entertain	Pearson Correlation	.639 **	.589 **	1	.725 **
	Sig. (2-tailed)	.000	.000		.000
	N	336	336	336	326
Loyalty	Pearson Correlation	.687 **	.623 **	.725 **	1
	Sig. (2-tailed)	.000	.000	.000	
	N	326	326	326	326

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation analysis shows that all external physical servicescape elements have a significant positive relationship with customer loyalty. Landscape features are strongly associated with loyalty ($r = 0.687$, $p < 0.01$), indicating that well-maintained gardens and aesthetic outdoor areas encourage guest preference and repeat visits. Signage also correlates positively with loyalty ($r = 0.623$, $p < 0.01$), highlighting the role of clear and professional signs in customer retention. Outdoor entertainment exhibits the strongest correlation ($r = 0.725$, $p < 0.01$), suggesting that recreational and live entertainment strongly influence guests' desire to revisit. The independent variables are positively interrelated, with moderate to strong correlations among landscape, signage, and entertainment, implying that hotels with attractive landscapes often provide complementary signage and entertainment, enhancing the overall servicescape

experience. These findings emphasize the importance of investing in a well-designed external environment to boost customer loyalty.

4.3 Regression Coefficients Analysis

Model	Standardized				
	Unstandardized Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.
1	(Constant)	.539	.152	3.552	.000
	landscape	.297	.044	.310	6.776 .000
	Signage	.202	.045	.198	4.490 .000
	Entertain	.393	.042	.420	9.365 .000

Regression results show that all external physical servicescape elements significantly predict customer loyalty. The model's intercept (0.539, $p < 0.001$) represents the baseline loyalty when all predictors are zero. Landscape features have a positive effect ($B = 0.297$, $p < 0.001$), indicating that improvements in gardens and scenic areas moderately increase loyalty. Signage also positively influences loyalty ($B = 0.202$, $p < 0.001$), though its impact is smaller than landscape and entertainment. Outdoor entertainment exhibits the strongest effect ($B = 0.393$, $p < 0.001$), suggesting that enhancements in recreational facilities and live music most strongly drive customer loyalty. Overall, these findings confirm that landscape, signage, and outdoor entertainment are significant predictors, with outdoor entertainment being the most influential.

4.4. Discussion of findings

4.4.1 Landscape and Customer Loyalty

Correlation and regression analyses further confirm the strong positive effect of landscape on loyalty, with a correlation coefficient of $r = 0.687$ ($p < 0.01$) and a regression coefficient of $B = 0.297$, $\beta = 0.310$ ($p < 0.001$). This indicates that landscape features independently predict customer loyalty even when controlling for other servicescape elements. From the S-O-R perspective, landscape acts as a stimulus (S) influencing guests' internal emotional and cognitive states (O), such as pleasure and relaxation, which then drive loyalty behaviours (R). While most hospitality studies, including Ginting et al. (2022) and Chang and Lin (2024), support this relationship, research in other sectors shows mixed results. For instance, Muiyuro (2024) in the banking sector and Edeme et al. (2021) in Nigeria's fast-food industry found that landscaping improved satisfaction but had a marginal or insignificant effect on loyalty. These variations suggest that the influence of landscape on loyalty may depend on industry context and customer expectations, highlighting the importance of well-designed outdoor environments in hospitality settings like mid-tier hotels in Mwanza City. These findings align with Environmental Psychology Theory, which posits that physical surroundings significantly influence emotions, cognition, and behaviour (Mehrabian & Russell, 1974). Well-maintained landscapes can induce relaxation, aesthetic pleasure, and a sense of calm, all of which contribute to higher customer satisfaction and loyalty.

4.4.2 Signage and Its Impact on Customer Loyalty

Correlation analysis showed a positive and significant relationship between signage and customer loyalty ($r = 0.623$, $p < 0.01$), while regression results confirmed its independent effect ($B = 0.202$, $\beta = 0.198$, $p < 0.001$). Although signage has a smaller beta coefficient than landscape and outdoor entertainment, it remains a meaningful predictor of loyalty, emphasizing the functional and perceptual role it plays in hospitality settings. Supporting studies reinforce this finding: Ali et al. (2021) reported that brand-consistent signage improves perceived value and satisfaction, leading to higher loyalty; Ariffin et al. (2025) showed that signage reduces disorientation and fosters place attachment, strengthening revisit intentions; and Srivastava, Dubey, and Kumar (2024) highlighted that professionally designed signage conveys quality and care, positively influencing guest loyalty. However, signage's influence may vary across industries. For instance, Edeme et al. (2021) in Nigeria's fast-food sector observed that signage had little impact on loyalty compared to service speed and pricing, while Muiyuro (2024) found only marginal effects in banking environments. These findings suggest that industry-specific expectations and priorities can moderate the impact of signage on loyalty. The Stimulus–Organism–Response (S-O-R) framework helps explain these results, as signage acts as a stimulus (S) shaping cognitive and emotional states (O), such as clarity, confidence, and perceived control, which in turn drive behavioral responses (R) like loyalty. Complementing this, Environmental Psychology Theory posits that clear and legible signage reduces cognitive strain, enhances perceived environmental quality, and fosters psychological comfort. Guests who feel oriented and confident are more likely to experience satisfaction and emotional attachment, which ultimately translates into repeat patronage and long-term loyalty.

4.4.3 Outdoor Entertainment and Customer Loyalty

Correlation analysis confirms a strong positive relationship with customer loyalty ($r = 0.725$, $p < 0.01$), the highest among all servicescape variables. Regression results indicate that outdoor entertainment is the strongest predictor of loyalty ($B = 0.393$, $\beta = 0.420$, $p < 0.001$), even when controlling for landscape and signage. These findings align with previous studies: Gorji, Siami, and Grimmer (2021) found recreational facilities enhance emotional satisfaction and loyalty, Srivastava et al. (2021) emphasized leisure amenities as hedonic value drivers, and Mattila and Wirtz (2022) highlighted the positive effect of experiential features on emotional responses and behavioral intentions. Some studies show context-dependent effects. Khamborkar, Sharma, and Singh (2022) noted that entertainment influenced purchases but had limited long-term loyalty in consumer electronics, while Torralba and Ylagan (2023) found entertainment improved perceived tangibility but had less impact on loyalty than service quality in resorts. This suggests that while outdoor entertainment strongly drives loyalty in hotels, its influence may vary across sectors. Using the S-O-R framework, outdoor entertainment acts as a stimulus (S) that evokes emotional and cognitive responses (O), such as pleasure and relaxation, leading to loyalty behaviors (R).

Environmental Psychology Theory further explains that dynamic outdoor spaces enhance perceived environmental quality, comfort, and social interaction, strengthening emotional attachment and repeat patronage.

5.1 Conclusion

The study concludes that external physical servicescape elements landscape features, signage, and outdoor entertainment facilities significantly influence customer loyalty in selected hotels in Mwanza City. Well-maintained gardens, visually appealing outdoor areas, and panoramic views enhance guests' emotional experiences, promoting relaxation and aesthetic pleasure, while clear, visible, and professionally designed signage supports navigation, reinforces brand identity, and provides cognitive comfort. Among these elements, outdoor entertainment facilities, including recreational areas and live music, exert the strongest influence by enhancing hedonic and emotional experiences, driving repeat patronage. Correlation and regression analyses confirm that each element independently contributes to loyalty, supporting the Stimulus–Organism–Response (S-O-R) Theory, which posits that environmental stimuli evoke positive internal states that translate into behavioral responses, and Environmental Psychology Theory, which highlights the role of well-designed and engaging environments in shaping satisfaction and attachment. Practically, these findings suggest that hotels can strengthen customer loyalty by strategically investing in aesthetically pleasing landscapes, high-quality signage, and diverse outdoor entertainment offerings as integral components of their servicescape.

5.2 Limitations of the study and area of further studies

Despite its contributions, this study has several limitations. The cross-sectional design limits the ability to capture changes in customer perceptions and loyalty over time, while focusing solely on selected mid-tier hotels in Mwanza City restricts the generalizability of findings to other hotel categories or regions. Data collection relied on self-reported questionnaires, which may be affected by social desirability bias and recall inaccuracies. Additionally, the study examined only external physical servicescape elements, excluding internal factors such as interior décor, lighting, and cleanliness that may also influence loyalty. Future research could adopt longitudinal or experimental designs, incorporate both internal and external servicescape dimensions, and compare the influence of these elements across different hotel categories, cities, and cultural contexts to provide a more comprehensive understanding of how hotel environments shape guest satisfaction and revisit intentions.

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