

Customer Trust as a Mechanism Linking Servicescapes and Loyalty in Small Businesses

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Abstract

This study examines whether customer trust helps explain how perceived servicescape value relates to customer loyalty in small businesses. It also tests whether need for affiliation predicts more favorable servicescape evaluations. Survey data from 265 customers were analyzed using confirmatory factor analysis and structural equation modeling. Need for affiliation was positively associated with perceived servicescape value, servicescape value was positively associated with trust and loyalty, and trust was positively associated with loyalty. Trust also showed a significant partial mediation effect between servicescape value and loyalty. The findings suggest that customers read the servicescape not only as an experience setting but also as a signal of business trustworthiness, although the cross-sectional self-report design limits causal inference.

Keywords

Servicescapes, Customer Trust, Customer Loyalty, Need for Affiliation, Small Business

1. Introduction

Small businesses are essential to the global economy, contributing significantly to employment, innovation, community development, and economic growth (U.S. Small Business Administration [SBA], 2024). Unlike larger organizations, they typically operate with limited financial resources, tight marketing budgets, and few opportunities to achieve economies of scale, making long-term customer relationships especially critical. Thus, customer loyalty offers clear advantages: repeat patronage, positive word-of-mouth, lower acquisition costs, and greater resilience in competitive markets (Dick & Basu, 1994; Reichheld & Sasser Jr., 1990). Therefore, understanding how small businesses build such loyalty matters for both marketing theory and practice.

The physical service environment, or servicescape, has been consistently linked to customer attitudes and behaviors. Building on Kotler's (1974) work on atmospherics and Bitner's (1992) servicescape framework, studies show that physical surroundings shape perceived service quality, satisfaction, behavioral intentions, and loyalty (Harris & Ezech, 2008; Turley & Milliman, 2000; Wakefield & Blodgett, 1996). Joyal and Bartlo (2025) extended this work to small businesses, finding that customers who perceive greater value in a small business's servicescape also report greater loyalty. However, knowing that servicescapes correlate with loyalty does not explain how positive environmental assessments actually develop into lasting customer relationships.

Customer trust offers one plausible explanation: Trust functions as a central mechanism in long-term relationship development, reducing uncertainty and reinforcing confidence in future exchanges (Mayer et al., 1995; Morgan & Hunt, 1994). Customers build trust partly by reading signals about an organization's competence, reliability, and commitment to their well-being and because service quality often cannot be fully assessed before consumption, customers tend to rely on observable environmental cues when forming these judgments (Spence, 1973). The servicescape can therefore foster trust by signaling organizational ability, benevolence, and integrity. Additionally, although trust is well established as a precursor to loyalty, little research has examined whether it explains how favorable servicescape evaluations translate into loyalty within small businesses.

The present study addresses this gap by extending the relationship among need for affiliation (nAff), perceived value of servicescapes, and customer loyalty identified by Joyal and Bartlo (2025) to incorporate customer trust as an intervening mechanism. The model draws on McClelland's (1987) theory of need for affiliation, Signaling Theory (Spence, 1973), the Integrative Model of Organizational Trust (Mayer et al., 1995), and Commitment-Trust Theory (Morgan & Hunt, 1994) to propose a sequential process: customers with stronger affiliation needs perceive greater value in small business servicescapes, these favorable evaluations contribute to customer trust, and trust in turn is associated with stronger loyalty. Testing this pathway moves beyond documenting a direct servicescape-loyalty link to examine the relational process underlying that association. In addition, the framework also offers practical insight for small businesses, suggesting that servicescape investments create value not just through immediate customer experiences but by fostering the trust that sustains longer-term relationships.

2. Literature Review

2.1. Servicescapes in Small Businesses

The servicescape—the physical setting where service encounters take place—includes ambient conditions, spatial layout and functionality, signs, symbols, décor, and other environmental cues (Bitner, 1992). When evaluating a service experience, customers read features like lighting, music, scent, color, cleanliness, employee appearance, and facility layout (Bitner, 1992). Well-designed environ-

ments foster pleasure, comfort, and approach behaviors, while poorly designed ones tend to produce avoidance (Donovan & Rossiter, 1982). Joyal and Bartlo (2025) showed that when customers perceived greater value in a small business's servicescape, they also reported higher levels of loyalty, a finding that positioned the servicescape as a potentially important relational resource for small businesses.

2.2. Need for Affiliation and Perceived Value of Servicescapes

Consumer responses to service environments are shaped not only by physical characteristics but also by customers' psychological needs and motivations. McClelland (1961, 1987) defined need for affiliation as an individual's desire for acceptance, belonging, and positive interpersonal relationships. This perspective aligns with broader motivational theories that emphasize the importance of social connection and belonging (Baumeister & Leary, 1995; Maslow, 1943). Individuals higher in nAff therefore place greater value on environments that facilitate social interaction, interpersonal comfort, and relationship development.

Servicescapes can help meet these needs because physical surroundings communicate social meanings alongside functional ones. Features like seating arrangements, ambient conditions, décor, and employee presentation foster perceptions of warmth, hospitality, and community (Mehrabian & Russell, 1974). Rosenbaum and Massiah (2011) similarly argue that servicescapes can function as social environments that promote belonging and emotional attachment. These qualities matter especially in small businesses, which often distinguish themselves through personalized service, community engagement, and close customer relationships.

Consistent with this reasoning, Joyal and Bartlo (2025) found that customers higher in nAff rated the perceived value of small business servicescapes more favorably. These findings suggest that servicescapes are not interpreted uniformly; rather, customers' underlying affiliation motives shape the value they assign to environmental and social cues. This relationship provides the motivational starting point for the present framework, which examines how favorable servicescape evaluations contribute to trust and loyalty.

2.3. Customer Trust and Relationship Development

Trust is central to relationship marketing because it reduces uncertainty and gives customers confidence that an organization will behave reliably in future exchanges (Morgan & Hunt, 1994). Mayer et al. (1995) proposed that trust develops through evaluations of ability, benevolence, and integrity. Ability refers to perceptions of competence, benevolence reflects concern for the other party's interests, and integrity represents consistency with accepted principles and commitments. These judgments shape an individual's willingness to rely on another party within an exchange relationship.

Empirical research consistently links customer trust with favorable relational

outcomes. Customers who trust organizations report greater satisfaction, commitment, willingness to recommend, and intent to maintain ongoing relationships (Chaudhuri & Holbrook, 2001; Garbarino & Johnson, 1999; Sirdeshmukh et al., 2002). More recent work reinforces this pattern across service contexts, showing that trust reduces perceived risk and strengthens confidence in future interactions (Isaeva et al., 2020; Yum & Kim, 2024). For small businesses, where customers often interact directly with owners and employees and have fewer external sources of information about organizational reputation, trust may matter even more.

2.4. Servicescapes as Antecedents of Customer Trust

Servicescapes may contribute to trust because customers rely on observable environmental features to infer organizational qualities they cannot directly assess. Signaling Theory holds that individuals turn to observable signals when information asymmetry prevents them from judging underlying quality or reliability firsthand (Spence, 1973). In service settings, cleanliness, maintenance, layout, décor, ambient conditions, and employee presentation convey competence, professionalism, and operating standards (Bitner, 1992). Contemporary servicescape research echoes this view, suggesting that physical and social environments shape customers' assessments of organizational quality and credibility (Kim & Baker, 2025; Wang et al., 2025).

These environmental signals can also be read through Mayer et al.'s (1995) dimensions of trustworthiness. A well-maintained, professionally designed environment signals ability, while customer-focused layouts and welcoming surroundings convey benevolence. Consistency in maintenance, cleanliness, and presentation likewise builds perceptions of integrity. Such cues stand out especially for small businesses, which often depend on direct customer experience rather than established corporate reputations to earn legitimacy and credibility.

A significant amount of empirical work supports a link between service environments and trust: Research across hospitality, retail, healthcare, financial services, and digital commerce shows that favorable environmental evaluations tie to greater confidence, lower perceived risk, and stronger relationship quality (Hanks et al., 2017; Line et al., 2018; Tran & Strutton, 2020). These findings suggest that customers read servicescapes as information about the business itself, which provides a basis for examining trust as an intervening mechanism between perceived servicescape value and loyalty.

3. Research Gap and Theoretical Contribution

Although servicescape, motivational, and relationship-marketing research each offer explanations for customer behavior, these streams have rarely been combined into a single framework within the small business context. Servicescape research has mostly examined direct relationships between environmental evaluations and outcomes like satisfaction, perceived quality, and loyalty (Bitner, 1992;

Harris & Ezech, 2008; Wakefield & Blodgett, 1996). In addition, research on nAff shows that individuals differ in how much they value relational experiences (Baumeister & Leary, 1995; McClelland, 1987), while trust research positions trust as a precursor to lasting customer relationships (Mayer et al., 1995; Morgan & Hunt, 1994; Sirdeshmukh et al., 2002).

The present study combines these perspectives by validating the process in which nAff contributes to perceived servicescape value, and investigating whether favorable servicescape evaluations help foster customer trust. It also examines the relationship between trust and customer loyalty, while a direct servicescape-loyalty relationship remains in the model. In doing so, the study extends Joyal and Bartlo (2025) beyond showing that servicescape value is associated with loyalty to examining a psychological and relational mechanism through which that relationship operates.

4. Conceptual Framework and Hypothesis Development

4.1. Conceptual Framework

Figure 1 presents the proposed conceptual model:

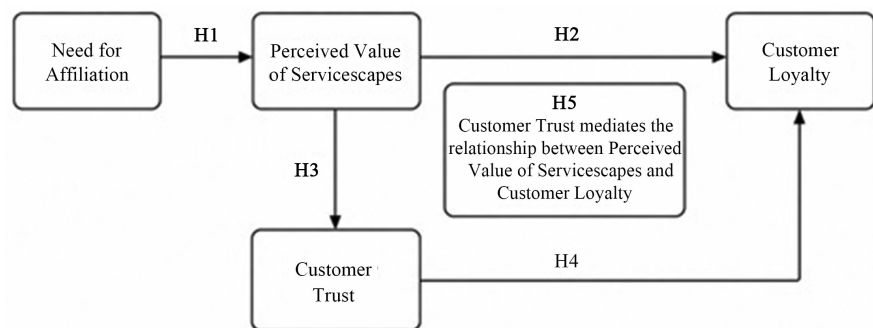


Figure 1. Conceptual model.

4.2. Hypothesis Development

Individuals high in nAff are driven to seek social connection, belonging, and positive interpersonal relationships (Baumeister & Leary, 1995; McClelland, 1987). As noted above, because servicescapes convey social and relational information through layout, décor, ambient conditions, and employee presentation, affiliation-oriented customers place greater value on environments that foster interpersonal comfort and connection (Bitner, 1992; Rosenbaum & Massiah, 2011). This matters especially in small businesses, where personalized service and community engagement often form core parts of the customer experience. Consistent with Joyal and Bartlo's (2025) finding that customers higher in nAff report more favorable servicescape evaluations, the following hypothesis remains in the model for validation:

H1: Higher need for affiliation is positively associated with perceived value of servicescapes.

Servicescape evaluations shape customers' cognitive, emotional, and behavioral responses to service environments (Bitner, 1992; Mehrabian & Russell, 1974). Favorable environmental evaluations tie to stronger behavioral intentions and loyalty across service settings (Harris & Ezech, 2008; Wakefield & Blodgett, 1996). Within small businesses, where customer experience plays a key role in differentiation and relationship development, favorable servicescape perceptions similarly encourage ongoing patronage. Joyal and Bartlo (2025) provide direct evidence of a positive link between perceived servicescape value and loyalty in small businesses. Because the present study examines whether trust explains part rather than all of this relationship, the direct path is also retained in the model:

H2: Higher perceived value of servicescapes is positively associated with customer loyalty.

As explained above, customers often rely on observable service-environment cues to judge organizational characteristics that are hard to assess directly (Bitner, 1992; Spence, 1973). A favorable servicescape can signal competence and professionalism, while customer-focused environmental features convey concern for customer well-being. These signals map onto the ability, benevolence, and integrity dimensions that underlie trust development in the Integrative Model of Organizational Trust (Mayer et al., 1995). Existing empirical work further shows that service environments are linked to relationship-relevant outcomes, including service evaluations, attachment, trust, and behavioral intentions (Hanks et al., 2017; Line et al., 2018; Tran & Strutton, 2020). Accordingly:

H3: Higher perceived value of servicescapes is positively associated with customer trust.

Trust reduces uncertainty about future exchanges and increases customers' willingness to stay in relationships with organizations they regard as dependable and reliable (Mayer et al., 1995; Morgan & Hunt, 1994). Empirical research has consistently linked trust to customer loyalty and other long-term relational outcomes (Chaudhuri & Holbrook, 2001; Garbarino & Johnson, 1999; Sirdeshmukh et al., 2002). This relationship is especially important in small businesses, where ongoing interactions with owners and employees reinforce perceptions of competence, honesty, and dependability. Therefore:

H4: Higher levels of customer trust are positively associated with higher levels of customer loyalty.

These four proposed relationships suggest that trust explains part of the process by which favorable servicescape evaluations develop into loyalty. Signaling Theory holds that customers use servicescape cues to infer organizational characteristics under conditions of uncertainty (Spence, 1973), while the Integrative Model of Organizational Trust explains how evaluations of ability, benevolence, and integrity build trust (Mayer et al., 1995). Commitment-Trust Theory, in turn, identifies trust as a central mechanism supporting enduring exchange relationships (Morgan & Hunt, 1994). Thus, favorable evaluations of a small business's servicescape strengthen trust, which in turn is associated with loyalty.

This mediation framework extends Joyal and Bartlo (2025) by moving beyond the direct servicescape-loyalty association to examine a relational mechanism underlying that relationship. Because the model also retains the direct path from servicescape value to loyalty, the analysis can determine whether trust accounts for part or all of the relationship. Accordingly:

H5: Customer trust mediates the relationship between the perceived value of servicescapes and customer loyalty.

5. Research Methodology

5.1. Sample and Data Collection Procedure

Participants were recruited from customers of selected small businesses in a mid-sized metropolitan area of the Northeast region of the United States. For purposes of the survey, a small business was defined generally as “a privately owned, for-profit company that is independently operated, is not dominant in its field, and typically employs fewer workers and generates lower annual revenue than large corporations” (American Society for Quality, n.d.). At participating businesses, customers were invited at checkout to participate in the survey and were informed that they could enter a drawing for a gift card as an incentive for participation. Eligibility required only that the individual had just patronized one of the participating small businesses where the survey opportunity was made available. Respondents did not independently select a business from a list. Rather, recruitment at a participating small business established the small-business context for the survey, and the survey items asked respondents to evaluate the small business(es) they frequently patronized. Additionally, business-sector information was not collected as part of the study’s anonymity-preserving data-collection procedure. Therefore, the distribution of respondents across specific retail, service, hospitality, or other business sectors cannot be reported.

A total of 333 individuals began the survey but sixty-eight respondents discontinued participation before completing more than half of the relatively lengthy questionnaire and were excluded from the analysis. These cases contained substantial blocks of missing data across the study measures rather than isolated item-level omissions and therefore lacked sufficient information for inclusion in the CFA and SEM. The remaining 265 respondents provided complete data for the variables included in the analyses, resulting in a final analytic sample representing 79.6% of those who began the survey. Because many of the respondents who discontinued the survey did so before providing complete demographic and construct information, a meaningful comparison between included and excluded respondents was not possible. Complete-case analysis was therefore used because the excluded cases contained insufficient information for estimation of the four-construct measurement and structural models. Additionally, because the total number of customers who were invited to complete the survey at the participating businesses was not recorded, a conventional response rate based on the total number of individuals approached cannot be calculated. The typical respondent was

between 42 and 57 years old and Caucasian, and 65.5% of respondents were female.

The present study constitutes a secondary analysis of the dataset originally reported by Joyal and Bartlo (2025). The original survey included measures of need for affiliation, perceived value of servicescapes, customer loyalty, and customer trust. Although customer-trust items were collected during the original data collection, they were not incorporated into the analyses reported by Joyal and Bartlo (2025), whose analytical scope focused on the relationships among need for affiliation, perceived servicescape value, and customer loyalty. The prior publication stated that trust data were not collected; more precisely, trust measures were collected but were not analyzed or reported in that study. The present study therefore uses these previously collected trust measures in a secondary analysis addressing a theoretically distinct research question.

The analytical contribution of the present study extends beyond adding customer trust as an additional construct to the earlier model. Whereas Joyal and Bartlo (2025) examined whether need for affiliation was associated with perceived servicescape value and whether servicescape value was associated with customer loyalty, the present study examines the relational mechanism through which favorable servicescape evaluations may contribute to loyalty. Specifically, the analysis integrates Signaling Theory (Spence, 1973), the Integrative Model of Organizational Trust (Mayer et al., 1995), and Commitment-Trust Theory (Morgan & Hunt, 1994) to examine whether favorable servicescape evaluations are associated with greater customer trust and whether trust mediates the relationship between perceived servicescape value and customer loyalty.

Sample adequacy was further evaluated using semPower 2.2.0 (Moshagen & Bader, 2024). Because the analysis used parameter estimates from the final model, it was treated as a sensitivity analysis rather than as a prospective power calculation. For the structural relationships, the analysis focused on the smallest standardized path coefficient in the model, the relationship between perceived servicescape value and customer loyalty ($\beta = .218$), while accounting for customer trust as an additional predictor of loyalty ($\beta = .415$) and the association between perceived servicescape value and customer trust (.529). The analysis incorporated four customer-loyalty indicators, 11 perceived-servicescape-value indicators, and seven customer-trust indicators, with average standardized factor loadings of .775, .782, and .821, respectively. At $\alpha = .05$ and a target power of .80, the estimated minimum sample size required to detect the weakest structural relationship was 224.

A separate latent-variable mediation power analysis evaluated the indirect relationship between perceived servicescape value and customer loyalty through customer trust. The analysis specified the standardized relationships between perceived servicescape value and customer trust ($\beta = .529$), customer trust and customer loyalty ($\beta = .415$), and the direct relationship between perceived servicescape value and customer loyalty ($\beta = .218$), together with the corresponding measurement-model characteristics. At $\alpha = .05$ and a target power of .80, the estimated

minimum sample size for detecting the indirect effect was 66. The final analytic sample of 265 therefore exceeded the estimated sample-size requirements for both the weakest structural relationship and the mediation effect.

5.2. Measures and Common Method Bias

All constructs were measured using previously established scales adapted where necessary to fit the small-business context. The adaptations were intended to preserve the conceptual meaning of the original constructs while ensuring that respondents could evaluate the small businesses they patronized and, where applicable, the physical and interpersonal characteristics of those businesses. All items were measured using a five-point Likert-type response format with endpoints ranging from completely agree to completely disagree. For the CFA and SEM analyses, the Likert-type indicators were entered as numeric observed variables and treated as continuous. The complete wording of the retained indicators is provided in **Tables A1-A4**. Measurement-model refinement and the criteria used to eliminate indicators are described in Section 5.3.

5.2.1. Need for Affiliation

Need for affiliation (nAff) was initially measured using five items from **Steers and Braunstein (1976)**, a measure that continues to be used in contemporary research examining individual manifest needs (**Schaffer & Manegold, 2024; Yim et al., 2024**). The scale assesses an individual's tendency to seek interpersonal involvement, maintain positive relationships with others, and attend to the interpersonal aspects of social situations. Following a confirmatory factor analysis (CFA), three indicators satisfied the established loading criterion and were retained.

The retained indicators represent complementary manifestations of the underlying need for affiliation rather than separate dimensions of the construct. One item captures preference for working or interacting with others rather than independently, a second reflects attentiveness to the feelings of other people, and a reverse-coded item reflects the tendency to avoid openly expressing interpersonal disagreement. Collectively, these indicators operationalize nAff as an orientation toward interpersonal involvement, sensitivity to others, and relational harmony. Because nAff was modeled as a single latent construct, these item characteristics are described as aspects of construct coverage rather than as independent subdimensions. The wording of the three retained indicators is presented in **Table A1**.

5.2.2. Perceived Value of Servicescapes

Perceived value of servicescapes was initially measured using 18 items adapted using the perceived-value framework developed by **Sweeney and Soutar (2001)**. Their PERVAL framework conceptualizes consumer value as multidimensional, incorporating emotional value, social value, quality/performance value, and price/value-for-money considerations. Because Sweeney and Soutar's original measure was designed primarily to evaluate consumer products, the present study contextualized the perceived-value framework to the service environment rather

than reproducing product-specific wording. Respondents were therefore asked to evaluate the value associated with observable characteristics of the small-business environments they patronized.

The adaptation focused on the experiential and functional value generated by servicescape characteristics. Visual elements such as artwork, wall décor, color, and furnishings captured customers' aesthetic and quality evaluations. Ambient characteristics such as temperature, aroma, and lighting captured the comfort, pleasure, warmth, and welcoming qualities associated with the service environment. Spatial-layout items addressed functional aspects of value, including crowding and ease of movement. The original 18-item adaptation also contained three employee-related indicators intended to incorporate the social component of the servicescape. Price/value-for-money items were not included because the focal construct concerned the perceived value of the service environment itself rather than the economic value of the overall purchase transaction.

After CFA refinement, 11 of the 18 indicators were retained. Conceptually, the retained indicators primarily represent the emotional and quality/performance components of perceived value identified by [Sweeney and Soutar \(2001\)](#), expressed through three servicescape-related areas: visual/aesthetic value, ambient/experiential value, and spatial/functional value. The three employee-related social-servicescape indicators did not meet the loading criterion and were removed during measurement-model refinement. Accordingly, the final latent construct should be interpreted primarily as customers' perceived value of the physical servicescape, rather than as a comprehensive measure of both the physical and social servicescape. **Table A2** presents the retained indicators and identifies the principal servicescape component and perceived-value emphasis represented by each item.

5.2.3. Customer Trust

Customer trust was initially assessed using eight items adapted from [Delgado-Ballester \(2004\)](#). The original trust framework distinguishes between reliability and intentions. Reliability concerns confidence that the organization will consistently meet expectations and provide dependable performance, whereas intentions concern customers' beliefs that the organization will act honestly and constructively when problems or unexpected circumstances arise.

The scale was adapted by replacing the original brand-specific referent with the small businesses patronized by respondents while preserving the substantive meaning of the original items. Following a CFA refinement, seven indicators were retained. Four retained indicators represent the reliability component of trust by assessing whether the business meets expectations, inspires confidence, avoids disappointing customers, and stands behind customer satisfaction. Three additional indicators represent positive customer-oriented intentions by assessing honesty and sincerity in responding to concerns, willingness to solve customer problems, and efforts to satisfy customers. Thus, the retained items capture both dependable performance and positive intentions toward customers. The seven retained customer-trust indicators are presented in **Table A3**.

5.2.4. Customer Loyalty

Customer loyalty was initially measured using five items adapted from Bobâlcă et al. (2012). Although Bobâlcă et al. conceptualize loyalty as a broader process involving cognitive, affective, conative, and action-related stages, the items incorporated into the present survey were drawn from the affective-loyalty component of their scale. The items were adapted from a brand context to the small businesses patronized by respondents.

Once CFA refinement was conducted, four indicators were retained. These indicators assess pleasure in choosing the focal small businesses over alternatives, greater liking of those businesses relative to competing firms, stronger attachment to the businesses, and greater interest in those businesses relative to alternatives. Consequently, customer loyalty in the present study is operationalized primarily as affective or attitudinal loyalty, reflecting favorable preference, attachment, and relational interest rather than observed repeat-purchase behavior. This distinction is important because the study assesses customers' psychological loyalty toward the businesses they patronize rather than objective behavioral measures such as purchase frequency or transaction history. Table A4 provides the wording of the four retained indicators.

5.2.5. Common Method Bias

Because all constructs were measured through self-reported data collected within a single survey, procedural and statistical safeguards were used to address the possibility of common method bias (CMB). Consistent with Podsakoff et al. (2003), respondents were assured of anonymity and item sequencing was varied within the survey. These procedures were intended to reduce evaluation apprehension and respondents' ability or motivation to provide systematically consistent answers across constructs.

CMB was also assessed statistically using Harman's single-factor test. All measurement items were entered into an unrotated exploratory factor analysis. The first unrotated factor accounted for 35.40% of the total variance, below the commonly applied 50% threshold. This result suggests that a single common factor did not account for the majority of covariance among the measures. Nevertheless, because the study employed a cross-sectional self-report design, the possibility of residual common method variance cannot be completely excluded.

To provide a more stringent assessment of common method variance, a CFA-based single-factor model was also estimated in which all 25 retained indicators were constrained to load on a single latent factor. The single-factor model demonstrated poor fit to the data ($\chi^2 = 2106.58$, $df = 275$, CFI = .598, TLI = .561, IFI = .600, GFI = .466, AGFI = .368, RMSEA = .159). In contrast, as discussed below, the proposed four-factor measurement model demonstrated substantially better fit. The difference between the models was statistically significant, $\Delta\chi^2(6) = 1624.341$, $p < .001$. These results indicate that a single latent factor does not adequately account for the covariance among the study measures and provide additional evidence against a dominant common method factor.

In addition, a common latent method-factor sensitivity analysis was also conducted to assess whether shared measurement method materially affected the substantive relationships in the model. A common method factor was specified to load on all 25 retained indicators while remaining orthogonal to the substantive latent constructs. The method-factor model demonstrated acceptable fit ($\chi^2 = 414.06$, $df = 246$, CFI = .963, TLI = .955, IFI = .964, GFI = .890, AGFI = .854, RMSEA = .051). Although several indicators exhibited some method-related variance, the substantive structural coefficients remained highly stable after inclusion of the method factor. Specifically, the nAff $\rightarrow$ perceived servicescape value coefficient changed from .326 to .317, perceived servicescape value $\rightarrow$ customer trust from .529 to .524, perceived servicescape value $\rightarrow$ customer loyalty from .218 to .204, and customer trust $\rightarrow$ customer loyalty from .415 to .429. The largest absolute change in any structural coefficient was .014. These results indicate that the substantive relationships were robust to the inclusion of a common latent method factor and were not materially attributable to shared method variance.

5.3. Measurement Model Evaluation

Confirmatory factor analysis (CFA) and structural equation modeling (SEM) were conducted in AMOS 28.0 using maximum likelihood (ML) estimation. Prior to model estimation, the retained indicators were examined for distributional characteristics. Univariate skewness values ranged from $-.568$ to $-.003$, and kurtosis values ranged from $-.997$ to $-.397$, indicating no evidence of problematic univariate nonnormality. AMOS's assessment of multivariate normality produced a multivariate kurtosis value of 19.191 with a critical ratio of 4.251, indicating some departure from multivariate normality. Following [Tabachnick and Fidell's \(2007\)](#) recommendations, indicators with standardized factor loadings below .71 were removed. Consistent with prior scale-refinement procedures ([Boles et al., 2000](#); [Hennig-Thurau et al., 2002](#)), 11 items were eliminated, leaving 25 indicators with standardized loadings ranging from .716 to .865, as shown in [Table 1](#). The retained indicators continued to represent the theoretical domains of nAff, perceived servicescape value, customer trust, and customer loyalty.

Table 1. Measurement model summary.

Construct	Scale Source	Items and Loadings		
		Initial Items	Retained Items	Standardized Loading Range
Need for Affiliation	Steers & Braunstein (1976)	5	3	.732 - .850
Perceived Value of Servicescapes	Sweeney & Soutar (2001)	18	11	.739 - .864
Customer Trust	Delgado-Ballester (2004)	8	7	.743 - .865
Customer Loyalty	Bobâlcă et al. (2012)	5	4	.716 - .842

Eleven items with standardized loadings below .71 were removed following the initial CFA: two need for affiliation items, seven perceived value of servicescapes items, one customer trust item, and one customer loyalty item.

The revised measurement model demonstrated acceptable fit ($\chi^2 = 482.24$, $df = 269$, CFI = .953, TLI = .948, IFI = .954, GFI = .873, AGFI = .846, RMSEA = .055). Composite reliability (CR) exceeded .70 and average variance extracted (AVE) exceeded .50 for all constructs, supporting reliability and convergent validity (Fornell & Larcker, 1981), as shown in Table 2. The retained indicators also loaded significantly on their intended constructs, providing further evidence of convergent validity (Anderson & Gerbing, 1988).

Table 2. Composite reliability and average variance extracted.

Construct	CR and AVE	
	Composite Reliability	Average Variance Extracted
Need for Affiliation	.836	.630
Perceived Value of Servicescapes	.946	.613
Customer Trust	.935	.675
Customer Loyalty	.858	.603

Composite reliability values above .70 indicate satisfactory construct reliability; AVE values above .50 indicate adequate convergent validity.

Discriminant validity was assessed using the Fornell and Larcker (1981) criterion. For each construct, the square root of the average variance extracted (AVE) exceeded its correlations with all other constructs in the measurement model, indicating that the constructs share more variance with their own indicators than with each other. This is shown in Table 3; the pattern provides evidence of adequate discriminant validity.

Table 3. Discriminant validity assessment.

Construct	Discriminant Validity			
	Need for Affiliation	Perceived Value of Servicescapes	Customer Trust	Customer Loyalty
Need for Affiliation	.794	.315	.385	.407
Perceived Value of Servicescapes	.315	.783	.525	.433
Customer Trust	.385	.525	.822	.531
Customer Loyalty	.407	.433	.531	.777

The bold diagonal values are the square roots of AVE. In every case, the diagonal value is larger than the correlations involving that construct, so the Fornell-Larcker criterion supports discriminant validity.

5.4. Hypotheses Testing

Structural equation modeling (SEM) using AMOS 28.0 was employed to test the hypothesized relationships among need for affiliation, perceived value of servicescapes, customer trust, and customer loyalty. The structural model demonstrated acceptable fit to the data ($\chi^2 = 507.61$, $df = 271$, $\chi^2/df = 1.873$, CFI = .948, TLI

= .943, IFI = .948, GFI = .866, AGFI = .840, RMSEA = .058). The χ^2/df ratio was below the recommended value of 3.0, providing additional evidence of acceptable model fit (Carmines & McIver, 1981).

The structural path estimates supported H1 through H4. Need for affiliation was positively associated with perceived value of servicescapes ($\beta = .326, p < .001$), supporting H1. Perceived value of servicescapes was positively associated with customer loyalty ($\beta = .218, p = .002$), supporting H2, and with customer trust ($\beta = .529, p < .001$), supporting H3. Customer trust was also positively associated with customer loyalty ($\beta = .415, p < .001$), supporting H4. Thus, customers with stronger affiliation needs tended to report greater perceived servicescape value, while favorable servicescape evaluations were associated with both greater trust and greater loyalty.

H5 proposed that customer trust mediates the relationship between perceived value of servicescapes and customer loyalty. Given the observed departure from multivariate normality, the indirect effect was evaluated using nonparametric bootstrapping in AMOS with 5000 resamples and bias-corrected 95% confidence intervals. The standardized indirect effect was positive and statistically significant ($\beta = .219$), with a bias-corrected 95% confidence interval that did not include zero (95% CI [.143, .308]). H5 was therefore supported. Because the direct relationship between perceived servicescape value and customer loyalty remained significant after customer trust was included in the model ($\beta = .218, p = .002$), the results indicate complementary mediation (Zhao et al., 2010). Favorable servicescape evaluations were therefore associated with customer loyalty both directly and indirectly through increased customer trust.

Figure 2 presents the structural model with standardized path estimates; Table 4 presents the summary of the hypothesis testing results:

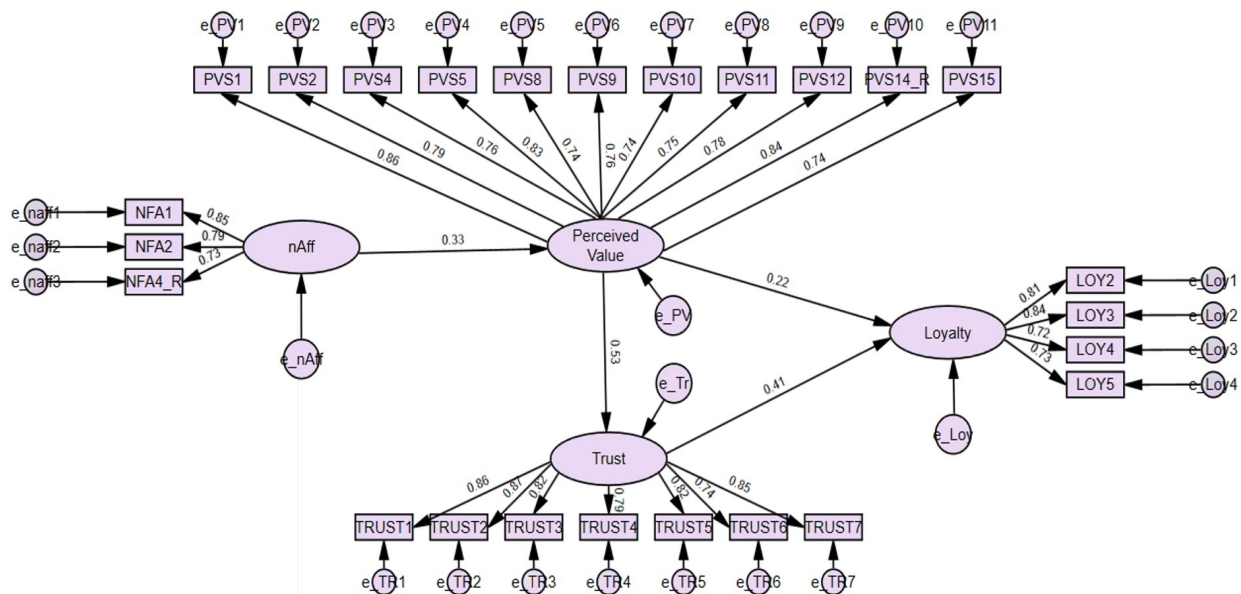


Figure 2. Structural model and standardized path estimates.

Table 4. Summary of hypothesis testing results.

Hypothesis	Relationship	Relationship			Supported?
		β	p	95% Bootstrap CI	
H1	Need for Affiliation $\rightarrow$ Perceived Value of Servicescapes	.326	<.001	--	Yes
H2	Perceived Value of Servicescapes $\rightarrow$ Customer Loyalty	.218	.002	--	Yes
H3	Perceived Value of Servicescapes $\rightarrow$ Customer Trust	.529	<.001	--	Yes
H4	Customer Trust $\rightarrow$ Customer Loyalty	.415	<.001	--	Yes
H5	Servicescape Value $\rightarrow$ Trust $\rightarrow$ Loyalty	.219	--	[.143, .308]	Yes, Complementary Mediation

β represents standardized path estimates (for H5, β represents the standardized indirect effect).

6. Discussion and Theoretical Implications

This study offers a more psychologically and relationally grounded account of customer loyalty in small businesses. Perceived servicescape value was positively associated with loyalty, aligning with foundational servicescape research (Bitner, 1992; Wakefield & Blodgett, 1996) and recent small business findings (Joyal & Bartlo, 2025). Need for affiliation (nAff) was also positively associated with perceived servicescape value, indicating that customers do not evaluate service environments uniformly. These patterns fit motivational and environmental psychology frameworks (McClelland, 1987; Mehrabian & Russell, 1974) and reinforce the view of servicescapes as socially meaningful environments (Rosenbaum & Mas-siah, 2011).

While prior servicescape research has focused primarily on how environmental attributes affect consumers (Bitner, 1992; Wakefield & Blodgett, 1996), the present findings indicate that affiliation motives help explain why customers respond differently to similar environments. Customers higher in nAff appear particularly receptive to environments that communicate interpersonal warmth, sociability, and belonging, consistent with work emphasizing motivational and affective processes in service settings (Jang & Namkung, 2009). Positioning nAff as an antecedent of perceived servicescape value extends Joyal and Bartlo (2025) by suggesting that psychological characteristics can complement demographic and behavioral approaches to understanding customer heterogeneity. Further, this pattern also aligns with Gilboa et al. (2019), who emphasize the role of affiliation and personalized interaction in shaping customer responses.

The principal extension of the present study, however, is the identification of customer trust as a mechanism linking perceived servicescape value to loyalty. Favorable servicescape evaluations were strongly associated with customer trust, and trust was subsequently associated with greater customer loyalty. The indirect relationship between servicescape value and loyalty through trust was significant, while the direct servicescape-loyalty relationship remained significant, indicating complementary mediation. Thus, servicescapes appear to be associated with loyalty through both a direct pathway and an indirect relational pathway involving trust. This finding extends traditional servicescape theory, which has often em-

phasized affective, experiential, and behavioral responses to physical surroundings (Bitner, 1992), by suggesting that customers may also interpret the environment as information about the organization itself. In this respect, the results complement prior research showing that favorable service evaluations are associated with subsequent behavioral intentions (Cronin et al., 2000).

The mediating role of trust also provides support for integrating Signaling Theory with the Integrative Model of Organizational Trust. Signaling Theory suggests that customers rely on observable cues when important organizational characteristics cannot be evaluated directly (Spence, 1973). Within the present context, favorable servicescape evaluations may provide such cues by communicating professionalism, competence, consistency, and concern for customers. These signals correspond with the ability, benevolence, and integrity dimensions identified by Mayer et al. (1995) as foundations of trustworthiness. The significant indirect relationship identified in the present study therefore suggests that customers may use the service environment not simply to evaluate the immediate consumption experience but also to make broader judgments about the business itself. This integration extends servicescape theory by identifying a relational mechanism through which environmental perceptions may contribute to enduring customer relationships.

Additionally, the trust pathway connects servicescape theory with broader relationship-marketing perspectives: Customers may interpret environmental characteristics as signals of a business's professionalism, reliability, care, and consistency, thereby forming judgments about whether the organization is worthy of trust. In turn, trust appears to provide a relational foundation for continued patronage and loyalty, consistent with the central role assigned to trust in enduring exchange relationships (Morgan & Hunt, 1994).

Finally, these findings reinforce the relevance of servicescape theory to locally embedded small businesses. Rosenbaum and Massiah (2011) argue that service environments are situated within broader geographic, social, and cultural contexts, while Johnstone (2012) documents the role of shared identity and community values in neighborhood-based patronage. Within such settings, décor, spatial arrangements, social interaction, and other environmental cues may convey meanings extending beyond their immediate functional purpose. The present findings once again demonstrate that these cues are particularly meaningful to affiliation-oriented customers and may also contribute to trust in the business. Servicescapes should therefore be understood not as universally interpreted design elements but as environments whose meanings emerge partly from customers' psychological characteristics and the relational context in which consumption occurs.

7. Study Context and Limitations

Several limitations should qualify the interpretation of these findings. First, data were collected from customers in a single mid-sized city in the northeastern

United States, and the sample was predominantly female (65.5%), largely Caucasian, and concentrated amongst middle-aged consumers (i.e., the 42-to-57 age range). Responses to service environments may differ across demographic and cultural populations (Gilboa et al., 2019; Rosenbaum & Massiah, 2011), limiting the extent to which the findings can be generalized beyond the study context. Additionally, the cross-sectional design does not establish causal relationships among nAff, servicescape evaluations, trust, and loyalty and it must be noted that because the constructs were measured through self-reported data collected at a single point in time, response bias and residual common method variance also remain possible despite the procedural and statistical safeguards employed. In addition, 68 individuals discontinued the relatively lengthy questionnaire before completion, and because these respondents provided insufficient demographic and construct information for comparison with completers, the possibility of systematic survey attrition cannot be ruled out.

Despite these issues, the study's location in a U.S.-Canada border region nevertheless provides an interesting context for future replication. Cross-border markets involve economic and consumer interactions that can expose small businesses to customers with differing cultural expectations and marketplace behaviors (Park et al., 2014; Zinser & Brunswick, 2014). Further, cultural orientation may also affect how consumers interpret affiliation-related and relational cues; for example, differences in individualism and collectivism may shape the importance assigned to belonging and interpersonal relationships (Hofstede, 2001). The region's substantial immigrant and refugee population adds further cultural diversity to the marketplace (Fike et al., 2015), and culturally familiar environmental and interpersonal cues may carry particular significance for consumers from more collectivistically oriented backgrounds (Asghar Ali et al., 2021). Because nationality, cultural orientation, immigration status, and cross-border purchasing behavior were not measured in the present study, these characteristics should be viewed as features of the research setting rather than explanations for the observed results. Therefore, future cross-cultural research could potentially test whether such factors moderate the relationships identified here.

8. Managerial Implications

The findings offer several practical implications for small business owners seeking to strengthen customer relationships through the service environment. First, managers should view the servicescape not simply as an aesthetic feature but as a mechanism through which customers form impressions of the business and its relationship orientation. As previously noted, customers higher in need for affiliation may be particularly responsive to environments that communicate warmth, sociability, and interpersonal connection. Small businesses should therefore consider how physical and social cues contribute to customers' perceptions of comfort and belonging. This recommendation is consistent with broader servicescape research demonstrating the importance of environmental and social cues in shap-

ing customer responses (Bitner, 1992) and extends the small business findings of Joyal and Bartlo (2025) by highlighting the role of customers' affiliation motives. The present findings further suggest that favorable servicescape evaluations are associated with greater customer trust, indicating that environmental design may communicate reliability, care, consistency, and customer orientation in addition to creating an appealing atmosphere.

While it has been noted that small businesses frequently operate with limited financial and marketing resources (Cromhout & Duffett, 2022; Flaminiano & Francisco, 2021), improving the servicescape does not necessarily require extensive renovations or an expensive redesign of the retail space. Instead, managers can address relatively controllable elements such as cleanliness, organization, lighting, spatial arrangement, furnishings, and the overall consistency of the physical environment, an approach that allows firms to prioritize improvements that have the greatest potential impact while remaining sensitive to resource constraints. Additionally, customer feedback can also help managers identify which environmental characteristics contribute most strongly to perceptions of comfort, quality, connection, and trust. Thus, servicescape investments can be directed toward improvements most likely to strengthen the customer relationship rather than toward costly changes that provide little value to the business.

Managers should also recognize that customers experience the service environment through interpersonal as well as physical cues. Prior research demonstrates that employee responsiveness, assurance, empathy, and social interaction can substantially influence evaluations of service experiences (Parasuraman et al., 1988; Wirtz et al., 2000). Small businesses may be particularly well positioned to benefit from these interpersonal elements because employees and owners often have opportunities for repeated and personalized contact with customers. Behaviors such as attentive service, sincere communication, recognition of returning customers, and responsiveness to customer concerns may complement the physical servicescape by reinforcing perceptions that the business is dependable and genuinely concerned with customer well-being. Therefore, these interpersonal improvements also represent a relatively flexible and cost-effective approach to relationship development for small firms with limited resources (Brüggen et al., 2011).

Overall, these findings suggest that effective servicescape management can drive both business differentiation and customer relationship development: Environmental characteristics help differentiate the business, communicate its positioning, and shape customer responses (Shashikala & Suresh, 2013), and the present results indicate that favorable servicescape evaluations also may contribute to loyalty through customer trust. Therefore, managers should set creating a coherent physical and interpersonal environment that signals quality, consistency, care, and connection as their main objective. This perspective aligns with relationship-marketing theory positioning trust as a foundation for enduring customer relationships (Morgan & Hunt, 1994) and with conceptualizations of loyalty extending beyond satisfaction or functional utility alone (Oliver, 1999). In short, for

small businesses, thoughtfully managing their servicescape offers a practical way to strengthen customer relationships without relying on the large advertising, branding, or other types of investments available to larger competitors.

9. Recommendations for Future Research

Future research can extend the present framework in several directions: First, studies could examine whether small business owners' own affiliation motives influence the environments they create. Specifically, owners higher in need for affiliation may be more inclined to develop servicescapes that encourage interpersonal connection, community, and customer engagement. Research could also incorporate objective behavioral and financial outcomes—purchase frequency, repeat patronage, average transaction value, or sales growth—to determine whether favorable servicescape perceptions and customer trust actually translate into measurable business performance. Such research would extend the present findings beyond customers' reported attitudes and intentions.

Cross-cultural validation represents a second important opportunity. The relationships among need for affiliation, perceived servicescape value, customer trust, and loyalty may vary according to cultural orientation. Individualism-collectivism, power distance, and uncertainty avoidance, for example, may influence both the importance customers attach to affiliation-related environmental cues and how those cues are interpreted when forming judgments of trust (Hofstede, 2001; Triandis, 1995). Future studies could therefore replicate the model across countries and culturally diverse populations and test cultural characteristics as moderators of the nAff-servicescape and servicescape-trust relationships. Such research would help establish whether the mechanisms identified here generalize across cultural settings or operate differently under different cultural conditions.

In addition, future research should examine additional mechanisms through which servicescapes may contribute to loyalty. Customer satisfaction represents one potential mediator because favorable service evaluations can influence subsequent behavioral intentions (Cronin et al., 2000). Emotional attachment may provide another pathway through which positive experiences develop into enduring customer relationships (Thomson et al., 2005), while place attachment may be especially relevant for locally embedded small businesses whose environments acquire social and community meaning (Rosenbaum & Massiah, 2011). These constructs could be examined alongside customer trust in multiple-mediator models to determine their relative contributions to loyalty.

Finally, longitudinal and mixed-method research would also be valuable for examining how these psychological and relational processes develop over time and for addressing the causal limitations inherent in the present cross-sectional design.

10. Conclusion

This study extends understanding of customer loyalty within small businesses by

integrating customers' need for affiliation, perceived value of servicescapes, customer trust, and loyalty within a single framework. Building on Joyal and Bartlo (2025), the findings indicate that customers higher in need for affiliation evaluate small business servicescapes more favorably and that favorable servicescape evaluations are associated with stronger customer loyalty. More importantly, the study identifies customer trust as a complementary mediator of the relationship between perceived servicescape value and loyalty, suggesting that customers respond to the service environment not only as an experiential setting but also as a source of information about the business itself.

These findings position the servicescape as both an environmental and relational resource for small businesses. By integrating need for affiliation theory with servicescape and relationship-marketing perspectives, the study provides a more complete explanation of how individual motivations, environmental evaluations, and trust jointly contribute to customer loyalty. For small business owners, the results underscore the potential value of creating service environments that communicate not only quality and professionalism but also consistency, care, and interpersonal connection.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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Appendix

Table A1. Retained need for affiliation items^a.

Item	Measurement Item Characteristics	
	Measurement Item	Conceptual Emphasis
NFA1	When I have a choice, I try to work in a group instead of by myself.	Preference for interpersonal/group involvement
NFA2	I pay a good deal of attention to the feelings of others at work.	Interpersonal sensitivity and attentiveness
NFA4	I express my disagreements with others openly. (<i>reverse coded</i>)	Relational harmony/conflict orientation

a. Items were adapted from [Steers and Braunstein \(1976\)](#). The content-emphasis classifications describe the substantive coverage of the retained indicators and were not modeled as separate latent dimensions.

Table A2. Retained perceived value of servicescapes items^a.

Item	Measurement Item Characteristics		
	Measurement Item	Servicescape Component	Conceptual Emphasis
PVS1	The paintings/pictures in the small business(es) I frequently patronize are attractive.	Visual/aesthetic	Emotional value
PVS2	The wall decor in the small business(es) I frequently patronize is visually appealing.	Visual/aesthetic	Emotional value
PVS4	The colors used in the small business(es) I frequently patronize create a warm atmosphere.	Visual/aesthetic	Emotional value
PVS5	The furnishings of the small business(es) I frequently patronize are of high quality.	Furnishings/design	Quality/performance value
PVS8	The temperature of the retail location(s) of the small business(es) I frequently patronize is comfortable for me.	Ambient conditions	Functional/experiential value
PVS9	The aroma of the retail location(s) of the small business(es) I frequently patronize is enticing to me.	Ambient conditions	Emotional value
PVS10	The lighting in the small business(es) I frequently patronize creates a warm atmosphere.	Ambient conditions	Emotional value
PVS11	The lighting in the small business(es) I frequently patronize makes me feel welcome.	Ambient conditions	Emotional value
PVS12	The lighting in the small business(es) I frequently patronize creates a comfortable atmosphere.	Ambient conditions	Emotional value
PVS14	The arrangement of furnishings in the retail location(s) of the small business(es) I frequently patronize makes me feel crowded. (<i>reverse coded</i>)	Spatial layout/functionality	Functional value
PVS15	The layout in the retail location(s) of the small business(es) I frequently patronize makes it easy for me to move around	Spatial layout/functionality	Functional value

a. Items were adapted from [Sweeney and Soutar \(2001\)](#) for application to the servicescape context. The classifications identify the primary servicescape characteristic and perceived-value emphasis reflected in each retained indicator; these categories were not modeled as separate latent constructs. The final retained measure primarily represents customers' evaluations of the physical servicescape.

Table A3. Retained customer trust items^a.

Item	Measurement Item Characteristics	
	Measurement Item	Conceptual Emphasis
TR1	The small business(es) I patronize meets my expectations.	Reliability/expectation fulfillment
TR2	I feel confidence in the small business(es) I patronize.	Reliability/confidence
TR3	The small business(es) I patronize never disappoint me.	Reliability/dependability
TR4	The small business(es) I patronize guarantee satisfaction.	Reliability/assurance
TR5	The small business(es) I patronize would be honest and sincere in addressing my concerns.	Honesty and positive intentions
TR6	I could rely on the small business(es) I patronize to solve a problem.	Responsiveness and positive intentions
TR7	The small business(es) I patronize would make every effort to satisfy me.	Customer-oriented intentions

a. Items were adapted from [Delgado-Ballester \(2004\)](#). The retained indicators capture customers' confidence in the reliability of the businesses they patronize as well as perceptions that those businesses would behave honestly, responsively, and in customers' interests.

Table A4. Retained customer loyalty items^a.

Item	Measurement Item Characteristics	
	Measurement Item	Conceptual Emphasis
LOY2	I am pleased to buy from the small business(es) I patronize instead of other firms.	Affective preference
LOY3	I like the small business(es) I patronize more than other firms.	Relative liking
LOY4	I feel more attached to the small business(es) I patronize than to other firms.	Emotional attachment
LOY5	I am more interested in the small business(es) I patronize than other firms.	Relational interest

a. Items were adapted from [Bobălcă et al. \(2012\)](#). The retained indicators primarily represent affective or attitudinal loyalty through preference, liking, attachment, and interest relative to competing firms.