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Physical Servicescape, Perceived Value, and Intention to Recommend: The Mediating Role of Customer Satisfaction

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ABSTRACT

This study examines the effects of physical servicescape and perceived value on residents' intention to recommend, with customer satisfaction serving as a mediating variable in the context of boarding house accommodation. A quantitative research design was employed using a questionnaire-based survey involving 106 residents of a boarding house in Boyolali, Indonesia. The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. The findings reveal that physical servicescape and perceived value have positive and statistically significant effects on customer satisfaction. Physical servicescape also exerts a positive and significant direct effect on residents' intention to recommend. However, perceived value does not demonstrate a statistically significant direct effect on recommendation intention. Customer satisfaction mediates the relationships between physical servicescape and recommendation intention, as well as between perceived value and recommendation intention. These findings suggest that customer satisfaction constitutes an important mechanism through which residents' evaluations of the physical service environment and perceived value translate into recommendation intention. From a managerial perspective, boarding house operators should prioritize improvements in the physical service environment and ensure that the accommodation services deliver value consistent with residents' expectations to enhance satisfaction and encourage positive recommendations. Future research should incorporate additional behavioral and experiential factors to provide a more comprehensive understanding of recommendation intention in the boarding house accommodation sector.

Keywords: Physical Servicescape; Perceived Value; Customer Satisfaction; Intention to Recommend; Boarding House.

INTRODUCTION

The hospitality and accommodation sector in Indonesia has experienced rapid growth along with the country's economic development. Based on data from the Central Statistics Agency

(BPS) in 2022, this sector has shown a significant contribution to the national economy, with both star-rated hotels and non-hotel accommodations experiencing increases in revenue and productivity. Fiscal and monetary policies that support the growth of this sector have also played an important role, as Indonesia recorded an economic growth rate of 5.03% in the fourth quarter of 2020, with GDP per capita reaching IDR 78,617,420. In Central Java Province, the accommodation and food service sector grew by 8.17% in 2020, reflecting the positive development of this industry.

In Boyolali, the demand for boarding houses (kos) has increased along with rising investment and population growth. Data from mamikos.com (2025) shows that in 2025 there are 42 boarding houses in Boyolali. Factors such as service quality, facilities, and rental price are important considerations for tenants when choosing a boarding house. In this context, the physical servicescape, perceived value, and level of customer satisfaction greatly influence the loyalty and reputation of boarding house service providers. One interesting example in Boyolali is Exclusive Boarding House as the object of the family business project. This boarding house offers various complete facilities at a relatively competitive rental price of IDR 1,500,000 per month. With good facilities such as well-maintained cleanliness, comfort, and 24-hour security, this Exclusive boarding house has a rating of 4.7 out of 5 based on resident reviews on Google Review (2025). This indicates the importance of service quality in influencing customer satisfaction and enhancing the competitiveness of boarding houses in the market.

This study aims to analyze the influence of physical servicescape and perceived value on customers' intention to recommend the boarding house, with customer satisfaction as a mediator. Recent studies show that physical elements such as cleanliness, atmosphere, and comfortable layout influence customer perceptions and behavior, which in turn improve the perceived service quality (Morkunas & Rudienė, 2020; Zhang et al., 2023). In addition, perceived value, which includes functional, emotional, and social dimensions, is an important factor in increasing customer satisfaction and shaping loyalty (Bae, 2022; Salehi, 2024). High customer satisfaction, influenced by physical experience and perceived value, will increase their intention to recommend the service to others, which is an indicator of a positive experience validated through recommendations (Rajput & Gahfoor, 2020; Lesmana et al., 2024; Zhang et al., 2023). Therefore, it is important for boarding house managers to

understand the relationship between these factors in order to improve residents' experiences and enhance their services.

Physical servicescape refers to the physical elements surrounding a service environment that influence customer perceptions and behaviors, including atmosphere, layout, cleanliness, and social interactions between customers and staff (Morkunas & Rudienė, 2020). Elements such as lighting, temperature, aroma, and sound play an important role in creating customer comfort and shaping their perceptions of service quality (Zhang et al., 2023; Yum & Kim, 2024). Studies indicate that these physical aspects, particularly cleanliness and ventilation, have become increasingly important in the post-pandemic period in shaping customers' sense of safety and comfort. This, in turn, affects their decision to continue using a service or seek alternative options (Serrano-Baena et al., 2023; Chunhui & Keat, 2024).

H1: Physical Servicescape has a positive effect on Customer Satisfaction at Exclusive boarding houses.

H4: Physical Servicescape has a positive effect on Intention to Recommend the Service at Exclusive boarding houses.

H6: Customer Satisfaction mediates the effect of Physical Servicescape on Intention to Recommend the Service at Exclusive boarding houses.

Perceived value refers to customers' perceptions of the benefits received compared to the costs incurred, making it an important construct in service marketing (Bae, 2022). This concept is multidimensional, encompassing functional, emotional, and social values (Salehi, 2024). Functional value relates to the comfort and utility obtained from the service (Zhang et al., 2023), while emotional value includes the emotional benefits experienced by customers, such as comfort or satisfaction (Salehi, 2024). Social value is associated with the prestige customers gain from using the service (Bae, 2022). Studies indicate that perceived value influences customer satisfaction, trust, and loyalty toward services, where customers who feel they receive benefits proportional to the costs are more likely to remain loyal and build long-term relationships with service providers (Yum & Kim, 2024; Blut et al., 2024).

H2: Perceived Value has a positive effect on Customer Satisfaction at Exclusive boarding houses.

H5: Perceived Value has a positive effect on Intention to Recommend the Service at Exclusive boarding houses.

H7: Customer Satisfaction mediates the effect of Perceived Value on Intention to Recommend the Service at Exclusive boarding houses.

Customer satisfaction refers to an attitude that reflects customers' evaluations after a post-purchase experience, indicating the extent to which customers like or dislike the services provided (Rajput & Gahfoor, 2020). This satisfaction is influenced by both physical and social elements within the servicescape as well as the perceived value experienced by customers (Salehi, 2024). Elements such as atmosphere, cleanliness, and interior design can enhance customer comfort and influence satisfaction levels (Morkunas & Rudienė, 2020). Furthermore, customer satisfaction also affects customers' future behavioral intentions, such as their intention to recommend or reuse the service (Lesmana et al., 2024).

H3: Customer Satisfaction has a positive effect on Intention to Recommend the Service at Exclusive boarding houses.

Intention to recommend the service refers to customers' tendency to share their positive experiences about a service with others, either directly through word-of-mouth or through digital media (Maria et al., 2021). This intention is influenced by customer satisfaction and perceived value, which serve as key predictors in encouraging recommendations to others (Zhang et al., 2023). Customer satisfaction, in addition to increasing loyalty, also plays a role in encouraging recommendations, which often serve as validation of positive experiences (Mutsikiwa & Makumbe, 2024). A positive service experience—whether physical, social, or emotional—enhances perceived value and encourages customers' intention to recommend the service (Barata & Coelho, 2021).

Thus, this study aims to contribute to the understanding of factors that influence intention to recommend, customer satisfaction, and loyalty in the boarding house business, particularly in Boyolali. The results of this study are expected to help boarding house

managers improve the quality of their services, which in turn can enhance the competitiveness and reputation of boarding house businesses in the area.

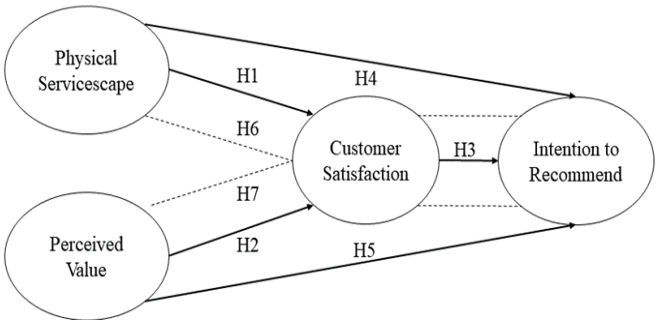

Figure 1. Research Model (2026)

METHOD

This study employs a quantitative descriptive approach using a survey method to analyze customers' perceptions of service quality at Exclusive boarding houses in Boyolali. The research focuses on four main variables: Physical Servicescape, Perceived Value, Customer Satisfaction, and Intention to Recommend. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the SmartPLS software.The research population consists of 116 customers who have rented a room for at least one month. The sampling technique used is saturated sampling, in which the entire population that meets the criteria is included in the study. Data were collected through the distribution of questionnaires based on a Likert scale, which were distributed directly to tenants who were still living in the boarding house and via WhatsApp to tenants who were no longer residing there. A total of 106 respondents provided valid responses, resulting in a response rate of 91.38%. The analysis was conducted in two stages. First, the measurement model was tested to assess the reliability and validity of the indicators. Second, the structural model was tested to evaluate the relationships among the latent variables.

RESULTS AND DISCUSSION

Exclusive boarding houses, located in Boyolali, began operations in January 2024 and offers 30 rooms with complete facilities, such as air conditioning, private bathrooms, furniture, a kitchen, a mini gym, and a spacious parking area. Its strategic location, close to the city center

and government offices, supports the mobility of residents, especially workers and middle- to upper-income individuals. This study aims to analyze customer perceptions of the service quality of Exclusive boarding houses by focusing on four main variables: Physical Servicescape, Perceived Value, Customer Satisfaction, and Intention to Recommend. Data were collected using a census sampling method, in which all customers who had rented for at least one month became respondents. A total of 106 out of 116 respondents provided valid responses, resulting in a response rate of 91.38%. In addition to quantitative data, reviews on Google Review also provide an overview of service quality, with most evaluations highlighting positive aspects such as comfort, cleanliness, facilities, and the strategic location.

The Respondent Profile, the characteristics of the respondent profiles in this study show the diverse backgrounds of the participants. A total of 106 respondents participated in this research. Based on the results obtained from these 106 respondents, it can be concluded that the majority of Exclusive Boarding House tenants are female (63.2%), with most of them aged between 23–27 years (29.2%). Most respondents work in the private sector (53.8%), and a large proportion have been renting for less than three months (41.5%). Information about Exclusive Boarding House is mostly obtained through the internet (60.4%), and the strategic location is the main consideration in choosing the boarding house (41.5%). Most respondents come from Central Java (50.9%), followed by DKI Jakarta (10.4%) and West Java (12.3%).

Tabel 1. Respondent Profile

Criteria	Category	Frequency (People)	Percent (%)
Gender	Male	39	36.8
	Female	67	63.2
Age	18-22 years	16	15.1
	23-27 years	31	29.2
	28-33 years	16	15.1
	33-37 years	13	12.3
	38-42 years	16	15.1
	43 years and above	14	12.12
Occupation	Private Employee	57	53.8
	Company Employee	1	0.9
	Student	13	12.3
	Sailor	1	0.9

Criteria	Category	Frequency (People)	Percent (%)
	Civil Servant/ State-Owned Enterprise Employee	11	10.4
	Entrepreneur	23	21.7
Length of Stay at Exclusive Boarding House	< 3 months	44	41.5
	< 6 months	32	30.2
	6-12 months	28	26.4
	13-36 months	2	1.9
Province	Central Java	54	50.9
	West Java	13	12.3
	DKI Jakarta	11	10.4
	East Java	7	6.6
	Yogyakarta	7	6.6
	Sumatera	5	4.7
	Bali	2	1.9
	Kalimantan	2	1.9
	Sulawesi	2	1.9
	Banten	2	1.9
	NTT	1	0.9
	Total	**106**	**100.0**

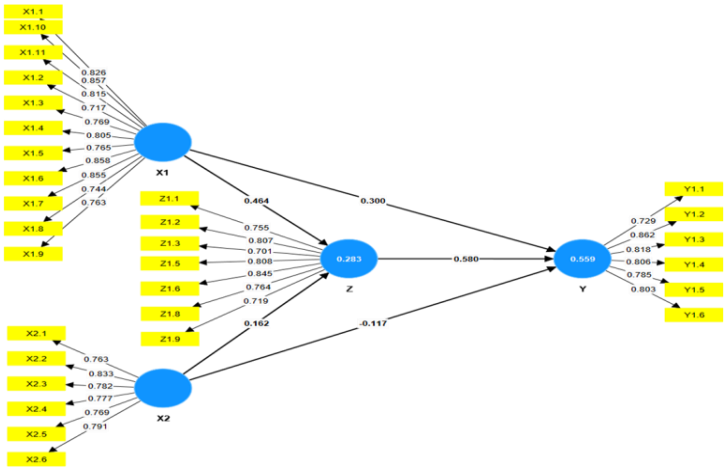

Figure 2. Outer Model

Validity and reliability are important aspects in ensuring the quality of research instruments. Convergent validity was tested to confirm that the indicators truly measure the intended constructs. The testing was conducted by examining the outer loading values and the Average Variance Extracted (AVE). Based on the recommendations of Hair Jr. et al. (2021), the outer loading value should be above 0.70 and the AVE should be at least 0.50. The results show that all valid indicators have outer loading values ranging from 0.701 to

0.858, indicating strong representation of their respective constructs. The AVE values for all constructs also meet the required threshold, ranging from 0.548 to 0.639, which means that the constructs are able to explain more than 50% of the variance of the indicators. These findings are consistent with the theory of convergent validity, which emphasizes the importance of internal consistency in the measurement model.

Tabel 2. Outer Model Result

Variable	Operasional Item	Outer Loading	AVE
Physical Serviscape (X1)	X1.1	0.826	0.639
	X1.2	0.717	
	X1.3	0.769	
	X1.4	0.805	
	X1.5	0.765	
	X1.6	0.858	
	X1.7	0.855	
	X1.8	0.744	
	X1.9	0.763	
	X1.10	0.857	
	X1.11	0.815	
Perceived Value (X2)	X2.1	0.763	0.587
	X2.2	0.833	
	X2.3	0.782	
	X2.4	0.777	
	X2.5	0.769	
	X2.6	0.791	
Intention to Recommend (Y)	Y1.1	0.729	0.554
	Y1.2	0.862	
	Y1.3	0.818	
	Y1.4	0.806	
	Y1.5	0.785	
	Y1.6	0.803	
Customer Satisfaction (Z)	Z1.1	0.755	0.548
	Z1.2	0.807	
	Z1.3	0.701	
	Z1.5	0.808	
	Z1.6	0.845	
	Z1.8	0.764	
	Z1.9	0.719	

To test discriminant validity, this study employed three approaches: the HTMT ratio, the Fornell–Larcker criterion, and Cross Loadings. The HTMT method assesses the level of correlation between constructs, and the results indicate that all values are below the threshold of 0.85, in accordance with the standard proposed by Henseler et al. (2015). This finding indicates that the constructs are significantly distinct from one another.

Table 3. Heterotrait-Monotrait (HTMT) Results

Relationship Between Variables	HTMT
Intention to Recommend (Y) -> Customer Satisfaction (Z)	0.768
Perceived Value (X2) -> Customer Satisfaction (Z)	0.303
Perceived Value (X2) -> Intention to Recommend (Y)	0.141
Physical Servicespace (X1) -> Customer Satisfaction (Z)	0.545
Physical Servicespace (X1) -> Intention to Recommend (Y)	0.596
Physical Servicescape (X1) <-> Perceived Value (X2)	0.289

The Fornell–Larcker criterion has been satisfied, where the square root of the AVE on the diagonal of the table is greater than the correlations between constructs. This confirms that each construct possesses distinct uniqueness and does not overlap with other constructs within the model.

Table 4. Fornell-Larcker Result

Variables	X1	X2	Y	Z
Physical Servicespace (X1)	**0.799**			
Perceived Value (X2)	0.274	**0.786**		
Intention to Recommend (Y)	0.563	0.133	**0.801**	
Customer Satisfaction (Z)	0.509	0.289	0.699	**0.773**

The Cross Loading results confirm that each indicator has the highest loading value on its corresponding construct. This pattern is consistent across all indicators, indicating that the discriminant validity test using the Cross Loading approach has also been satisfied.

Table 5. Cross Loading Result

Operasional Items	X1	X2	Y	Z
X1.1	**0.826**	0.201	0.537	0.391
X1.2	**0.717**	0.215	0.425	0.383
X1.3	**0.769**	0.242	0.495	0.352
X1.4	**0.805**	0.255	0.383	0.274
X1.5	**0.765**	0.199	0.464	0.522
X1.6	**0.858**	0.182	0.441	0.476
X1.7	**0.855**	0.231	0.460	0.451

Operasional Items	X1	X2	Y	Z
X1.8	**0.744**	0.217	0.451	0.440
X1.9	**0.763**	0.181	0.425	0.352
X1.10	**0.857**	0.249	0.420	0.390
X1.11	**0.815**	0.246	0.408	0.368
X2.1	0.278	**0.763**	0.160	0.209
X2.2	0.212	**0.833**	0.126	0.323
X2.3	0.247	**0.782**	0.021	0.193
X2.4	0.124	**0.777**	0.035	0.105
X2.5	0.226	**0.769**	0.147	0.224
X2.6	0.155	**0.791**	0.060	0.198
Y1.1	0.540	0.162	**0.729**	0.593
Y1.2	0.526	0.106	**0.862**	0.636
Y1.3	0.352	0.067	**0.818**	0.542
Y1.4	0.463	0.077	**0.806**	0.497
Y1.5	0.287	0.131	**0.785**	0.472
Y1.6	0.473	0.095	**0.803**	0.578
Z1.1	0.343	0.234	0.443	**0.755**
Z1.2	0.397	0.192	0.446	**0.807**
Z1.3	0.432	0.130	0.607	**0.701**
Z1.5	0.395	0.264	0.630	**0.808**
Z1.6	0.439	0.232	0.574	**0.845**
Z1.8	0.369	0.274	0.541	**0.764**
Z1.9	0.357	0.241	0.489	**0.719**

Measurement reliability was tested using Cronbach's Alpha and Composite Reliability (CR). Both reliability indicators show values above 0.70, with some reaching very high levels (for example, the CR value for Physical Servicescape is 0.951), indicating that the instrument has excellent internal consistency and is suitable for use. Overall, the results of the validity and reliability tests support the quality of the data used in the subsequent structural model analysis. These findings are consistent with previous studies that emphasize the importance of evaluating the measurement model as a prerequisite for valid and reliable analysis.

Table 6. Cronbach's Alpha and Composite Reliability Result

Variables	Cronbach's Alpha	Composite Reliability (rho_c)	Decision
Physical Servicescape (X1)	0.943	0.951	Reliable
Perceived Value (X2)	0.880	0.906	Reliable
Intention to Recommend (Y)	0.888	0.915	Reliable
Customer Satisfaction (Z)	0.887	0.912	Reliable

Inner Model Result, following the confirmation of the outer model's validity and reliability, the inner model was examined to determine its explanatory power and the relationships among the constructs within the structural model. The assessment was conducted using three key indicators: R-square (R^2), Q-square (Q^2), and f-square (f^2). R-square represents the proportion of variance in an endogenous construct accounted for by its predictor variables. The analysis revealed an R^2 value of 0.559 for Intention to Recommend, indicating that the model explains 55.9% of the variance in this construct. Based on the classification provided by Hair et al. (2021), this value represents a moderate level of explanatory power. Meanwhile, Customer Satisfaction obtained an R^2 value of 0.283, suggesting that the model accounts for 28.3% of its variance, which is considered relatively low. This result implies that a substantial proportion of Customer Satisfaction is influenced by factors not incorporated into the current research model. Accordingly, future studies may consider including additional relevant variables to provide a more comprehensive understanding of the factors contributing to Customer Satisfaction.

The Q-square (Q^2) values were also examined to assess the model's predictive relevance toward the endogenous constructs. The results yielded Q^2 values of 0.335 for Intention to Recommend and 0.163 for Customer Satisfaction, both of which are above zero, indicating that the model demonstrates predictive relevance for both constructs. However, the differences in Q^2 values suggest that the model's predictive capability is stronger for Intention to Recommend than for Customer Satisfaction. Although the model is capable of predicting both endogenous constructs, its predictive performance in explaining Customer Satisfaction remains relatively limited, highlighting the potential for further model refinement through the inclusion of additional relevant variables. Furthermore, the f-square (f^2) values were assessed to determine the magnitude of each exogenous construct's contribution to the endogenous constructs. The results indicate varying levels of effect size across the structural relationships. Customer Satisfaction exhibits a substantial effect on Intention to Recommend, with an f^2 value of 0.546, highlighting its dominant role in explaining consumers' intention to recommend the service. Physical Servicescape demonstrates a moderate effect on Customer Satisfaction, with an f^2 value of 0.278, suggesting that the physical service environment contributes meaningfully to customers' overall evaluations. Conversely, the effects of Perceived Value on both Customer Satisfaction and Intention to Recommend, as well as the effect of Physical Servicescape on

Intention to Recommend, are relatively small. These findings suggest that the contributions of these constructs in explaining the endogenous variables are comparatively limited when assessed in terms of effect size.

Table 7. Inner Model Test Result

Variables / Relations	R-square	Information	Q-square	Information	f-square	Information
Intention to Recommend (Y)	0.559	Moderate	0.335	Relevant (moderate)	-	-
Customer Satisfaction (Z)	0.283	Low	0.163	Relevant (low)	-	-
Customer Satisfaction (Z) -> Intention to Recommend (Y)	-	-	-	-	0.546	High
Perceived Value (X2) -> Customer Satisfaction (Z)	-	-	-	-	0.034	Low
Perceived Value (X2) -> Intention to Recommend (Y)	-	-	-	-	0.028	Low
Physical Servicescape (X1) -> Customer Satisfaction (Z)	-	-	-	-	0.278	Moderate
Physical Servicescape (X1) -> Intention to Recommend (Y)	-	-	-	-	0.147	Low

Hypothesis Result, the structural model evaluation was conducted through hypothesis testing using the bootstrapping method with a one-tailed t-test. The testing criteria specify that a hypothesis is accepted if the t-statistic value is greater than 1.96 and the p-value is less than 0.05. Based on the test results, most hypotheses are supported with significant positive effects, except for one hypothesis that is rejected due to its non-significant effect.

First, the effect of Physical Servicescape on Customer Satisfaction (H1) shows a path coefficient of 0.464 with a t-statistic of 5.273 and a p-value of 0.000, indicating a positive and highly significant effect. This finding reinforces the theory that the physical service environment plays an important role in increasing customer satisfaction, consistent with previous studies. Furthermore, Perceived Value also has a significant positive effect on

Customer Satisfaction (H2) with a coefficient of 0.162, a t-statistic of 2.183, and a p-value of 0.015. This confirms that the value perceived by customers contributes to shaping satisfaction, although its effect is relatively smaller compared to Physical Servicescape.

The influence of Customer Satisfaction on Intention to Recommend (H3) is very strong, with a coefficient value of 0.580 and a high level of significance (t = 8.448; p = 0.000). This indicates that customer satisfaction is the main factor driving customers' intention to recommend the service, consistent with the findings of many previous studies. The direct effect of Physical Servicescape on Intention to Recommend (H4) is also significantly positive (coefficient 0.300; t = 3.888; p = 0.000), suggesting that the quality of the physical service environment not only increases satisfaction but also directly influences customers' recommendation behavior.

However, the effect of Perceived Value on Intention to Recommend (H5) is negative and not significant (coefficient −0.117; t = 1.586; p = 0.056). Therefore, hypothesis H5 is rejected, indicating that perceived value does not directly drive the intention to recommend without being mediated by satisfaction. Regarding indirect effects (mediation), Customer Satisfaction is proven to be a significant mediator between Physical Servicescape and Intention to Recommend (H6), with a mediation coefficient of 0.269 (t = 4.534; p = 0.000). Similarly, satisfaction also mediates the relationship between Perceived Value and Intention to Recommend (H7), with a coefficient of 0.094 (t = 2.100; p = 0.018). These results confirm that customer satisfaction is the primary pathway through which perceived value and the physical service environment influence the intention to recommend.

Table 8. Hypothesis Test Result

Relationship Between Variables	Original Sample (O)	T Statistics	P-Values	Result
Customer Satisfaction (Z) -> Intention to Recommend (Y)	0.580	8.448	0.000	Significant (+)
Perceived Value (X2) -> Customer Satisfaction (Z)	0.162	2.183	0.015	Significant (+)
Perceived Value (X2) -> Intention to Recommend (Y)	-0.117	1.586	0.056	Not Significant (-)
Physical Servicescape (X1) -> Customer Satisfaction (Z)	0.464	5.273	0.000	Significant (+)
Physical Servicescape (X1) -> Intention to Recommend (Y)	0.300	3.888	0.000	Significant (+)

Relationship Between Variables	Original Sample (O)	T Statistics	P-Values	Result
Perceived Value (X2) -> Customer Satisfaction (Z) -> Intention to Recommend (Y)	0.094	2.100	0.018	Significant (+)
Physical Servicescape (X1) -> Customer Satisfaction (Z) -> Intention to Recommend (Y)	0.269	4.534	0.000	Significant (+)

This study involved 106 active residents of Exclusive Boarding House with a response rate of 91.38%. Based on the Structural Equation Modeling (SEM) analysis, six out of the seven proposed hypotheses were supported, while one hypothesis was rejected. These findings indicate that most independent variables significantly influence the dependent variable, namely Intention to Recommend. Physical Servicescape has a significant positive effect on Customer Satisfaction, with a coefficient of 0.464 (p = 0.000). A clean, comfortable, and well-organized physical environment of the boarding house supports a pleasant living experience for residents, both workers and students. This result is consistent with the studies of Morkunas et al. (2024) and Asghar Ali et al. (2021), which emphasize the importance of the physical service environment in enhancing customer satisfaction. Perceived Value also has a significant positive effect on Customer Satisfaction, with a coefficient of 0.162 (p = 0.015). The value perceived by residents includes emotional, functional, and social benefits that encourage satisfaction with the boarding house services. This finding aligns with the studies of Khasbulloh & Suparna (2022) and Umboh et al. (2024), which highlight the role of perceived value in shaping customer satisfaction. If consumers perceive the product or service as easily accessible, this can increase their trust and satisfaction Setiawan & Saputro (2024).

Customer Satisfaction demonstrates a strong and positive effect on Intention to Recommend, with a path coefficient of 0.580 (p = 0.000). This finding suggests that residents who experience higher levels of satisfaction are more likely to share favorable experiences and recommend the service to others. This relationship is supported by previous research conducted by Lee (2024) and Hasan et al. (2024), which similarly emphasize the role of customer satisfaction in fostering recommendation behavior. In addition, Physical Servicescape has a positive and significant direct effect on Intention to Recommend, as indicated by a coefficient of 0.300 (p = 0.000). An attractive, comfortable, and well-

maintained physical environment can enhance residents' comfort and strengthen their perceptions of service quality, ultimately encouraging them to recommend the service. This finding is in line with Ayunisa (2016) and Kwon and Kim (2023). In contrast, Perceived Value does not exhibit a significant direct effect on Intention to Recommend, with a coefficient of −0.117 (p = 0.056). This result implies that although residents may recognize the benefits and value offered by the service, such perceptions alone may not be sufficient to stimulate recommendation behavior. Instead, perceived value may require further reinforcement through a satisfactory service experience before it can translate into positive behavioral responses. This finding is consistent with Viorentina (2023) and Wibisono and Keni (2023), who suggest that perceived value alone may not be sufficient to generate recommendation behavior in the absence of customer satisfaction.

The indirect effect of Physical Servicescape on Intention to Recommend through Customer Satisfaction is significant (coefficient 0.269; p = 0.000). This indicates that satisfaction acts as an important mediator that strengthens the relationship between the physical environment and the intention to recommend, consistent with the findings of Ananda et al. (2023) and Morkūnas et al. (2024). Similarly, Perceived Value has a significant indirect effect on Intention to Recommend through Customer Satisfaction (coefficient 0.094; p = 0.018). This means that perceived value encourages recommendation behavior when it is accompanied by customer satisfaction. This finding supports the results of Lesmana et al. (2024) and Khan et al. (2021), which state that satisfaction is a key mediating factor in shaping recommendation behavior.

The rejection of H5 indicates that Perceived Value does not have a significant direct effect on the dependent variable. This finding suggests that consumers' evaluation of the benefits received relative to the sacrifices made is not sufficient to directly influence their subsequent behavioral responses. Although consumers may perceive a product or service as valuable, such perceptions may not necessarily translate into behavioral outcomes unless they are accompanied by a favorable consumption experience. Perceived Value may therefore function as an initial evaluative judgment, while Customer Satisfaction represents a more comprehensive assessment of whether the actual experience meets or exceeds consumers' expectations. Furthermore, the findings indicate that Customer Satisfaction fully mediates the relationship between Perceived Value and the dependent variable. This implies that

Perceived Value influences consumers' responses indirectly through Customer Satisfaction rather than through a direct pathway. The perceived benefits and value of a product or service may strengthen consumers' satisfaction, which subsequently drives their behavioral responses. Thus, recognizing value alone may not be sufficient to encourage the intended consumer behavior; consumers must also develop a positive evaluation of their overall experience. This finding highlights Customer Satisfaction as a critical mechanism through which Perceived Value is translated into behavioral outcomes, emphasizing the importance of delivering not only perceived benefits but also a satisfying consumption experience.

CONCLUSION

This study demonstrates that Physical Servicescape and Perceived Value positively and significantly contribute to the satisfaction of residents at Exclusive Boarding House. This satisfaction subsequently plays an important role in increasing residents' Intention to Recommend the boarding house to others. Although Perceived Value does not have a significant direct effect on the intention to recommend, the role of Customer Satisfaction as a mediator bridges the positive influence of these two variables on residents' recommendation intentions. These findings not only reinforce theoretical perspectives regarding the influence of the physical service environment and perceived value on customer behavior, but also provide practical implications for boarding house managers to focus on improving resident satisfaction in order to strengthen loyalty and encourage word-of-mouth promotion. Furthermore, this study opens opportunities for future research to incorporate additional relevant variables and expand the research context in order to produce more comprehensive and applicable insights.

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CONFLICTS OF INTEREST

The authors declare no conflict of interest. The funders had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript, or in the decision to publish the results.

USE OF ARTIFICIAL INTELLIGENCE (AI)

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