

Servicescape and Service Quality for E-WOM Through Memorable Experiences: A Case Of Suriwathi Hotel Restaurant

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Keywords: Service Quality, Servicescape, Memorable Customer Experience, E-WOM.

Abstract

This study examines the influence of service quality and servicescape on electronic word of mouth (E-WOM) through memorable customer experience at Suriwathi Hotels and Villas Legian restaurant. Using a quantitative approach with SEM-PLS, the sample consisted of 230 tourist respondents. The findings show that service quality and servicescape significantly affect memorable customer experience and E-WOM, both directly and indirectly. Memorable customer experience plays a mediating role, confirmed by the Sobel Test, while CFA results validate the construct's reliability. The study highlights the role of memory clarity and long-term recall in shaping positive digital communication. Theoretically, it strengthens SOR theory in hospitality, and practically, it offers strategic insights for optimizing service quality and servicescape to enhance E-WOM as a promotional tool in Suriwathi Hotel Restaurant.

INTRODUCTION

Bali is one of the main tourism hubs in Indonesia, contributing significantly to the regional economy. Unlike other provinces that rely heavily on MICE tourism, Bali positions leisure-based tourism as its economic backbone. According to the Central Bureau of Statistics (BPS), international tourist arrivals in 2023 reached 5,273,258 visits, an increase of 144.6 percent compared to 2022, following recovery from the COVID-19 pandemic (Badan Pusat Statistik (BPS) Provinsi Bali, 2024). The growth was further supported by the expansion of direct international flights that improved accessibility to the island. This growth has intensified competition among starred and boutique hotels, not only in providing accommodation but also in offering memorable culinary experiences. Hotel restaurants are increasingly functioning as key attractions that enhance guest satisfaction and build positive brand image. Suriwathi Hotel and Villas Legian, established in 1975, operates three restaurant outlets The Joglo Restaurant, Warung Happy, and Warung Happy on The Beach each with distinct concepts aimed at delivering memorable experiences. However, visitor data and online reviews show that these outlets attract fewer customers compared to competitors such as The Lokal, Fresco Café, Mozzarella, and Garlic Lane.

Digital ratings also reflect uneven performance. Warung Happy maintains strong visibility and high ratings across platforms such as Facebook, Google Review, and TripAdvisor, while The Joglo Restaurant and Warung Happy on The Beach lack significant online exposure. This gap indicates variations in Electronic Word of Mouth (E-WOM) performance among the outlets. As an informal form of digital marketing communication, E-WOM plays a crucial role in shaping brand image, influencing purchase decisions, and building consumer loyalty (Satryawan et al., 2022). Customer reviews highlight challenges in reliability (consistency of food quality) and responsiveness (staff attentiveness). Prior studies have confirmed that poor staff responsiveness reduces customer satisfaction and stimulates negative E-WOM (Yi et al., 2018; Rachbini et al.,

2021). Moreover, customer experience is shaped not only by service quality but also by physical environment or *servicescape*, which generates emotional impressions and memorable experiences (Sharma et al., 2022). Memorable customer experience acts as a catalyst, transforming service quality and servicescape into long-lasting positive memories that foster customers' willingness to share their experiences online (Kim, 2018).

Previous studies have shown that *servicescape* positively influences E-WOM (Yasmin & Trishananto, 2024), though findings on the relationship between service quality and WOM remain inconsistent (Stribbell & Duangekanong, 2022). This inconsistency reveals a research gap, particularly in the context of hotel restaurants located in major tourist destinations such as Legian, Bali. In response to this gap, the present study aims to analyze the effect of service quality and servicescape on E-WOM, with memorable customer experience as a mediating variable, in the restaurant outlets of Suriwathi Hotel and Villas Legian. The findings are expected to contribute theoretically by expanding the application of the SOR framework in the hospitality industry and practically by providing strategic insights for hotel management to optimize servicescape and service quality in order to foster positive E-WOM.

METHODS

This study employs a quantitative, cross-sectional design to examine how servicescape and service quality drive electronic word of mouth (E-WOM) via memorable customer experience within the restaurant outlets of Suriwathi Hotel and Villas Legian. The research setting comprises three outlets The Joglo Restaurant, Warung Happy, and Warung Happy on the Beach in Legian, Bali. Fieldwork ran from December 2024 through June 2025, covering proposal, observation, interviews with outlet managers, documentation, and a main survey (April–May 2025). The population is customers who have visited and used the restaurants' services. Sampling followed a non-probability purposive approach with criteria: at least one visit in the past six months, age ≥ 18 , dine-in or takeaway experience, and willingness to complete the questionnaire. Sample size was determined using Hair et al., (2021) guidelines (5–10 respondents per observed indicator); with 46 items, the minimum of 230 respondents was targeted and obtained. Primary data were collected via a structured questionnaire (five-point Likert scale), complemented by manager interviews and document review; secondary data were drawn from relevant literature.

The model comprises exogenous variables (servicescape and service quality), a mediating variable (memorable customer experience), and an endogenous outcome (E-WOM). Constructs and indicators were adapted from prior studies (e.g., servicescape: ambient conditions, spatial layout/functionality, signs/symbols/artifacts; service quality: tangibles, reliability, responsiveness, assurance, empathy; memorable customer experience: memory clarity, experience uniqueness, long-term memory retention; E-WOM: social media engagement, content creation, review/feedback). Data were analyzed using PLS-SEM (SmartPLS 3). Measurement validation applied CFA: convergent validity (loadings ≥ 0.70 ; AVE > 0.50), discriminant validity (Fornell–Larcker, cross-loadings, and HTMT < 0.85 – 0.90), and reliability (Cronbach's α and composite reliability > 0.70). The structural model was evaluated via R^2 (≈ 0.75 strong, 0.50 moderate, 0.25 weak), path coefficients (sign and magnitude), and bootstrapped t-statistics ($t > 1.96$, $\alpha = 0.05$). Mediation was assessed through indirect effects following Hair et al. (complementary/competitive partial, full mediation, and non-mediation) and effect-size *upsilon* (u) thresholds ($u \approx 0.175$ high, 0.075 medium, 0.01 low) (Ogbeibu et al., 2021).

RESULTS AND DISCUSSION

Characteristics of Respondents

The study surveyed 230 customers across three restaurant outlets at Suriwathi Hotel and Villas Legian (The Joglo Restaurant, Warung Happy, and Warung Happy on The Beach) using purposive sampling of visitors who had dined at least once in the past six months. The sample is moderately male-skewed (128 men, 56%; 102 women, 44%). In terms of employment, respondents were primarily employees (102; 44.4%) and entrepreneurs (95; 41.3%), with smaller shares of students (21; 9.1%) and other occupations (12; 5.2%). Age distribution was dominated by customers aged >50 years (103; 44.8%), followed by those aged 31–50 (87; 37.8%), 21–30 (33; 14.3%), and <21 (7; 3.1%). Most participants were international visitors, led by Australia (207; 90%), with New Zealand (7; 3.0%), India (5; 2.2%), and Indonesia (11; 4.8%) comprising the remainder. By outlet, nearly half had visited Warung Happy on The Beach (111; 48%), followed by Warung Happy (89; 39%) and The Joglo Restaurant (30; 13%). Taken together, the profile reflects a mature, predominantly international clientele largely working adults whose dining experiences are concentrated at the beachfront outlet, a composition that is pertinent for interpreting perceptions of service quality, servicescape, memorable experience, and E-WOM.

Confirmatory Factor Analysis

Confirmatory Factor Analysis (CFA) was employed to test the construct validity of the two main variables service quality and servicescape based on theoretical foundations and prior studies (Ghozali, 2018). The results show that the service quality construct, measured through 15 indicators (SQ1–SQ15), generally achieved factor loadings above the minimum threshold of 0.50, indicating that most indicators adequately represent the construct, although a few items displayed moderate contributions. Similarly, servicescape, measured through 13 indicators (SS1–SS13), recorded loadings primarily above 0.60, with some lower values still within the acceptable range (0.50–0.60). Overall, the indicators for both constructs demonstrate sufficient convergent validity, confirming their suitability for inclusion in the structural model. This model is described in the following figure.

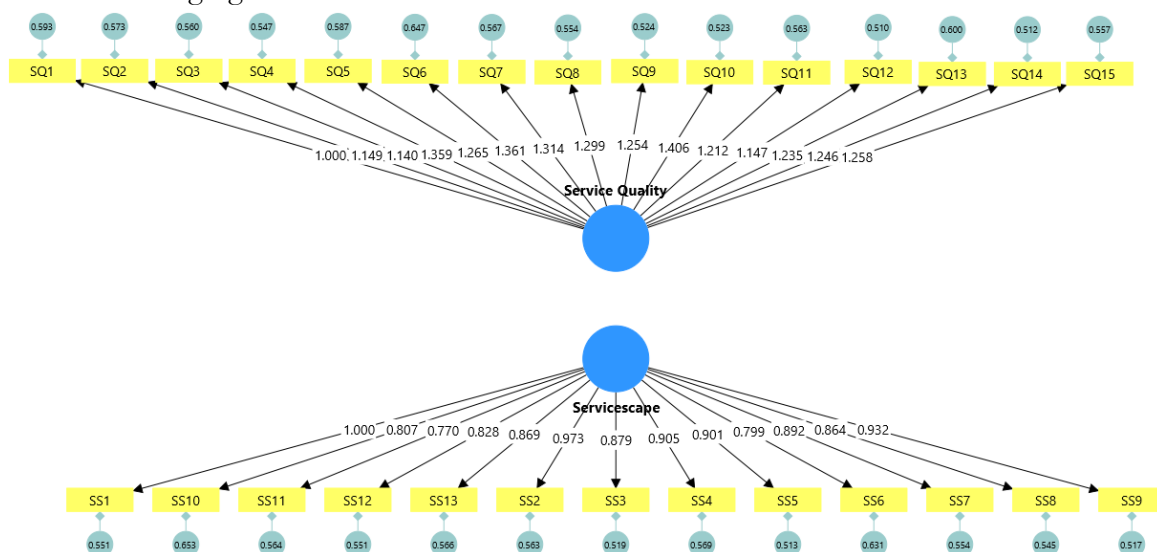


Figure 1 Confirmatory Factor Analysis

Source: Primary data processed (2025)

Further validity and reliability tests reinforced these findings. Discriminant validity

assessed using the Fornell–Larcker criterion confirmed that the square roots of AVE for service quality (0.703) and servicescape (0.697) exceeded inter-construct correlations, ensuring that each construct explains its indicators better than it relates to others. Reliability analysis revealed strong internal consistency, with Cronbach’s alpha and composite reliability values well above 0.90 for both constructs. These results collectively indicate that the instruments used to measure service quality and servicescape are both valid and highly reliable, providing a robust foundation for subsequent structural equation modeling.

Measurement Model (Outer Model)

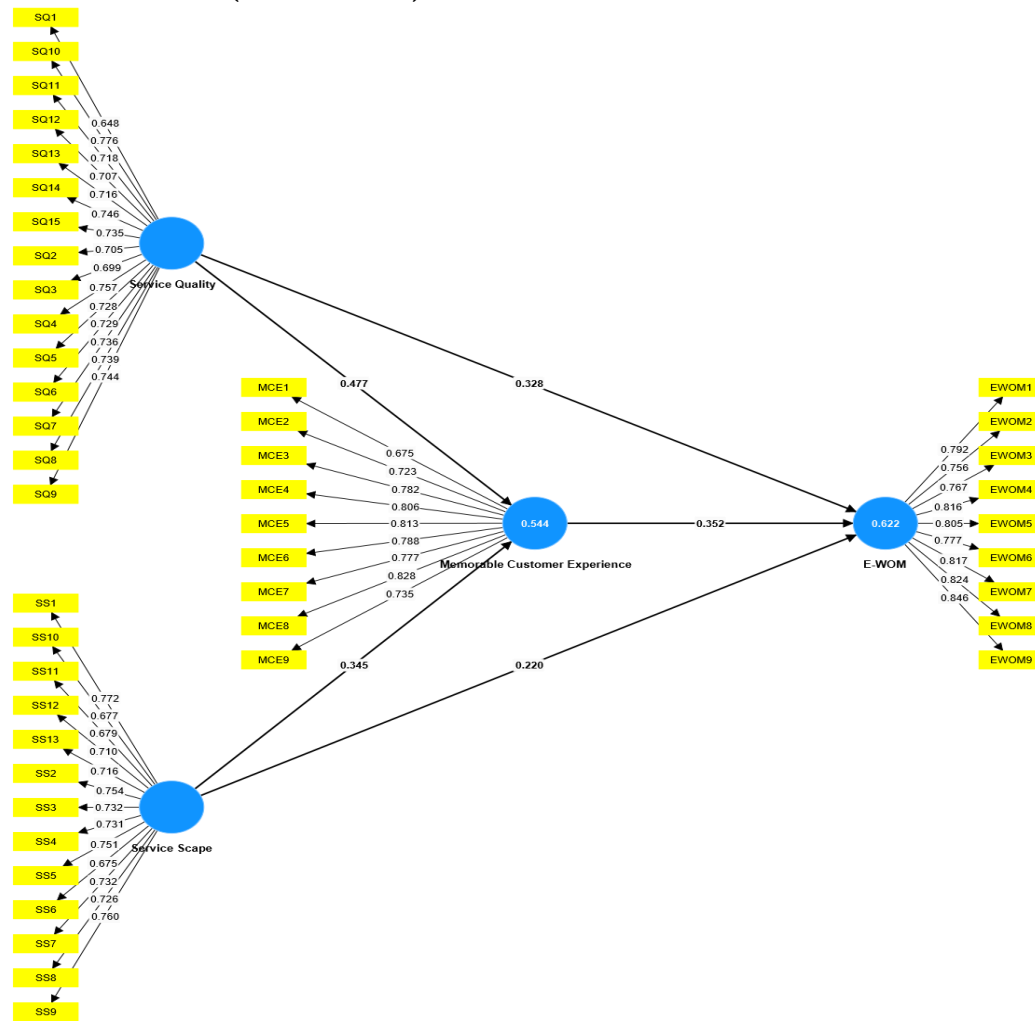


Figure 2 Measurement Model (Outer Model)

Source: Primary data processed (2025)

The measurement model was assessed to evaluate the validity and reliability of the constructs. As shown in Table 1, the outer loading values confirm the relationship between indicators and their respective latent variables.

Table 1. Outer Loadings

Construct	Indicators	Loading
Service Quality	SQ1–SQ15	0.648–0.776
Servicescape	SS1–SS13	0.675–0.772
Memorable Customer Experience	MCE1–MCE9	0.675–0.828
E-WOM	EWOM1–EWOM9	0.756–0.846

Source: Primary data processed (2025)

The results indicate that all constructs meet the minimum convergent validity threshold, with loadings above 0.60. Service Quality was best represented by SQ10 (0.776), while SQ1 (0.648) had the lowest contribution. Servicescape showed the strongest indicator in SS1 (0.772) and the weakest in SS6 (0.675). Memorable Customer Experience was best explained by MCE8 (0.828), and weakest by MCE1 (0.675). E-WOM indicators performed consistently well, with EWOM9 (0.846) being the most representative. These findings confirm that all measurement items are valid and reliable for further analysis.

Convergent Validity

Convergent validity was evaluated using the Average Variance Extracted (AVE) to determine how well each construct explains the variance of its indicators. As shown in Table 2, all constructs exceeded the recommended threshold of 0.50.

Table 2. Average Variance Extracted (AVE)

Construct	AVE
Service Quality	0.527
Servicescape	0.525
Memorable Customer Experience	0.595
E-WOM	0.641

Source: Primary data processed (2025)

The results demonstrate that each construct has satisfactory convergent validity. E-WOM achieved the highest AVE (0.641), indicating strong representativeness of its indicators. Memorable Customer Experience followed with an AVE of 0.595, while Service Quality (0.527) and Servicescape (0.525) also met the minimum standard. These findings confirm that more than 50% of indicator variance is explained by their respective latent constructs.

Discriminant Validity

Discriminant validity was assessed using the Fornell-Larcker criterion and cross-loading values to ensure that each construct is distinct from the others. As shown in Table 3, the square root of AVE for each construct is greater than its correlations with other constructs, confirming acceptable discriminant validity.

Table 3. Fornell-Larcker Criterion

Construct	E-WOM	Memorable Customer Experience	Service Quality	Servicescape
E-WOM	0.800			
Memorable Customer Experience	0.715	0.771		
Service Quality	0.700	0.684	0.726	
Servicescape	0.638	0.630	0.597	0.725

Source: Primary data processed (2025)

The results confirm that the diagonal values (square roots of AVE) are consistently higher than the inter-construct correlations. This indicates that each construct better explains its own indicators than those of other constructs. Therefore, discriminant validity is established, and the constructs can be considered empirically distinct.

Reliability Test

Reliability was examined using Cronbach's Alpha and Composite Reliability (CR) to ensure internal consistency of the constructs. As shown in Table 4, all values exceed the recommended threshold of 0.70, indicating strong reliability.

Table 4. Reliability Test Results

Construct	Cronbach's Alpha	Composite Reliability	Remark
E-WOM	0.930	0.941	Reliable
Memorable Customer Experience	0.914	0.929	Reliable
Service Quality	0.936	0.943	Reliable
Servicescape	0.925	0.935	Reliable

Source: Primary data processed (2025)

The findings demonstrate that all constructs possess high reliability. Service Quality showed the highest Composite Reliability (0.943), while the lowest was Memorable Customer Experience (0.929), still well above the minimum standard. These results confirm that the measurement items consistently represent their respective constructs, supporting the robustness of the research instrument.

Structural Model (Inner Model)

The structural model was tested to evaluate the predictive power and relationships among constructs. As shown in Table 5, the R-square values indicate that the model has moderate explanatory power.

Table 5. R-Square Results

Construct	R-square	R-square Adjusted
E-WOM	0.622	0.617
Memorable Customer Experience	0.544	0.540

Source: Primary data processed (2025)

The results show that 62.2% of the variance in E-WOM is explained by Service Quality, Servicescape, and Memorable Customer Experience, while 54.4% of the variance in Memorable Customer Experience is explained by Service Quality and Servicescape. Both values exceed 0.50, indicating that the model has moderate predictive accuracy and provides a reliable foundation for further hypothesis testing.

Hypothesis Testing

Hypothesis testing was conducted to evaluate both direct and indirect effects among constructs using PLS-SEM bootstrapping and Sobel Test. As shown in Table 6, all direct paths are positive and significant, while indirect effects confirm the mediating role of Memorable Customer Experience.

Table 6. Hypothesis Testing Results (Direct and Indirect Effects)

Path	Original Sample	t-Statistics	p-Values	Result
Service Quality → E-WOM	0.328	3.755	0.000	Supported
Servicescape → E-WOM	0.220	2.778	0.003	Supported
Service Quality → Memorable Customer Experience	0.477	4.934	0.000	Supported
Servicescape → Memorable Customer Experience	0.345	3.426	0.000	Supported

Customer Experience					
Memorable Customer Experience → E-WOM		0.352	3.658	0.000	Supported
Service Quality → Memorable Customer Experience → E-WOM		$0.309 \times 0.372 = 0.115$	$z = 4.770$	0.000	Partial Mediation
Servicescape → Memorable Customer Experience → E-WOM		$0.261 \times 0.372 = 0.097$	$z = 4.198$	0.000	Partial Mediation

Source: Primary data processed (2025)

The results, based on PLS-SEM bootstrapping, indicate that Service Quality and Servicescape have direct, positive, and significant effects on both Memorable Customer Experience and E-WOM. Furthermore, the Sobel Test confirms that Memorable Customer Experience significantly mediates the relationship between these exogenous constructs and E-WOM. The mediation is classified as partial, meaning that Service Quality and Servicescape influence E-WOM both directly and indirectly through Memorable Customer Experience. These findings highlight the central role of memorable experiences in enhancing customers' willingness to engage in positive electronic word of mouth.

DISCUSSION

The Effect of Service Quality on E-WOM

The first hypothesis, which stated that service quality has a positive and significant effect on electronic word of mouth (E-WOM), is accepted. Results of the PLS Bootstrapping analysis show that the path coefficient is 0.328 with a t-statistic of 3.755 (> 1.65) and a p-value of 0.000 (< 0.05), thereby confirming a significant relationship. This suggests that higher service quality delivered by restaurant staff enhances customers' willingness to engage in positive E-WOM. This finding is consistent with Irmayana et al. (2021) who demonstrated that service quality significantly influences E-WOM and re-stay intention, as well as Kautish et al., (2023) who emphasized the role of eWOM in shaping purchase decisions. Similarly, Kartika & Shihab (2019) found that service quality, customer satisfaction, and trust are key drivers of positive E-WOM, while Souki et al., (2022) argued that businesses should optimize service quality and online engagement to encourage loyalty and favorable digital reviews.

In the context of Suriwathi Hotel & Villas restaurants, weaknesses were observed in the dimensions of reliability and responsiveness. Customer reviews often highlight inconsistencies in food quality and slow, unresponsive service, which undermine satisfaction and discourage positive reviews. This aligns with Yi et al., (2018) who stressed the importance of core service quality in generating positive eWOM, and Rachbini et al., (2021), who noted that failure to meet utilitarian expectations reduces satisfaction and suppresses WOM intentions. To address this, the restaurant should strengthen reliability by enforcing strict kitchen SOPs, maintaining quality control of raw materials, and ensuring consistent food taste. Responsiveness can be improved through continuous staff training, role-play simulations to enhance speed and communication, and the use of digital tools such as integrated point-of-sale systems or QR-based menus (Uslu, 2020). By reinforcing reliability and responsiveness, Suriwathi Hotel & Villas can significantly improve online reviews. As Yuliana & Rinwantin (2025) concluded, good service quality strengthens trust and satisfaction, thereby encouraging positive E-WOM, while poor service

weakens trust and reduces customers' willingness to recommend.

The Effect of Servicescape on E-WOM

The second hypothesis, which stated that servicescape has a positive and significant effect on electronic word of mouth (E-WOM), is accepted. Results of the PLS Bootstrapping analysis reveal a path coefficient of 0.220 with a t-statistic of 2.778 (> 1.65) and a p-value of 0.003 (< 0.05), confirming that servicescape positively influences customers' likelihood to share their experiences online. This indicates that a comfortable, aesthetically pleasing, and well-designed environment motivates customers to provide positive reviews and recommendations.

This finding aligns with Djaja (2020) who found that servicescape significantly enhances willingness to share positive E-WOM, and Siguaw et al., (2021) who demonstrated that favorable service environments directly improve customer satisfaction and credibility of WOM. Bonnin and Bonnin & Goudey (2025) further emphasized the role of sensory elements such as color, music, and aroma in shaping emotional responses that drive positive online engagement. In addition, studies by Souki et al., (2022) confirm that effective servicescape design enhances customer satisfaction and encourages WOM and revisit intentions.

However, field observations at Suriwathi Hotel & Villas revealed weaknesses in the ambient and spatial layout dimensions. Customer reviews highlighted mismatched or overly loud music, excessively bright lighting that reduced intimacy, and food aromas leaking into the dining area, all of which undermined comfort. Similarly, ineffective spatial layouts such as tables placed too closely together, creating a lack of privacy, or too far apart, producing a cold atmosphere diminished customers' overall experience. This resonates with findings from Suwena and Widnyana (2024), who showed that while both ambient and spatial layout influence satisfaction and WOM, their relative contributions differ depending on design execution.

To overcome these issues, Suriwathi Hotel & Villas should optimize ambient conditions by curating playlists aligned with restaurant concepts, implementing adaptive dimmable lighting, and controlling aromas through ventilation and diffusers. Spatial layouts should be redesigned to balance comfort and social interaction by ensuring appropriate distances between tables (≥ 60 – 75 cm), improving staff circulation, and using ergonomic furniture. Such improvements not only enhance immediate customer satisfaction but also create positive peak moments that customers are more likely to share through E-WOM.

The Effect of Service Quality on Memorable Customer Experience

The third hypothesis, which stated that service quality has a positive and significant effect on memorable customer experience (MCE), is accepted. Results of the PLS Bootstrapping analysis show a path coefficient of 0.477 with a t-statistic of 4.934 (> 1.65) and a p-value of 0.000 (< 0.05), confirming that high-quality service significantly enhances the creation of memorable experiences for customers. This finding indicates that when service performance exceeds expectations, guests are more likely to retain vivid and positive memories of their dining experience. This result is consistent with Perdomo-Verdecia et al., (2024), who emphasized that reliable and responsive service interactions form the foundation of emotional satisfaction, cognitive attachment, and positive memory encoding. More recent studies by Lai et al., (2019) and Aminudin & A. Jamal, (2020) further confirmed that service quality directly fosters memorable experiences and strengthens loyalty in the hospitality sector.

In the context of Suriwathi Hotel & Villas restaurants, customer reviews revealed weaknesses in the reliability and responsiveness dimensions. Complaints included delays in

serving food, inaccurate orders, and staff who were slow or defensive in handling complaints. Such shortcomings reflect service disconfirmation, where the actual service falls short of customer expectations, leading to frustration and diluted positive memories. Parasuraman et al. (1988) identified reliability as a core determinant of perceived service quality, and failures in this dimension undermine memorable experiences.

To address these challenges, the restaurants must reinforce reliability by implementing strict kitchen SOPs, monitoring ingredient quality, and training staff to maintain consistency. Responsiveness can be improved through role-play training, empowering staff to provide empathetic and proactive service recovery, and setting clear service-time standards. As Eviana (2024) noted, service recovery and fast response time are essential in transforming potentially negative moments into memorable positive experiences. Strengthening these two dimensions will enable Suriwathi Hotel & Villas to deliver service quality that not only satisfies but also embeds lasting memories, thereby enhancing customers' willingness to engage in positive E-WOM.

The Effect of Servicescape on Memorable Customer Experience

The fourth hypothesis, which stated that servicescape has a positive and significant effect on memorable customer experience (MCE), is accepted. Results of the PLS Bootstrapping analysis reveal a path coefficient of 0.345 with a t-statistic of 3.426 (> 1.65) and a p-value of 0.000 (< 0.05). These results confirm that a well-designed physical environment significantly enhances customers' ability to recall and cherish their dining experiences. In other words, the more appealing and comfortable the restaurant environment, the stronger the likelihood that guests will form long-lasting positive memories.

This finding supports the perspective of Becker & Jaakkola, (2020) and Chao et al., (2021) who emphasized that memorable experiences are central to competitive advantage in hospitality. Wu & Gao (2019) further argued that memorable experiences cannot be sold but must be co-created with customers through thoughtful service and environment design. Similarly, Roz (2021) and Sarjana et al., (2022) highlighted servicescape as a strategic asset that captures customer attention and influences their experiential evaluations.

However, analysis of the Suriwathi Hotel & Villas outlets revealed weaknesses in the ambient and spatial layout dimensions. Issues included background music that did not match the dining concept or time of day, excessively bright lighting that reduced comfort, and uncontrolled food aromas spreading into the dining area. Likewise, poor spatial arrangements such as overcrowded seating reducing privacy, obstructed staff circulation, and non-ergonomic furniture diminished customer comfort and limited opportunities for peak experiences. These findings echo Hilyawan (2024) who showed that ambient conditions like music alignment significantly shape customer experience quality.

To enhance memorable experiences, the restaurants should curate adaptive music playlists by time of day, install dimmable warm lighting, and implement aroma control systems. Spatial layouts can be improved by ensuring sufficient space between tables ($\geq 60\text{--}75$ cm), optimizing staff circulation, and updating furniture to ergonomic standards. As Chang & Lin (2024) observed, effective layout design directly increases perceived value and loyalty. By integrating these improvements, Suriwathi Hotel & Villas can create emotionally rich "peak moments" such as the presentation of Balinese signature dishes in a warm and comfortable atmosphere that become memorable anchors in customers' minds and drive positive E-WOM.

The Effect of Memorable Customer Experience on E-WOM

The fifth hypothesis, which stated that memorable customer experience (MCE) has a

positive and significant effect on electronic word of mouth (E-WOM), is accepted. Results of the PLS Bootstrapping analysis show that the path coefficient is 0.352 with a t-statistic of 3.658 (> 1.65) and a p-value of 0.000 (< 0.05). This confirms that customers who have clear, unique, and emotionally rich experiences are more likely to share their stories, photos, and recommendations through online platforms.

This finding aligns with Yum & Kim (2024) and Moliner-Tena et al., (2023) who emphasized that memorable experiences not only shape long-term satisfaction but also encourage customers to engage in positive online reviews and repeat visits. Similarly, Sweeney & Soutar (2001) and Talwar et al., (2021) found that consumers use E-WOM to express their experiences, validate preferences, and influence others' decisions, highlighting its central role in the digital era. In the context of Suriwathi Hotel & Villas, the study revealed that weaknesses in memory clarity and long-term memory retention reduced customers' willingness to share their experiences. Generic environments and interactions limited the creation of vivid, emotionally engaging memories, making experiences harder to recall and narrate online. As Satryawan et al., (2022) argue, memory cues such as visual symbols, unique storytelling, or sensory triggers strengthen memory clarity and increase the likelihood of E-WOM.

To address this, the restaurants can enhance memory clarity by embedding Balinese cultural elements such as traditional table settings, signature dish presentations with local garnishes, and consistent use of visual identities that serve as memorable cues. At the same time, long-term memory can be reinforced through more personalized service interactions, such as storytelling about the origins of Balinese dishes, personalized greetings, or small complimentary gestures. Khotimah & Sulistyowati (2022) demonstrated that emotional engagement in service deepens long-term memory and encourages positive E-WOM. By integrating these strategies, Suriwathi Hotel & Villas can transform dining into a compelling and shareable experience, boosting their online reputation and customer loyalty.

The Effect of Service Quality on E-WOM through Memorable Customer Experience

The sixth hypothesis, which stated that service quality positively and significantly affects electronic word of mouth (E-WOM) through memorable customer experience (MCE), is accepted. Results of the Sobel Test show a t-statistic of 4.770 with a standard error of 0.024 and a p-value of 0.000 (< 0.05), confirming the mediating role of MCE. This indicates that service quality not only exerts a direct effect on E-WOM but also strengthens customers' willingness to share their experiences online by creating meaningful and memorable interactions.

This result is consistent with Moliner-Tena et al., (2023) who found that customer experience mediates the relationship between service quality and both offline and online word of mouth. Similarly, Talwar et al., (2021) emphasized that eWOM involves customer-generated content such as reviews, photos, and videos that is strongly influenced by the quality of the service encounter. Moreover, Pujiastuti et al., (2023) demonstrated that service quality has a direct influence on customers' recommendation intentions, highlighting its dual role as both a direct and indirect driver of E-WOM.

At Suriwathi Hotel & Villas, weaknesses in service quality particularly in reliability and responsiveness were found to limit the formation of clear and emotionally engaging memories. Customers often reported delays in food delivery and staff unresponsiveness, which resulted in negative disconfirmation and weakened their memory clarity. Without strong emotional peaks, customers were less motivated to share positive reviews online. Kim, Ritchie, and McCormick (2012) argue that service quality must deliver consistent, timely, and empathetic interactions to

generate memorable experiences that later encourage digital sharing.

From a managerial perspective, this highlights the importance of embedding service quality into peak service moments. By ensuring punctuality, accuracy, and responsiveness, restaurants can transform ordinary encounters into memorable experiences that stay in long-term memory and drive E-WOM. Practical strategies include staff training in proactive service recovery, implementation of clear service time standards, and empowerment of frontline employees to respond empathetically to customer needs. These measures will not only improve immediate satisfaction but also enhance memory clarity and long-term recall, ultimately increasing the likelihood of customers promoting the restaurant positively through digital platforms.

The Effect of Servicescape on E-WOM through Memorable Customer Experience

The seventh hypothesis, which stated that servicescape positively and significantly affects electronic word of mouth (E-WOM) through memorable customer experience (MCE), is accepted. Results of the Sobel Test show a t-statistic of 4.198 with a p-value of 0.000 (< 0.05), confirming that MCE plays a significant mediating role. This means that a well-designed servicescape not only directly enhances E-WOM but also indirectly strengthens customers' willingness to share their experiences online by fostering memorable impressions.

This finding aligns with Chao et al., (2021) who demonstrated that servicescape influences experiential value, emotional responses, and ultimately, word of mouth behaviors. Similarly, Haloho et al., (2023) emphasized that physical environments shape consumer perceptions and behaviors in service settings, while Situmorang, (2018) showed that servicescape indirectly impacts WOM through customer experience and satisfaction. These results highlight the critical role of servicescape in shaping not just immediate satisfaction but also long-term behavioral responses such as E-WOM.

In the context of Suriwathi Hotel & Villas, weaknesses in ambient conditions (e.g., mismatched background music, overly bright lighting, and uncontrolled kitchen odors) and spatial layout (e.g., cramped seating during peak hours or inefficient circulation routes) hindered the creation of positive peak moments. Without distinct sensory cues or comfortable layouts, customers struggled to form clear and emotionally engaging memories, thereby reducing their motivation to share experiences online. This supports Hilyawan (2024) who found that restaurant layout and ambience strongly predict perceived value and behavioral intentions.

From a managerial perspective, strengthening servicescape requires integrating both sensory and spatial elements that encourage memorable experiences. For example, curating traditional Balinese music, implementing adaptive warm lighting, controlling aromas with natural diffusers, and optimizing seating arrangements can collectively enhance comfort and atmosphere. Such enhancements help create emotionally resonant "peak moments," like enjoying a Balinese signature dish in a warm-lit setting with soothing background music. These memorable experiences not only deepen emotional connections but also encourage customers to share their stories digitally, amplifying the positive impact of E-WOM.

CONCLUSION

Conclusion

This study investigated the effects of service quality and servicescape on electronic word of mouth (E-WOM), with memorable customer experience (MCE) as a mediating variable, in the context of the Suriwathi Hotel & Villas restaurant outlets in Legian. Using the PLS-SEM approach, the results confirmed that both service quality and servicescape exert significant direct effects on MCE and E-WOM. Furthermore, MCE was shown to positively influence E-WOM and to

partially mediate the relationships between service quality, servicescape, and E-WOM. These findings emphasize the critical role of memorable experiences in enhancing customers' willingness to engage in positive online communication, supporting the theoretical framework of the Stimulus–Organism–Response (SOR) model.

From a theoretical perspective, this research enriches the literature on hospitality and customer experience by demonstrating the interplay between service quality, servicescape, and E-WOM, with MCE acting as a key mechanism. From a practical standpoint, the results highlight that consistent service reliability and responsiveness, as well as well-designed physical and ambient environments, are essential for creating memorable experiences that lead to stronger customer advocacy through E-WOM.

Suggestions and Recommendations

Based on the findings, management of Suriwathi Hotel & Villas should prioritize strengthening reliability and responsiveness through strict service SOPs, continuous staff training, and digital support systems while simultaneously optimizing the servicescape by improving ambience, spatial layout, and cultural cues that reflect Bali's identity. Creating distinctive and emotionally engaging experiences such as personalized storytelling, signature dishes with strong visual elements, and enhanced staff–customer interactions can improve memory clarity and long-term recall, ultimately boosting positive E-WOM. Strategically, these initiatives should be viewed not merely as operational improvements but as long-term investments in digital reputation, customer loyalty, and sustainable competitive advantage. Future research could extend this study by incorporating cross-cultural comparisons, generational differences in digital behavior, or qualitative approaches such as netnography to capture richer insights into how memorable experiences shape online customer narratives.

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