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THE EFFECT OF EMPLOYEE BEHAVIORS ON CONSUMERS' EMOTIONS AND  
BEHAVIORAL INTENTIONS IN POSITIVE SERVICE ENCOUNTERS

by

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A dissertation submitted in partial fulfillment of the requirements  
for the degree of Doctor of Philosophy  
in the Rosen College of Hospitality Management  
at the University of Central Florida  
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## **ABSTRACT**

Focusing on positive service encounters, this study examined the relationships among employee behaviors, customers' positive emotions, and subsequent customer behaviors. A comprehensive framework of positive service encounters and ten hypotheses were developed based on an in-depth literature review and an application of the theory of cognitive appraisal and the theory of positive emotions. The dissertation employed a survey design with measurements from previous research and collected data with Amazon Mechanical Turk. The target sample (N=299) was individuals that had a positive interaction with an employee at hotels over the last six months.

The Structural Equation Modeling results suggested that employees' mutual understanding affects customer gratitude and employees' unsolicited behaviors and competence influence customer delight. Subsequently, customer gratitude has a positive relationship with customers' repurchase intentions and word-of-mouth. In addition, customer delight has a positive relationship with customer' repurchase intentions and positive word-of-mouth. However, the results of the study did not support that customer delight can be triggered by employees' authenticity and customer gratitude can be evoked by employees' customized service. In addition, the relationship between customer gratitude and customers' providing feedback was not established. This study provides valuable implications for the industry regarding generating favorable customer behaviors in positive service encounters. This research also offers a theoretical explanation of systematic relationships among five dimensions of employee behaviors, two customers' discrete emotions, and three customer behavioral intentions in positive service encounters.

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I also want to express my gratitude to my father, my mother, and every family member who always support and believe in me. Their unconditional love for me motivates me to keep moving forward to accomplish the goals in my life. Lastly, I would like to thank my husband Albert who is always there for me at any moment when I need him. His support and love inspire me to always be a better person in life.

## TABLE OF CONTENTS

LIST OF FIGURES .....	vii
LIST OF TABLES .....	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1. Background .....	1
1.2. Problem Statement .....	6
1.3. Purpose of Research .....	7
1.4. Research Questions .....	8
1.5. Significance of Research .....	8
1.6. Organization of the Dissertation .....	9
CHAPTER TWO: LITERATURE REVIEW .....	11
2.1. Service Encounters .....	11
2.2. Employee Behaviors in Service Encounters .....	15
2.2.1. Categorizing Employee Behaviors .....	17
2.2.2. Employee-Specific Behaviors .....	19
2.2.3. Interaction-Induced Behaviors .....	20
2.3. Cognitive Appraisal .....	23
2.3.1. Interpersonal Relationship .....	27
2.4. Positive Emotions in Service Encounters .....	28
2.4.1. Delight .....	29
2.4.2. Gratitude .....	32
2.5. Relationship between Employee Behaviors and Customer Emotions .....	35
2.6. Broaden-and-Build Theory .....	39
2.7. Customer Citizenship Behaviors in Service Encounters .....	42
2.7.1. Repurchase Intentions.....	44
2.7.2. Positive Word of Mouth .....	44
2.7.3. Providing Feedback .....	45
2.8. Relationship between Customer Emotions and Customer Citizenship Behaviors .....	46

CHAPTER THREE: METHODOLOGY .....	51
3.1. Data Collection Procedure .....	51
3.2. Survey Instrument .....	52
3.3. Measures .....	54
3.3.1. Employee Behaviors.....	54
3.3.2. Customer Emotions .....	55
3.3.3. Behavioral Intentions.....	55
3.3.4. Summary of Measurement Items.....	56
3.3. Data Analysis .....	57
CHAPTER FOUR: RESULTS .....	61
4.1. Pretest 1 .....	61
4.2. Pretest 2 .....	62
4.2.1. Demographic Information of Sample .....	63
4.2.2. Construct Reliability.....	63
4.2.3. Convergent Validity .....	64
4.2.4. Discriminant Validity .....	66
4.2.5. Confirmatory Factor Analysis .....	67
4.2.6. Goodness of Model Fit .....	68
4.3. Main Study .....	68
4.3.1. Data Collection .....	69
4.3.2. Demographic Description of Sample .....	70
4.3.3. Additional Background Information .....	72
4.3.4. Past Customer Behaviors and Future Intentions.....	73
4.3.5. Data Analysis Procedure .....	74
4.3.6. Construct Reliability and Validity .....	74
4.3.7. Confirmatory Factor Analysis (CFA).....	78
4.3.8. Structural Equation Modeling .....	79
4.3.9. Hypotheses Testing and Results .....	81

CHAPTER FIVE: DISCUSSIONS, IMPLICATIONS, LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH.....	87
5.1. Discussions.....	87
5.1.1. Employee Behaviors and Customer Emotions .....	88
5.1.2. Customer Emotions and Customer Behavioral Intentions .....	91
5.1.3. Summary of Discussions .....	93
5.2. Conclusions and Implications.....	94
5.2.1. Implications for Research.....	94
5.2.2. Implications for the Industry .....	96
5.3. Limitations and Future Research.....	100
APPENDIX A: UCF IRB APPROVAL LETTER FOR PRETEST.....	103
APPENDIX B: UCF IRB APPROVAL LETTER FOR MAIN STUDY.....	105
APPENDIX C: SURVEY FOR MAIN STUDY .....	107
REFERENCES .....	116

## **LIST OF FIGURES**

Figure 1. The model of employee behaviors, emotions, and customer citizenship behaviors. ....	50
Figure 2. The results of hypotheses testing.....	86



## LIST OF TABLES

Table 1. Measurement Items .....	57
Table 2. Reliability and Convergent Validity .....	65
Table 3. Discriminant Validity .....	67
Table 4. CFA for the Measurement Model .....	68
Table 5. Descriptive Statistics for Demographics (n=299).....	71
Table 6. Descriptive Statistics for Additional Information (n=299).....	72
Table 7. Reliability and Validity Limits .....	75
Table 8. Construct Reliability and Convergent Validity .....	76
Table 9. Discriminant Validity .....	78
Table 10. CFA for the Measurement Model .....	79
Table 11. SEM Analysis for the Structural Model .....	80
Table 12. Results of the Structural Model .....	82

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Background**

Service encounters are the moments of interaction between a customer and a business firm (Bitner, Booms, & Mohr, 1994; Winsted, 1997). Hospitality firms are suggested to turn a mundane routine service encounter into a memorable experience that can last in customers' memories (Gilmore & Pine, 2002). A critical service encounter determining customers' perception of the firm thereby creating future behavioral intentions (e.g., loyalty) referred to as a moment of truth can result in an either exceptionally positive or particularly negative experience (Bove, Pervan, Beatty, & Shiu, 2009; Wong, 2013; Singh, 2013). Although the service encounter can be either positive or negative, most past research has focused on dissatisfying service experiences such as service failure, complaining behavior, and service recovery (e.g., Forrester & Maute, 2013; Kuo & Wu, 2012; Strizhakova, Tsarenko, & Ruth, 2012; Wirtz & Mattila, 2004); yet research attention on positive emotions and subsequent behaviors in a satisfying experience is limited. Positive service encounters can result in favorable customer behaviors, which are voluntary and helpful behaviors towards the firm or service worker such as intention to repurchase (Bitner, Booms, & Tetreault, 1990; Keaveney, 1995; Smith & Bolton, 1998), word-of-mouth recommendations (Bitner, 1990; Tax, Brown, & Chandrashekar, 1998), and providing feedback (Bove, Pervan, Beatty, & Shiu, 2009). Therefore, it is essential for service companies to ensure that customers have a positive memory of their service encounters with the company.

Service employees play a critical role in service encounters by assessing and addressing customer's needs (Bitner & Hubbert, 1994, Spiro & Weitz, 1990; Szymanski, 1988). Employees' characteristics and behaviors during the service encounter significantly influence customer satisfaction, loyalty, and behavioral intentions (Hartline & Ferrell, 1996; Hennig-Thurau, 2004; Salanova, Agut, & Peiró, 2005). Some researchers examined positive characteristics of service employees including personality and customer orientation (Franke & Park, 2006; Grizzle, Zablah, Brown, Mowen, & Lee, 2009); others focused on identifying specific employee behaviors that lead to positive service encounters (e.g., Bitner, 1990; Price, Arnould, & Tierney, 1995). While employee characteristics (i.e., personality, customer orientation) are not easy to change, the employee behaviors can be improved through training if they are identified. Thus, it is critical for service companies to understand what types of employee behaviors lead to favorable customer behaviors.

For instance, employee behaviors which demonstrate efficiency, availability, accuracy, and knowledge in their performance during their interactions with customers can leave an impression of competence on customers (Parasuraman, Zeithaml, & Berry, 1985; Zeithaml, Berry, & Parasuraman, 1993). In addition, customers evaluate the service encounter favorably if employees are authentic in their positive display in their interactions with the customers (Groth, Hennig-Thurau, & Walsh, 2009). Also, special attentions from employees such as providing extras including customized service and unsolicited behaviors for their customers, are frequently noted in favorably memorable service encounters (Bitner et al., 1990). Some researchers emphasized that the emotional connections built between customers and employees contribute to customer satisfaction in service encounters (Price et al., 1995). Positive employee behaviors are

important because customers instinctively assess service encounters based on employees' efforts and abilities through the perception of certain behavioral cues which display confidence, friendliness, empathy, and attentiveness (Specht, Fichel, & Meyer, 2007).

In classifying employee behaviors in service encounters, Van Dolen, DeRuyter, and Lemmink (2004) proposed the two categories: *employee-specific* and *interaction-induced*. *Employee-specific* behaviors are the behaviors produced and performed by employees alone, without the cooperation of the customer. *Interaction-induced* behaviors refer to behaviors that are more reactive and reciprocal in nature and coproduced with the customer (Van Dolen, DeRuyter, & Lemmink, 2004). Based on this categorization, the current research considers three *employee-specific* behaviors (authenticity, unsolicited behaviors, and competence) and two *interaction-induced* behaviors (customized service and mutual understanding).

An important aspect in understanding customers' service experience is emotion (Oliver et al, 1997). Past research indicated that emotions influence numerous aspects of customer behaviors, including the assessment of the encounter, and the subsequent memory of the service encounter (Gardner, 1985). For example, customers who experience positive emotions in service encounters tend to revisit the company to enjoy the same positive experience (Tsai & Huang, 2002) and more likely to engage in positive word of mouth (Derbaix & Vanhamme, 2003; Ladhari, 2007; Nyer, 1997; Söderlund & Rosengren, 2007; White, 2010).

There are two approaches of research in emotions, valence-based emotions and discrete emotions. Valence-based emotions approach states that emotions are often examined via two categories based on valence (Hooge, Verlegh, & Tzioti, 2014). For example, positive emotions lead to approach behaviors while negative emotions lead to avoid behaviors (Fredrickson &

Losada, 2005). However, more recent studies suggested that specific emotions within the same valence may result in different behavioral responses (Laros & Steenkamp, 2005; Zeelenberg & Pieters, 2004). For example, gratitude triggers people to return the favor to the other (Xia & Kukar-Kinney, 2013) whereas surprise induces people to engage in social sharing (Derbaix & Vanhamme, 2003). Although valence-based emotions have been used to understand positive and negative consequences of service encounters (e.g., Van Dolen, Lemmink, Mattsson, & Rhoen, 2001), the discrete emotions approach has been found to be more useful in the understanding of specific behavioral responses (e.g., Mattila & Ro, 2008; Rupp & Spencer, 2006).

Appraisal theory offers a comprehensive framework to understand the consumers' emotional responses in the marketplace (Bagozzi, Gopinath, & Nyer, 1999). Cognitive appraisal is "a process through which the person evaluates whether a particular encounter with the environment is relevant to his or her well-being, and if so, in what ways" (Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986, p.992). Unlike the valence-based approaches, which categorize emotions into positive or negative affect (e.g., Hayes, Wilson, Gifford, Follette, & Strosahl, 1996), cognitive appraisal theory postulates that different discrete emotions result from people's evaluations of an experience in relation to appraisal dimensions (Kumar & Garg, 2010); therefore, it allows the researchers to explain the antecedents or causes of discrete positive emotions (Watson & Spence, 2007).

Emotions are the outcomes of the cognitive appraisal, and an emotion-evoking situation triggers a regulation mechanism (Lazarus, 1991). Regarding regulating or managing positive emotions, Fredrickson's (2001) broaden-and-build theory suggests that people use strategies to maintain and increase experience of positive emotions. For example, joy, interest, and

contentment broaden people's momentary thought-action repertoires and build their lasting personal resources (Fredrickson, 2001). While the appraisal of positive emotions has been largely based on arousal level, Tugade, Fredrickson, and Barrett (2004) have suggested that researchers should consider other dimensions such as interpersonal relationships. Given the interactive nature of service encounters between the service provider and the customer, interpersonal relationship can serve as an important appraisal dimension to understand positive emotions in the contexts of service encounters. By using interpersonal relationship, this research focuses on two positive discrete emotions: delight and gratitude.

Delight is induced by unexpected positive outcomes (Bitner, Brown, & Meuter, 2000), while gratitude is related to trust and reciprocity between the benefactor and the recipient (McCullough, Kilpatrick, Emmons, & Larson, 2001). Since trust and reciprocity are important in relationship building and maintenance (Dunn & Schweitzer, 2005), it is implied that gratitude is an interpersonal relationship based emotion, which is related to reciprocity between the recipient and the benefactor. On the other hand, delight can occur in unexpectedly positive situations without the involvement of interpersonal relationships. This study posits that *employee-specific* behaviors (i.e., authenticity, unsolicited behaviors, and competence) are related to non-interpersonal relationship based emotion (i.e., delight), whereas *interaction-induced* behaviors (i.e., customized service and mutual understanding) are related to interpersonal relationship based emotion (i.e., gratitude).

Customers are physically present in face-to-face service encounters (Bowen, 1986); thus, service organizations should consider customers as organizational members or quasi-employees to some extent (Kelley, Donnelly, & Skinner, 1990; Yi & Gong, 2008). Customers' participation

as partial employees in service encounters can be categorized as either in-role (e.g., arriving on time for a scheduled reservation) or extra-role behaviors (e.g., filling out survey to help the company improve their performance) (Bettencourt & Brown, 1997; Fowler, 2014). Extra-role behaviors are considered Customer Citizenship Behaviors (CCB) which refer to “voluntary and discretionary behaviors that are not required for the successful production and/or delivery of the service but that, in the aggregate, help the service organization overall” (Groth, 2005, p. 11). Examining past research on customer citizenship behaviors, the current study focuses on three types of customer citizenship behaviors: repurchase intentions, positive word of mouth, and providing feedback.

## **1.2. Problem Statement**

Much service research investigates negative emotions and subsequent behaviors such as complaining and switching behaviors (e.g., Forrester & Maute, 2013; Kuo & Wu, 2012; Strizhakova, Tsarenko, & Ruth, 2012; Wirtz & Mattila, 2004). Little research investigates positive emotions and subsequent behaviors in service encounters. This lack of research on customers’ emotional and behavioral responses to positive service encounters may have been the results of general or simplistic approaches in assessing emotions and employee behaviors in existent literature.

First, most past research has used a valence-based emotions approach and failed to reveal details of specific positive emotions and customer behavioral intentions. In other words, the researchers are not able to explain how conceptually dissimilar discrete positive emotions are induced and how those positive emotions are related to subsequent consumer behaviors. This lack of understanding in positive service encounters may result in the practitioners missing the

opportunity to induce favorable consumer behaviors. Frijda, Kuipers, and Ter Schure (1989) suggested that each discrete emotion is involved with a different set of appraisals; therefore, they should not be combined in broad emotional dimensions, such as positive or negative emotions. The valence-based emotions approach lacks the ability to differentiate one emotion from another if they are within the same valence (Watson & Spence, 2007). For example, gratitude and delight are both positive emotions with high arousal. Therefore, the discrete emotions approach can provide more insight than the general valence-based emotions approach to understanding customer responses to positive service encounters.

Second, previous studies examined employee behaviors in a broad manner without specifying the types of employee behaviors. For example, Hartline and Farrell (1996) examined the overall employee service performance and its impact on service quality and customer satisfaction. Similarly, other researchers also investigated the relationship between general employee service behavior and service quality (Farrell, Souchon, & Durden, 2001; Gould-Williams, 1999; Tsaur & Lin, 2004). Price et al. (1995) asserted that this general approach is not appropriate to understand and measure service provider performance because the overall employee behavior is too simplistic and superficial to measure their service performance. Consequently, it is not clear which type of employees' behaviors leads to a positively memorable service encounter for customers. Examining specific employee behaviors can provide a deeper understanding of positive service encounter outcomes.

### **1.3. Purpose of Research**

This research focuses on positive service encounters in the hospitality context. The main objective of this study is to examine how employee behaviors influence customers' positive



emotions, then how those positive emotions influence subsequent customer behaviors. Specifically, the study proposes a positive service encounter model to examine a structural relationship among five employee behaviors: *mutual understanding, customized service, authenticity, unsolicited behavior, and competence*; two positive customer emotions: *delight and gratitude*; and three customer behavioral intentions: *repurchase intentions, positive word of mouth, and providing feedback*.

#### **1.4. Research Questions**

This study is guided by the following one main and two more specific research questions:

1. What type(s) of employee behaviors matter in positive service encounters?
2. Do employee behaviors influence customers' discrete positive emotions?

Specifically, do employees' mutual understanding, customized service, authenticity, unsolicited behavior, and competence influence customer delight and customer gratitude?

3. Do customers' positive emotions influence different types of customer behaviors? Specifically, do customer delight and gratitude influence customers' repurchase intentions, positive word-of-mouth, and providing feedback?

#### **1.5. Significance of Research**

This research can advance the service encounter literature by providing deeper insights into customer citizenship behaviors from a consumption emotion perspective. The findings of this research can also help practitioners to gain a better understanding of positive service encounters, in particular how to generate favorable customer behaviors. Specifically, this research attempts to make two theoretical contributions.

First, this research extends the cognitive appraisal theory to a positive service experience. Although cognitive appraisal theory has been applied to consumer behaviors extensively, its application has been focused on negative experiences. Integrating the cognitive appraisal theory and broaden-and-build theory, the current research offers the theoretical explanations of how various customer citizenship behaviors can be influenced by different discrete positive emotions.

Second, this research contributes to service encounter research by providing a theoretical foundation of positive service encounters. Unlike past research that has taken a simplistically aggregated approach, the current study investigates five distinct employee behaviors (*mutual understanding, customized service, authenticity, unsolicited behavior, and competence*); two discrete positive emotions (*delight and gratitude*); and three customer behaviors (*repurchase intentions, positive word of mouth, and providing feedback*). The current study can provide theoretical explanations for the structural relationships among employee behaviors, consumer emotions, and customer behaviors in positive service encounters.

## **1.6. Organization of the Dissertation**

The dissertation begins with chapter one, an introduction encompassing the background of the study, problem statement, the purpose of the study, research questions, the significance of the study, and the organization of the dissertation. Chapter two discusses relevant literature and theories for the study. Based on the discussion, a research model and hypotheses are proposed. Chapter three, the methodology section explains the procedure for data collection, the measures used for the study, and the plan for data analysis. The survey designed for the study is attached at the end of the dissertation. Chapter four reports the results of the data analysis from the pretests

and the main study. Finally, chapter five discusses the findings of the study, the implications for theory and practice, limitations of the study, and suggestions for future research.

## **CHAPTER TWO: LITERATURE REVIEW**

This chapter begins a review of literature on service encounters, followed by a detailed discussion on employee behaviors in service encounters. Following the discussions on employee behaviors, the researcher discusses the theory used to explain the relationship between employee behaviors and customer emotions –Cognitive Appraisals. Then, positive emotions used in this research are discussed. Based on cognitive appraisal theory, the researcher develops the hypotheses regarding the relationships between employee behaviors and customer emotions. Next, the theory used to explain the relationships between customer emotions and customer behaviors-broaden-and-build theory of positive emotions is introduced followed by the discussions on different types of customer citizenship behaviors. Finally, the hypotheses predicting the relationships between discrete positive emotions and customer behaviors are stated and the research model is proposed.

### **2.1. Service Encounters**

The service encounter is defined as "the dyadic interaction between a customer and service provider (Surprenant & Solomon, 1987)" and this definition focuses on the interpersonal element of service company performance. Other researchers, for example, Shostack (1985) defines the service encounter as "a period of time during which a consumer directly interacts with a service" in a broad sense, including all aspects of the service company with which the customer may interact. This encompasses its service providers, physical facilities, and other tangible elements. Encounters can occur face-to-face in a physical service setting, over the phone, through the mail, or even over the Internet (Bitner, Brown, & Meuter, 2000). The current

research focuses on the interactions between service providers and customers in face-to-face service encounters.

A substantial body of research has examined the service encounter, and the existent literature can be summarized into three areas. First, past literature has investigated how service employees influence customers' perceptions during the service encounter. Some studies have focused on identifying employee behaviors as sources of customer (dis)satisfaction in service encounters. For example, Bitner and her colleagues found that employees' response to customer needs and requests was the major source of customers' satisfaction with the service encounter, and it was consistent from both employees' and customers' points of view (Bitner, Booms, & Tetrault, 1990; Bitner, Booms, & Mohr, 1994). In particular, employees' ability to adjust the system to accommodate customer needs and requests resulted in customer satisfaction with the service encounter. Mohr and Bitner (1995) suggested that perceived employee effort is positively related to transaction satisfaction regardless of the service outcomes suggesting that customers valued employee effort irrespective of the end results.

Other researchers focus on the emotional aspect of service employees' performance. Pugh (2001) observed employees' displayed emotions in a retail banking setting. The results of the study indicated that employees' displayed emotions may have significant impact on customer affect and customer perceived service quality through the emotional contagion process. According to emotional contagion, the sender's displayed emotions cause emotional mimicry in a "receiver," resulting in a change in the receiver's experienced affect (Hatfield et al., 1994). In the service encounters, customers who are exposed to employees' displayed emotions experience corresponding changes in their own affective states (Pugh, 2001). Moreover, research suggested

that employers in the retail and hospitality industries are looking for “soft” skills such as employees’ appearance, which is termed “aesthetic skills” in their front-line personnel. That is, employees are expected to be able to “look good” or “sound right” with their dress style, voice/accent, and physical looks to favorably appeal to customers’ visual or aural senses (Nickson, Warhurst, & Dutton, 2005).

The second theme of the existing literature on service encounters is related to technology enabled service encounters (e.g., voice-to-voice interaction over the telephone) (Makarem, Mudambi, & Podoshen, 2009), or service encounters involving self-service technologies (SSTs) (e.g., automated hotel checkout). Bitner et al. (2000) discussed how previous literature on face-to-face service encounters can be expanded into technology-based and technology-supported services to effectively customize service offerings, recover from service failure, and spontaneously delight customers. On the other hand, Meuter et al. (2000) categorized the sources of satisfaction and dissatisfaction with self-service technology enabled service encounters. For instance, the major source of customer satisfaction in SST service encounters is associated with the relative benefits (e.g., time, ease of use, access) customers obtained from using an SST. Snellman and Vihtkari (2003) compared complaining behavior in traditional face-to-face and technology-based service encounters in the Finnish retail banking setting. Based on their study, customers are most dissatisfied with unfriendly or impolite service and time-related aspects in interpersonal service encounters whereas customers are dissatisfied with failures in technology, service design, or in the service process in technology-based encounters (Snellman & Vihtkari, 2003). As for technology-enabled service encounters, service convenience, the tech service process, the touch service process, and the service outcome have positive influences on customer

satisfaction. In addition, customer satisfaction in tech-enabled service encounters was related to positive behavioral intentions, including word of mouth and future business. However, the touch process has a stronger impact on positive behavioral intentions than the tech process, suggesting that human touch is an important factor in customer behavioral intentions (Makarem, Mudambi, & Podoshen, 2009).

Thirdly, researchers also explored customer-customer interactions, or the effect of other customers on customers in service encounters (Grove & Fisk, 1997). Arnould and Price (1993) suggested that customers' interaction with others sharing a journey had an effect upon one's satisfaction with the trip. Research also indicated that protocol incidents (i.e., others' behaviors which violate expectations of protocol positively or negatively) and sociability incidents (i.e., occasions when others were extremely amicable or hostile) have an impact on customers' experience in the service encounter (Grove & Fisk, 1997). For example, Wu (2007) found that protocol and sociable incidents have a positive impact on the evaluation of other customers, and the customers' evaluation of fellow customers has a positive impact on customer satisfaction. In addition, Lehtinen and Lehtinen (1991) found that other customers' various attributes (e.g., their pleasantness, diversity, approachability, etc.) can influence the customer's self-perceived quality with service encounters. More recently, Kim and Lee (2012) explored attributes of other customers, such as age, gender, appearance, attire, number, and public behavior, and suggested that for restaurants with high perceived risks, the number of other customers is a critical evaluation cue at a pre-encounter stage for both task and recreation-oriented customers, whereas appearances and attire are more important in post-encounter evaluations for recreational-oriented customers.

Service encounter research has evolved with various foci, including customer-employee interactions, technology infusion, and other customer influences. Prior research has demonstrated that the most important factor of customers' perceptions of service quality is the interaction between the service provider and the customer (Lloyd & Luk, 2011). In addition, employee behavior as an important determinant on how customers perceive service quality has also been emphasized in the service encounter literature (Farrell, Souchon, & Durden, 2001; Foster & Resnick, 2013; Payne, 2009). However, researchers also noted that customers' emotional responses to service behavioral cues (Hennig-Thurau et al., 2006; Lin & Lin, 2011; Price et al., 1995) and employee behaviors (Lemmink & Mattsson, 2002) are areas that have been under-researched.

## **2.2. Employee Behaviors in Service Encounters**

Employees' hard/technical and soft/emotional skills influence perceived quality of service encounters (Farrell, Souchon, & Durden, 2001; Foster & Resnick, 2013; Payne, 2009). In the positive service encounters, research suggested that employees' positive behaviors (e.g., displaying positive affect and expressing empathy) have a positive impact on customers' evaluations of the firm (Barger & Grandey, 2006; Gremler & Gwinner, 2008; Pugh, 2001; Soderlund & Rosengren, 2008).

Bitner, Booms, and Tetreault (1990) applied the critical incident technique (CIT) to identify what types of employee behaviors lead customers to remember very satisfactory services and very dissatisfactory ones from their perspective. According to Bitner et al. (1990), there are three major sources of consumers' satisfying experience with service providers: (1) customized services, (2) unprompted/unsolicited behavior, and (3) response to service delivery system



failures. First, the incidents in which employees are able to accommodate customer needs for customized services are one of the major reasons why consumers are satisfied in service encounters. Customized service is employees' response to customer needs and requests when customers request the service provider to adapt the service delivery system in order to fit their special needs. Second, the other substantial source of customers' satisfactory service experience is unprompted and/or unsolicited employee actions, which resulted in customer delight. That is, employee behaviors are in fact unexpected from the customer's perspective. As a result, customers frequently remember those incidents when the service provider treats them in a unique way irrespective of core service requirements, and even when customers did not make any special request. Finally, the third source of customers' satisfaction with the service encounter is employees' response to consumer complaints or disappointments when the service delivery system fails. The contact employee's ability and/ or willingness to respond and handle such failures can make the service failure being remembered as satisfactory or dissatisfactory (Bitner et al., 1990).

In addition, Price, Arnould, and Deibler (1995) argued that existing research is not appropriate to understand and measure service provider performance because most previous research assesses service providers using simplistic and superficial measures of provider performance (Westbrook, 1980) such as "perceive employees as polite" (Mangold & Babakus, 1991). Building on Bitner et al's (1990) categorization, Price et al. (1995) identified the five dimensions of service provider performance in service encounters including (1) *mutual understanding* (i.e. the extent to which the interaction with the service provider is considered conveying empathy and understanding), (2) *extra attention* (i.e. the extent to which the service

provider offered extra attention in the service encounter), (3) *authenticity* (i.e. the extent to which the service provider is perceived as his/her true self in their interaction with the customer), (4) *competence* (i.e. whether the service provider is capable, efficient, organized and thorough), and (5) *minimal standards of civility* (i.e. if the service provider met minimum standards of civility in service performance).

Building on Bitner's (1990) and Price et al.'s (1995) studies, the current research focuses on five employee behaviors: *customized services, unprompted and/or unsolicited employee actions, mutual understanding, authenticity, and competence*. Although Price et al. (1995) combined *customized service* and *unprompted and/or unsolicited employee actions* as *extra attention*, the current research considers them being distinct because *customized service* occurs when the customer makes a request, whereas *unprompted and/or unsolicited employee behaviors* can occur when the customer did not explicitly or implicitly make a request. As for *minimal standards of civility*, Price et al. (1995) suggested that the service provider's meeting customers' minimal expectations makes customers not "unsatisfied" (Westbrook & Oliver, 1991) and such minimum service provider performance is not likely to be remembered as memorable and satisfying positive service encounters. Therefore, meeting minimal standards of civility is not considered in the current study.

### **2.2.1. Categorizing Employee Behaviors**

The interactive nature of service encounters indicates that the display of some behaviors of the service provider relies on their interactions with customers because of the reciprocal nature of the interaction (Crosby, Evans, & Cowles, 1990). Some researchers also suggested the need to include an interactive property into contact employee performance dimensions (Goff, Boles,

Bellender, & Stojack, 1997). This social aspect of employees' behaviors such as being friendly and demonstrating empathy for the customer enables the employee to cultivate interpersonal relationships and facilitate interactions (Lloyd & Luk, 2011; Van Dolen et al., 2002). Oppositely, other behaviors of service employees are individual's performance level, which is stable in the interactions with the customer irrespective of how the customer is involved in the interaction (Van Dolen, DeRuyter, & Lemmink, 2004). Based on the past research, two types of employee behaviors are identified: *employee-specific* and *interaction-induced*.

*Employee-specific* behaviors are the behaviors which can be produced and performed by employees alone without customers' cooperation, whereas *interaction-induced* behaviors refer to the behaviors which are more reactive and reciprocal in nature, and are coproduced with the customer (Van Dolen et al., 2004). Categorizing the five types of employee behaviors in the current study into *employee-specific* or *interaction-induced*, research indicated that employees are able to manage their authenticity without customers' contribution in service encounters (Van Dolen et al., 2004), and competence is often described as a service provider's attribute (Crosby et al., 1990) and static property (Weitz, Sujaan, & Sujaan, 1986), which can be autonomously carried during service encounters (Jaccard, Brinberg, & Dittus, 1989). Also, it is possible for employees to perform unsolicited behaviors without customers' participation in service encounters (Bitner et al., 1990). Therefore, employees are able to display *authenticity*, *competence*, and *unprompted and/or unsolicited behaviors* in the absence of customer's participation (Van Dolen et al., 2004). Those three types of behaviors are considered *employee-specific* behaviors. In contrast, it is difficult for the service provider to build mutual understanding with the customer without the customer's active participation (Van Dolen et al., 2004), and the employees' customized service

requires customers' participation and inputs during the service encounters (Bowen, 1990; Van Dolen et al., 2004). Therefore, *mutual understanding* and *customized service* are considered *interaction-induced*.

### **2.2.2. Employee-Specific Behaviors**

*Authenticity* describes the spontaneous responses to environment, activities, and social interaction rather than scripted processes (Abrahams, 1986). In the service encounters, authenticity is regarded as the extent to which the service provider is viewed as genuine; his/her own person in the sense of being more than just a role (Price et al., 1995). Service providers are emotionally engaged in the service encounters; therefore, it is essential that customers perceive the service provider's emotions as authentic (Ashforth & Humphrey, 1993; Hochschild, 1983). Customers expect and assess the authenticity of an emotional display as a service norm (Turel, Connelly, & Fisk, 2013). Authenticity in service encounters has gained more importance as the request for "service with a smile" increases (Hochschild, 1983). In addition, researchers suggested that service provider authenticity leads to positive consumer feelings and service satisfaction (Grandey & Brauburger, 2002; Grandey, Fisk, Mattila, Jansen, & Sideman, 2005; Price et al., 1995).

*Competence* represents organized, efficient, capable, and thorough service and is considered a part of the core service requirement (Zeithaml et al., 1990). The service provider's competence is the employee's resource during the interaction with customers when customers look for employees' advice and information, which requires expertise customers do not have (Johnson & Zinkham, 1991). Employees' core task behaviors achieve customers' goals and fulfill customers' needs (Lloyd & Luk, 2011; Van Dolen et al., 2002). Employees who behave in

an assuring manner also increase customers' perceptions of employee competence (Johnston, 1995). Competence can result in positive pleasurable feelings about the service encounter rather than extraordinary or memorable feelings (Price et al., 1995).

*Unprompted and/or unsolicited actions* are the service providers' exemplary attitudes and behaviors, which are truly unexpected by the customer (Bitner et al., 1990). This dimension is similar to "extra-role" in the organizational behavior or marketing literatures. "Extra-role" service behavior refers to the service provider's discretionary behavior in service encounters that goes beyond prescribed role requirements (Bettencourt & Brown, 1997; Organ, 1988; Tsaor & Lin, 2004). Those employee's attitude (i.e., "treating me like royalty") or unusual exemplary behavior, such as going out of the way for the customer (i.e., the maid "arranged our teddy bears so they were holding hands"), result in a highly satisfactory and memorable service encounter. Employees' "little extras" and "extra attention" enhance the delivery of the core service (Bitner et al., 1990). Researchers also suggested that it is essential for employees to constantly surprise customers with unexpected service in order to retain customers and increase customers' perceived service quality (Bitner et al., 1990). Those employees' "extra treatment" is a source of both satisfaction and high perceived service quality (Zeithaml, 2000).

### **2.2.3. Interaction-Induced Behaviors**

*Mutual understanding* is attained when both the service provider and the customer engage in self-disclosure (Price et al., 1995) in the norm of reciprocity (Gouldner, 1960). It is similar with the cognitive perspective of empathy, which refers to a person's intellectual understanding of another individual's internal condition (Hogan, 1969; Lamont & Lundstrom, 1977; Pilling & Eroglu, 1994). Connecting with customers' lives and inviting and sharing

personal conversations play an important role in customers' perceptions of service providers' empathy and understanding (Price et al., 1995). Employees who are approachable, caring, understanding, and make an effort to understand customers' needs are able to demonstrate empathy in their interactions with customers (Wels-Lips, van der Ven, & Pieters, 1998). Employees' ability to empathize with customers can increase customers' perceived service quality (Caruana, Money, & Berthon, 2000; Mohr & Bitner, 1991; Price et al., 1995). The more the interaction between the service provider and the customer is characterized as mutual attentiveness, courtesy, and understanding, the more likely the interaction will be a satisfying service experience (Wieseke, Geigenmüller, & Kraus, 2012). In other words, the success of the interaction relies on the level of empathy existed in the service encounter (Gabbott & Hogg, 2001).

Mohr and Bitner (1991) suggested that increased accuracy in cognitive role taking, which refers to understanding how another person evaluates the event, would lead to a higher level of mutual understanding between encounter members. Researchers also associated empathy with cognitive efforts of "perspective-taking"- to recognize and understand mind and thoughts of the other person (Barrett-Lennard, 1981; Bernstein & Davis, 1982; Dymond, 1949). In other words, mutual understanding between the service provider and the customer requires employees' efforts to perform perspective taking. Through perspective-taking, an individual is able to understand the other individual's role or point of view, to anticipate the other individual's reactions, and to address the other's perceived needs, motivations, or opinions (Devoldre et al., 2010). In service encounters, employee behaviors of connecting with the customers at a personal level make the

service encounters more boundary open and even approximate friendships (Mills & Morris, 1986; Siehl, Bowen, & Pearson, 1992; Trice & Beyer, 1991).

*Customized services* are employee behaviors that accommodate customer needs when customers make an explicit or inferred request (e.g., asking for a vegetarian meal). Customized services require some flexibility to make the service delivery tailored to individual customer demands (Shostack, 1987; Victorino, Verma, & Wardell, 2013). Previous literature indicated that it is important for employees to be flexible and adaptive to meet customers' changing needs and requests (Hartline & Ferrell, 1996; Bitner et al., 1994; Bitner et al., 1990). In those service encounters, the service provider's response to customers' request of adapting the service delivery system to meet the customer's unique needs decides how customers evaluate the service encounter (Bitner et al., 1990). The evaluation of customized experience, or how well the service meets the customer's personal requirements, plays a significant role in predicting customer satisfaction (Fornell, Johnson, Anderson, Cha, & Bryant, 1996). Service customization offers a real match between the customer and the service (Ostrom & Iacobucci, 1995) contributing to customer satisfaction, perceived quality, trust, and customer loyalty (Coelho & Henseler, 2012).

Taken together, this research focuses on three employee-specific behaviors (authenticity, competence, and unprompted and/or unsolicited actions) and two interaction-induced behaviors (mutual understanding and customized service). In the following section, the theory to explain how positive emotions are generated by different types of employee behaviors is introduced.

### **2.3. Cognitive Appraisal**

Cognitive appraisal has emerged in the psychology literature as a dominant theory to understand and explain emotional experiences (Ellsworth & Scherer, 2003; Hosany, 2011). Appraisal theories originated from the 1960s when Arnold (1960) postulated that people evaluate or appraise the relevance of their environment, and these appraisals subsequently decide the individual's emotions. Thus, cognitive appraisal theory explains how emotions are generated in different situations. Both internal conditions (e.g., personality, beliefs, and goals) and external conditions (e.g., product performance, responses of other people) determine a person's appraisal of a situation. Hence, two individuals experience the same event, make different appraisals, and will have different emotional responses (Roseman, 1991; Siemer, Gross, & Mauss, 2007).

Subjective experience (affect), action tendencies (e.g., the urge to attack when angry), and physiological responses (e.g., increased heartbeat, facial expressions) are the results of cognitive appraisal of the situation (Lazarus, 1991). Emotions are a mental state of readiness, which arises from cognitive appraisals of events or thoughts (Bagozzi et al., 1999). Similarly, customers appraise the frontline employee's service behaviors via facial expressions, bodily gestures, tone of voice, and language (Mattila & Enz, 2002), and the appraisal subsequently influences the customer's emotions (Lloyd & Luk, 2011; Pugh, 2001). The cognitive appraisal theory is useful to specify the antecedents of the emotions due to its predictive capability (Nyer, 1997). When researchers understand how an individual evaluates his or her relation to the environment, this knowledge allows researchers to identify the individual's emotional state. On the other hand, researchers can infer how the individual is interpreting his or her circumstances if researchers know what an individual is feeling (Smith & Ellsworth, 1985). The merits of



cognitive appraisal theories to understand the antecedents of consumption emotions have been demonstrated in empirical studies (e.g., Ruth, Brunel, & Otnes, 2002; Soscia, 2007) and conceptual papers (e.g., Johnson & Stewart, 2005; Watson & Spence, 2007).

Appraisal theorists have applied different cognitive appraisal dimensions to assess emotions, and demonstrated that emotions are characterized by a distinctive pattern of cognitive appraisals. Smith and Ellsworth (1985) suggested eight appraisal dimensions (i.e., legitimacy, responsibility, anticipated effort pleasantness, attention, control, certainty, and perceived obstacle). For example, pride and happiness were appraised as highly pleasant states involving very little effort, a strong desire to pay attention, and a high level of certainty about the situation. Both emotions were related to attributions of human control and in particular with one's own sense of responsibility and control, yet these attributions were comparably stronger for pride. Similar with pride and happiness, surprise was described as being extremely pleasant and engaging very little effort. However, a higher level of uncertainty was associated with surprising situations, and uncertainty was accompanied by a strong desire to attend to the situation. Surprise was related with attributions of human agency and being caused by other people.

Roseman (1984) used five dimensions to identify sixteen specific emotions experienced in any given situation with particular combinations of those five appraisals. Those five appraisals are categorized as agency (i.e., outcome is perceived as it was caused by impersonal circumstances, some other person, or the self), probability (i.e., an outcome is certain or uncertain), motive consistent/motive inconsistent (i.e., positive emotions versus negative emotions), appetitive/aversive (i.e., presence of a reward vs. absence of a punishment), and power (i.e., strong versus weak coping potential) (Roseman, 1984).

Although Smith and Ellsworth (1985) and Roseman (1984) have suggested different cognitive appraisal frameworks to understand discrete emotions, these frameworks seem not to be suitable for the positive service encounter for several reasons. First, most appraisal framework has the dimension that provides a distinction between positive and negative emotions, for example, motive consistent/motive inconsistent (Roseman, 1991), pleasantness (Smith & Ellsworth, 1985), and valence (Frijda et al., 1989). However, it does not allow researchers to differentiate discrete positive emotions.

Second, Roseman's (1991) appetitive/aversive (i.e., presence of a reward vs. absence of a punishment) allows the researcher to differentiate discrete positive emotions, for example, motivation to attend to reward is related to events evoking joy whereas motivation to avoid punishment is relevant to events triggering relief. However, this dimension is not suitable for the present study because there is no presence of punishment in the contexts of positive service encounters.

Third, customers' appraisal of agency differentiates discrete emotions based on the appraisal that the event was other-directed or self-directed. For example, a self-directed event evokes pride, whereas an other-directed event elicits surprise. However, emotions triggered in service encounters tend to be other-directed (employees); therefore, agency (Roseman, 1991) or self/other responsibility-control (Smith & Ellsworth, 1985), agency/responsibility (Frijda et al., 1989) might not be capable of differentiating discrete emotions in service encounters as there is a lack of self-directed events.

Fourth, the dimension of probability or certainty (Smith & Ellsworth, 1985), also known as likelihood or outcome probability (i.e., an outcome is certain or uncertain), describes that

uncertain situations may trigger hope or surprise (Roseman, 1984), whereas high certainty situations can generate joy. This dimension creates an ambiguous situation with delight, one of well documented positive emotions in service encounters (Bowden & Dagger, 2011), because delight is a mixture of joy (high certainty) and surprise (low certainty) (Plutchik, 1980). Therefore, the dimension of probability or certainty is not suitable for the contexts of positive service encounters.

Fifth, the dimension of power (i.e., strong versus weak coping potential) (Roseman, 1991), or perceived obstacle (Smith & Ellsworth, 1985), is usually triggered by negative emotions when people attempt to decrease their emotional distress and generate more favorable emotional states (Duhachek, 2005; Lazarus, 1991). Hence, the dimension of power is not suitable for positive emotions. Lastly, other dimensions such as attention, control, legitimacy, and anticipated effort in Smith and Ellsworth's (1985) study are not suitable for this study because they do not relate to the interactive aspect of the contexts of service encounters.

Based on the discussions above, previous researchers have developed a set of appraisal dimensions to explain the occurrence of different discrete emotions and those dimensions are not applicable for positive service encounters. Furthermore, some researchers suggested that the appraisal of positive emotions requires other dimensions such as interpersonal relationship, mastery, and spiritual experience, which are different from appraisals of negative emotions such as threat, personal responsibility, and self-efficacy (Tugade et al., 2004). In order to distinguish discrete positive emotions in service encounters, this research proposes interpersonal relationship as the appraisal dimension of positive emotions in service encounters.

### **2.3.1. Interpersonal Relationship**

In social psychology literature, a social factor (indicating that one is loved, cared for, and treated well by another) most strongly differentiated the positive emotions (Tong, 2007). For example, positive emotions can be differentiated based on social relevance; that is, interpersonal (e.g., love) or not interpersonal (e.g., contentment) (Storm & Storm, 1987). Previous research also suggested that interpersonal processes influence positive emotions. For instance, relief, pride, and contentment are associated with living up to societal expectations (Higgins, 1987; Markus & Kitayama, 1991), joy is related to achieving a desired social relationship (Baumeister & Leary, 1995), perceived life satisfaction has a connection with a fulfilling social-life (Deci & Ryan, 2000), and self-esteem can be enhanced by positive views of one's relationships by other people (Luhtanen & Crocker, 1992). Thus, social relationships are critical to positive emotions (Tong, 2007). Service encounters are social encounters between employees and customers (Czepiel, 1990; McCallum & Harrison, 1985). Considering the interactive nature between the service provider and the customer in service encounters, the dimension of interpersonal relationship is considered in the study.

This research extends the application of cognitive appraisal theory to positive service encounters to examine positive emotions generated by different types of employee behaviors. In particular, this research proposes interpersonal relationship as an appraisal dimension to provide insight regarding two positive emotions, delight and gratitude. The next section discusses these two discrete positive emotions.

## **2.4. Positive Emotions in Service Encounters**

"Satisfaction is not the pleasurable of the [consumption] experience, it is the evaluation rendered that the experience was at least as good as it was supposed to be" (Hunt, 1977, p. 459). Different from satisfaction, emotions such as contentment have distinctive categories of emotional experience and expression, which may or may not accompany an evaluation of satisfaction (Arnould & Price, 1993; Westbrook & Oliver, 1991). However, an assessment of satisfaction may be causally antecedent to, and coexist with specific types or categories of emotional response (Oliver, 1989). For example, acceptance, happiness, relief, interest/excitement, and delight are five qualitatively different emotions of satisfaction, ordered from low to high level of favorableness and contribution to satisfaction. Furthermore, a high level of satisfaction is associated with emotions such as "happy," "pleased," and "contented" (Plutchik, 1980; Russell, 1979) and emotional responses such as pleased and contented are referred as satisfaction "prototypes" (Oliver, 1989). Oppositely, discrete emotions such as happiness are assumed to be particular experiential states, which are induced by distinct sources (Izard, 1977). In other words, emotions are discrete because they should be experienced separately from one another for some period of the time (Barrett, 1998). During the service encounter, there are many chances for customers to have interactions with a service provider. Therefore, it is essential to understand how customers' emotional responses are related to customers' consumption experiences and repeat purchases (Bigné, Andreu, & Gnoth, 2005).

Evidence also suggested that satisfying customers is not enough for retention because even satisfied customers switch companies at a high rate in many industries (Schneider &

Bowen, 1999). Being satisfied with a firm's product or services does not guarantee customers' preference toward the firm; instead, it is simply an expression of acceptance (Paul, 2000). Therefore, satisfaction alone may not be able to predict customer behaviors. In addition, customer satisfaction is related to dissimilar types of discrete positive emotions such as happiness, relief, interest/excitement, and delight and those discrete positive emotions can generate different behavioral responses. Thus, applying a discrete emotions approach enables the researcher to understand how each discrete emotion is created, and how each discrete emotion influences subsequent customer behaviors under different situations in service encounters. In particular, using interpersonal relationship as an appraisal dimension, this research identifies two positive emotions: delight (non-interpersonal relationship) and gratitude (interpersonal relationship).

#### **2.4.1. Delight**

Delight is defined as “an extreme expression of positive affect resulting from surprisingly good performance” (Oliver et al., 1997). The expectancy-disconfirmation theory states that customers experience a positive disconfirmation when perceived performance exceeds what customers expect from the product or service whereas a negative disconfirmation occurs when performance is lower than their expectation (Oliver, 1981). According to the theory of expectancy-disconfirmation, delight occurs when customers experience pleasant surprise responding to a disconfirmed experience (Crotts et al., 2008; McNeilly & Barr, 2006; Torres & Kline, 2006). Sometimes delight has been regarded as an extremely high degree of satisfaction (Alexander, 2010; Berman, 2005; Kumar & Iyer, 2001, Vanhamme, 2008); however, more recent studies suggested that highly satisfied customers are not delighted customers (e.g.,

Magnini, Crotts, & Zehrer, 2011). Delight is different from satisfaction because delight is considered emotion, whereas satisfaction consists of emotion and cognition (Plutchik, 1980).

Recently, Kim, Vogt, and Knutson (2015) suggested in their study that customer delight is related to loyalty, which is defined as a strongly held commitment to consistently repurchase or re-patronize a preferred product or service in the future, regardless of potential switching behavior impacted by situational influences and marketing efforts of competitors (Oliver et al., 1997). Ma, Gao, Scott, and Ding (2013) indicated that tourists feel delight when they appraise their theme park experience either as unexpected, or as highly goal congruent or as important to their personal well-being or special needs, or as in their interests. Torres and Kline (2013) developed a typology of customer delight in the hotel industry with content analysis of customer feedback. Their study suggested that employees' behaviors of taking care of the guest's needs, exceptional friendliness, professionalism, going outside of prescribed duty, and problem-solving skills are the most frequently appearing sources of customer delight in customers' feedback. They further proposed multiple delight types based on their analysis, namely, fulfillment delight (e.g., The guest's needs have been met), charismatic delight (e.g., The service providers are especially friendly and personable), professional delight (e.g., Employees are knowledgeable and accurate in performing their work), comparative delight (e.g., The guests perceive that they received exceptional service after comparing the service received at different hotels), and problem resolution delight (e.g., The hotel staff attempts to proactively resolve a guest's problem) (Torres & Kline, 2013).

As an emotion with high pleasure including joy and elation, delight has also a high degree of arousal (Denning, 2011; Finn, 2005; Torres & Kline 2006). Pleasure is related to the

extent to which how joyful or happy a person feels. On the other hand, arousal refers to the degree to which how stimulated and active an individual feels (Bigné et al., 2005). Thus, delight is generally viewed as a mixture of joy and surprise in psychology literature (Plutchik, 1980). *Joy* is appraised with a high level of arousal (Fredrickson & Cohn, 2008), a low level of effort, a high level of certainty about the situation, and a strong desire to pay attention to the situation (Smith & Ellsworth, 1985). Also, joy is one of the five basic-level emotion categories (Shaver, Schwartz, Kirson, & O'Connor, 1987). Those basic-level emotion categories further include subordinate-level emotions such as pride and gratitude, which belong to those respective basic categories but are not the same in intensity or specificity. In other words, joy may be a broad category of emotions encompassing different types of discrete positive emotions (Shaver et al., 1987). On the other hand, *surprise* was appraised with a higher level of uncertainty and arousal. The high level of uncertainty generated by surprising situations induces people to have a strong desire to attend to the situation. Surprise was also related with attributions of human agency and being caused by other people (Smith & Ellsworth, 1985). Surprise is often described as a neutrally valenced and short-lived emotion (Izard 1977; Meyer, Reisenzein, & Schutzwohl, 1997). However, other emotions can accompany surprise to elicit either positive surprise (e.g., surprise and joy) or negative surprise (e.g., surprise and anger). Research has indicated that surprise is a vital antecedent to delight (Crotts & Magnini, 2011).

In service encounters, unexpected (the disconfirmation of explicitly or implicitly held expectations) products/services/attributes (Izard, 1977; Scherer, 1984), mis-expectedness (Charlesworth, 1969), or novelty (Scherer, 1988) causes surprise. Joy and surprise are both high arousal emotions. Unlike other-directed emotions such as love and affection, joy is a self-



directed emotion (De Rivera & Grinkis, 1986). The self-directed nature of joy and the role of unexpectedness in inducing surprise indicate that the occurrence of delight does not need to involve interpersonal relationship. Therefore, delight is conceptualized as a non-interpersonal relationship based emotion in the study.

#### **2.4.2. Gratitude**

Gratitude is one of the “empathic emotions,” which are related to the recognition or appreciation of an altruistic gift (Lazarus & Lazarus, 1994). Gratitude arises when people perceive that they are the beneficiary of an intentionally given benefit, which is both valuable to the recipient and expensive to the benefactor (McCullough et al., 2001). In other words, gratitude is an emotion triggered by an individual (recipient) appraisal of another person (benefactor) or source (e.g., God, luck, or fate) intentionally behaving to enhance the recipient’s well-being (Fredrickson, 2004). Furthermore, gratitude is defined as “a stimulus to return a favor to the other and thus reintroduce balance” (Weiner & Graham, 1989, p. 403); hence, gratitude drives reciprocity (Xia & Kukar-Kinney, 2013).

Based on the view that a feeling of gratitude is the emotional core of reciprocity (Bartlett & DeSteno, 2006; Emmons, 2004; Palmatier, Jarvis, Bechkoff, & Kardes, 2009), Kim and Lee (2013) suggested that gratitude rather than satisfaction served as a more reliable and stronger antecedent of favorable reciprocal behavior in the upscale restaurant industry. In addition, relational benefits (e.g., extra benefits customers receive by sustaining a long-term relationship with a company) including confidence (e.g., “feelings of reduced anxiety, trust, and confidence in the provider”) (Gwinner, Gremler, & Bitner, 1998, p. 104), social benefits (e.g., a long-term customer–employee social bond or rapport), and special treatment benefits (e.g., customized

service, economic savings) evoke the most gratitude. However, social and special treatment benefits are more influential than confidence benefits. Xia and Kukar-Kinney (2013) indicated that in the context of consumer penalties, gratitude rather than fairness has a stronger impact on active pro-firm behaviors such as advocacy (e.g., positive word of mouth). Also, a higher level of gratitude was evoked by direct compensation for the penalty and selective treatment because they provide a benefit that is preferred and highly valued. Raggio and Folse (2009) examined the effect of expressions of gratitude in the contexts of advertisement. Their study found that the audience who are exposed to a Louisiana post-hurricane “thank you” campaign feel more positive toward the state and its people, show a greater willingness to pay a premium for its products, services and travel to the state, and are more likely to spread positive word-of-mouth. In addition, Soscia (2007) found that gratitude rather than happiness is able to predict repurchase intention and positive word of mouth. Morales (2005) also found that when consumers perceive that a company makes efforts to market its product, customers incline to recognize the effort and feel some gratitude. The feelings of gratitude induce consumers’ willingness to pay to promote the well-being of the benefactor (the company or service provider).

There are two aspects of gratitude identified in the literature: affective and behavioral. The affective element is related to feelings of gratitude induced when individuals “perceive themselves to be the recipient of an intentionally rendered benefit” (Emmons et al., 2004, p. 9). Feelings of gratitude subsequently trigger a psychological burden to give back the favor while behavioral gratitude is the action of returning the favor generated by affective gratitude (McCullough et al., 2001). The behavior of giving back helps sustain the cycle of reciprocity between offering and counter-offering. As a result, the reciprocity between the benefactor and

the beneficiary promotes the continuing relationship between those two parties (Bartlett & DeSteno, 2006; Emmons & McCullough, 2004).

In psychology literature, McCullough et al. (2001) developed a framework for understanding the three specific prosocial or moral functions of gratitude. First, gratitude functions as a moral barometer which allows people to be aware when they receive the intentional benefits. Second, gratitude can induce a moral motive. That is, individuals who feel gratitude are encouraged to contribute to the welfare of the benefactor or a third party. This function of gratitude is utilized in this study to develop the relationship between customer gratitude and customer behaviors. Third, gratitude can act as a moral reinforcer that motivates people who have received sincere expressions of gratitude to act pro-socially in the future. The third function of gratitude is not relevant for the current study because the focus of the study is the effect of experience of gratitude rather than the effect of expressions of gratitude.

Gratitude is one of the pleasure-activation (arousal) emotions along with joy, affection, tenderness, relief, love, surprise, and pride (Reisenzein, 1994), and is associated with greater love for and appreciation of others (McCullough, et al., 2001). Also, gratitude is an interpersonal construct, which motivates a desire for continued interactions (Bartlett & DeSteno, 2006), and creates interrelated interactions between the benefactor and the beneficiary (Raggio et al., 2014). This study applies the emotion of gratitude into service encounters in the case that the service provider is the benefactor who intentionally benefits the customer and the customer is the recipient who receives the benefits. Based on the discussions above, gratitude is conceptualized as an interpersonal relationship based emotion in this study.

Following the discrete positive emotions discussions, the next section discusses the relationships between employee behaviors and those discrete positive emotions in the positive service encounters. Based on the discussions, research hypotheses are proposed.

## **2.5. Relationship between Employee Behaviors and Customer Emotions**

Employees' *mutual understanding* with customers is achieved when both the service provider and the customer involve in self-disclosure (Price et al., 1995) in the norm of reciprocity (Gouldner, 1960). In service encounters, employee behaviors of connecting with the customers at a personal level make the service encounters more boundary open, and even approximate friendships (Mills & Morris, 1986; Siehl, Bowen, & Pearson, 1992; Trice & Beyer, 1991). As an *interaction-induced* behavior, employees' mutual understanding requires both the service provider and the customer involved in the interaction. The continued interaction between employees and customers engaging in self-disclosure helps build interpersonal relationships in service encounters (Crosby, Evans, & Cowles, 1990; Fehr, 1996; Price et al., 1995; Price, Arnould, & Tierney, 1995).

Gratitude is an interpersonal relationship based emotion that is related to reciprocity between the recipient and the benefactor. Gratitude also creates interrelated interactions between the benefactor and the beneficiary (Bartlett & DeSteno, 2006; Raggio et al., 2014). Research suggested that feelings of gratitude help build trust and develop long-term relationships (Dunn & Schweitzer, 2005; Komter, 2004). In service encounters, customers who interact with an employee with mutual understanding will appreciate employees' caring, empathy, and efforts to understand customers (Johnston, 1995; Chandon et al., 1997; Wels-Lips et al., 1998). Also, customers will appraise employees' mutual understanding as the benefit customers receive from

employees (benefactor) who enhance customers' (recipient) well-being (Fredrickson, 2004).

Therefore, this research proposes that employees' mutual understanding has a positive impact on customer gratitude.

***Hypothesis 1: Employees' mutual understanding increases customer gratitude.***

Employees' *customized services* refer to the accommodations of customers' requests for customized service (Bitner et al., 1990). As an *interaction-induced* behavior, employees' *customized service* requires customers' inputs in the interaction between the service provider and customers. When customers receive employees' customized services, customers' feeling of having received services special to him/her is evoked. Based on general reciprocity (Morales, 2005), reciprocation is induced when people perceive that they are the recipients of particular benefits which are not available to others. Therefore, reciprocity will be triggered among customers who receive customized services.

Since gratitude is an emotion related to interpersonal relationship involving reciprocity, customers who experience employees' special treatment benefits (e.g., customized service) tend to trigger gratitude (Kim & Lee, 2013). In addition, customers are likely to perceive that the service provider intentionally renders a benefit that improves customers' well-being (Fredrickson, 2004). Therefore, this research proposes the following hypothesis:

***Hypothesis 2: Employees' customized service increases customer gratitude.***

Employees' *unprompted and/or unsolicited actions* are the service providers' exemplary attitudes and behaviors that the customer did not expect (Bitner et al., 1990). As an *employee-specific* behavior, employees are able to perform those actions without customers' participation (Bitner et al., 1990; Van Dolen et al., 2004). Also, it is possible for employees to display those beyond role specified behaviors to all customers irrespective of who the service provider is interacting with. As for the emotion of delight, it is a non-interpersonal relationship based emotion not requiring the active interaction between the service provider and customers. Delight occurs when customers experience pleasant surprise responding to a disconfirmed experience (Crotts et al., 2008; Finn, 2005; McNeilly & Barr, 2006; Torres & Kline, 2006).

Research suggested that the service providers' behaviors of *unprompted and/or unsolicited actions*, such as exceeding customers' expectations in a positive manner, tend to result in a highly satisfactory incident (Bitner et al., 1990). On the other hand, delight has been regarded as an extreme high degree of satisfaction (Alexander, 2010, Berman, 2005; Vanhamme, 2008), and delight arises when the outcomes are unexpectedly positive (Bitner et al., 2000). Thus, this research expects that delight is elicited when employees display *unprompted and/or unsolicited actions*.

***Hypothesis 3: Employees' unprompted and/or unsolicited actions increase customer delight.***

In the service encounters, *authenticity* is considered the extent to which the service provider is viewed as genuine; his/her true self in the sense of being more than just a role (Price et al., 1995). As an *employee-specific* behavior, research indicated that employees are able to

perform their authenticity without customers' contribution in service encounters (Van Dolen et al., 2004). Similar to *unprompted and/or unsolicited actions*, employees will be able to display this type of behavior to all general customers whom they are interacting with. As a non-interpersonal relationship based emotion, the occurrence of delight does not require the active interaction between the service provider and customers. Moreover, delight does not necessarily involve surprise. The experience of joy is able to trigger delight as well (Arnold et al., 2005; Barnes, Beauchamp, & Webster, 2010).

Customer reactions to authentic emotional displays are likely to be more positive than their responses to inauthentic displays. Therefore, the employee's display of a high level of *authenticity* going beyond the role is able to trigger positive emotions within customers because customers prefer to be treated in an honest and authentic way (Hennig-Thurau, Groth, & Gremler, 2006). In addition, research suggested that customers experience delight when their need of self-esteem to be acknowledged and valued as a person has been fulfilled (Schneider & Bowen, 1999). Based on the discussions above, it is indicated that employees' authentic display with customers is able to generate customers' positive non-interpersonal relationship emotion, and to fulfill customers' need of self-esteem. Therefore, this research proposes that employee authenticity has a positive impact on customer delight.

***Hypothesis 4: Employees' authenticity increases customer delight.***

Employees' *competence* refers to their ability to deliver organized, efficient, capable, and thorough service (Zeithaml et al., 1990). Those employees' core task behaviors achieve

customers' goals and fulfill customers' needs (Lloyd & Luk, 2011; Van Dolen et al., 2002). As an *employee-specific* behavior, competence is a service provider's attribute (Crosby et al., 1990) and static property (Weitz, Sujan, & Sujan, 1986), which can be conducted alone without customers' participation during service encounters (Jaccard, Brinberg, & Dittus, 1989). Therefore, employees' competence will be performed equally to all customers no matter who the service provider is delivering the service to.

As a non-interpersonal relationship based emotion, the occurrence of delight does not involve the active interaction between the service provider and customers. In addition, the experience of joy alone is able to trigger delight (Arnold et al., 2005; Barnes, Beauchamp, & Webster, 2010). Customers who experience employees' high level of *competence* can induce customers' positive pleasant emotions (Price et al, 1995). Torres and Kline (2013) also suggested that the staff's competence can trigger delight, which is called *professional delight*. In other words, employees' professionalism, such as being knowledgeable about the technical expertise and delivering the service with a positive attitude, is the delighter in service encounters. Therefore, this research proposes that employees' competence can induce customer delight.

***Hypothesis 5: Employees' competence increases customer delight.***

## **2.6. Broaden-and-Build Theory**

The broaden-and-build theory of positive emotions suggests that certain discrete positive emotions have the ability to broaden people's momentary thought-action repertoires and build their lasting personal resources, varying from physical and intellectual to social and



psychological (Fredrickson, 2001). For example, the experience of joy would broaden the subject's thought-action range by creating the desire to play and extending the limits (Fredrickson, 2001). Previous literature also suggested that positive affect enables approach behavior (Cacioppo, Gardner, & Berntson, 1999; Davidson, 1993; Watson, Wiese, Vaidya, & Teilegen, 1999) or continued action (Carver & Scheier, 1990; Clore, 1994). Experiences of positive affect facilitate individuals to participate with their environments and engage in activities (Fredrickson, 2001). Positive emotions bring to more broadened and flexible response tendencies, and the widened array of the thoughts and actions which occur in the mind (Fredrickson, 2001). The broadened thought-action repertoires induced by positive emotions evolve due to their indirect and long-term adaptive benefits. Thus, broadening builds lasting personal resources (Fredrickson, 2001).

Furthermore, positive emotions broaden habitual manners of thinking or behaving into different action tendencies including to play, to explore, to savor and integrate, or to envision future achievement (Fredrickson, 2000). For example, joy (high arousal) and contentment (low arousal) might have different action tendencies, though both of them are capable of inducing approach behaviors. In other words, low-arousal positive emotions tend to have different thought-action tendencies from high-arousal ones (Fredrickson et al., 2008). Therefore, it is important to consider different discrete positive emotions in order to gain a better understanding of the relationship between emotions and behaviors (Fredrickson et al., 2008).

Gallan, Jarvis, Brown, and Bitner (2013) extended the broaden-and-build theory of positive emotions to examine the relationship between customer positivity and customers' level of participation in healthcare service settings. They argued that the broaden-and-build theory of

positive emotions provides the logic of the sequence of positivity, action, and outcomes. That is, customers' positive emotions influence active behaviors (customer participation), and subsequently impact on desired service outcomes such as perceptions of service quality and customer satisfaction. In other words, customers generate positive service-related actions when customers experience positive affect (Gallan et al., 2013). Their study indicated that the higher the customer positivity, the higher the levels of customer participation during service encounters.

Slåtten and Mehmetoglu (2011) applied the broaden-and-build theory of positive emotions to investigate the relationship between employee engagement and employee innovative behavior. Employee engagement is defined as "Harnessing of organization members' selves to their work roles" (Kahn, 1990, p. 694), and employee innovative behavior is the application of innovative and valuable ideas when employees are in their work role (West & Farr, 1989; West, 1989). Slåtten and Mehmetoglu (2011) claimed that engagement is linked to the experience of positive emotions (e.g., joy). Also, positive emotions are related to creativity (innovative behaviors) because the broaden-and-build theory of positive emotions states that joy as a positive emotion enables individuals to "broaden" their momentary thought-action repertory through expanding the potential thought and actions which come to mind (Wright, 2006). Slåtten and Mehmetoglu's study (2011) suggested that employee engagement is strongly related to employees' innovative behavior.

Based on the discussions above, the broaden-and-build theory of positive emotions is highly relevant to the understanding of positive emotions and the effects of positive emotions in positive service encounters. However, the mechanisms of how positive emotions are likely to influence consequences, such as subsequent customer behaviors after customers experience

positive emotions, are under-researched (Fredrickson, 2003). In addition, the broaden-and-build theory of positive emotions has not been contextualized in a service encounter setting (Gallan et al., 2013). This research attempts to integrate the broaden-and-build theory of positive emotions and the cognitive appraisal theory to examine the relationships between consumers' different discrete positive emotions and consumer behaviors. In the following section, customer behaviors chosen in the study are discussed. Building on the relationship marketing and customer citizenship behaviors literature, this research considers three customer behavioral intentions: repurchasing, recommending companies to others (positive word of mouth), and providing feedback. Based on the discussions, hypotheses are proposed to describe the relationships between consumer emotions and consumer behavioral intentions.

## **2.7. Customer Citizenship Behaviors in Service Encounters**

Customer Citizenship Behaviors (CCB) refer to “voluntary and discretionary behaviors that are not required for the successful production and/or delivery of the service but that, in the aggregate, help the service organization overall” (Groth, 2005, p. 11). Customers are physically present in service encounters (Bowen, 1986); thus, service organizations should consider customers as organizational members or employees to some extent (Kelley et al., 1990; Yi & Gong, 2008).

Customers' participation as partial employees in service encounters can be categorized as either in-role or extra-role behaviors (Bettencourt & Brown, 1997). Customers' in-role behaviors are behaviors that are required to perform in a service encounter to ensure the success of service delivery (e.g., arriving on time for a scheduled reservation) (Fowler, 2014). On the other hand, customers' extra-role behaviors are voluntary and helpful behaviors towards the firm, service

worker, or other customers that are not directly or explicitly expected or rewarded, but possibly influence on a firm's performance (Bove et al., 2009; Groth, 2005; Rosenbaum & Massiah, 2007). Those customer extra-role behaviors are collectively considered *customer citizenship behaviors* (Fowler, 2014). The antecedents of both types of behaviors are likely to be different because customers are obligated to display in-role behaviors if they want to experience a successful service encounter, whereas customers have the choice in displaying extra-role behaviors due to the discretionary nature of those behaviors.

*Customer citizenship behavior* occurs when customers genuinely wish to improve the welfare of the service worker, and is driven by empathy for the service worker (Batson et al., 2002). Similar to the concept of customer citizenship behaviors, customer voluntary performance included loyalty, cooperation, and participation (Bettencourt, 1997). Later, Groth, Mertens, and Murphy (2004) identified three dimensions of customer citizenship behaviors: (1) providing feedback to the organization, (2) helping other customers, and (3) recommending the company to friends or family members (advocacy). Similarly, Bove et al. (2009) also indicated display of relationship affiliation, flexibility, positive word of mouth, suggestions for service improvement, policing of other customers, voice, benevolent acts of service facilitation, and participation in the firm's activities as dimensions of customer citizenship behaviors. In addition, past literature suggested that customers who display citizenship behavior may exhibit commitment to the service organization (Ford, 1995). Commitment is the tendency to engage in consistent lines of activity that refer to staying with the organization (Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989).

Since some behaviors such as helping or policing other customers are not always applicable to the context of dyadic service encounters between the customer and the service provider, this research focuses on three customer behavioral constructs: repurchase intentions, positive word of mouth, and providing feedback.

### **2.7.1. Repurchase Intentions**

Customer repurchase intention refers to customers' intent to stay with an organization (Khan, Naumann, & Williams, 2012; Zeithaml, Berry, & Parasuraman, 1996). It is associated with customers' commitment to purchase more goods and services from the firm (Khan et al., 2012), and thus contributes to increased revenue, reduced customer acquisition costs, lower costs of serving repeat customers, and better profitability (Ganesh, Arnold, & Reynolds, 2000). In marketing research, there is agreement on the importance of repeat patronage as a major behavioral outcome for measuring relationship marketing success (Crosby & Stephens 1987; Reichheld, 1996). The company expects customers to re-patronage with the company if the company satisfies their customers (Schneider & Bowen, 1999). Experiences of positive affect facilitate individuals to participate with their environments and engage in activities (Fredrickson, 2001). Similarly, customers who experience positive emotions are more likely to approach the company to repurchase with them to continue the feeling of positive emotions.

### **2.7.2. Positive Word of Mouth**

Word of mouth refers to all informal communications transmitted from one person to another through face-to-face interactions or other communication mediums such as social network websites (Brown & Reingen, 1987; Westbrook, 1987), and concerns the ownership,

usage, or characteristics of specific goods and services or their sellers. Research suggested that word of mouth has a significant influence on product or service choice, selection, and even evaluation (Morgan & Hunt, 1994; Webster, 1991). Since word of mouth provides essential information about a firm to consumers, usually helping consumers decide whether or not to purchase from a firm (Zeithaml et al., 1993), it is critical for companies to encourage positive word of mouth in order to attract new customers (Goodwin & Ross, 1992). Specifically, positive WOM is favorable, informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding an object or issue (Anderson, 1998; Bove et al., 2009; Harrison-Walker, 2001). Advocacy, which refers to recommending the firm or the employee to others such as friends or family through positive word-of-mouth, is often an indicator of customer loyalty (Groth et al., 2004; Yi & Gong, 2013). Positive WOM leads to the development of a positive firm reputation, promotion of the firm's products and services, higher service quality evaluations, and increase in the customer base size (Bettencourt, 1997; Groth et al., 2004; Yi & Gong, 2013).

### **2.7.3. Providing Feedback**

Customers' providing feedback refers to their willingness to provide solicited and unsolicited input (i.e., giving suggestions on service quality) to improve company performance (Groth, Mertens, & Murphy, 2004; Shani & Chalasani, 1992; Yi & Gong, 2013). The organization can benefit from customers' suggestions for better service because customers are the ones who receive the service (Bettencourt, 1997; Yi & Gong, 2013). Customers' providing feedback is important for the companies because the companies can take advantage of customer feedback to decrease its business risk by designing customer-oriented services (Bettencourt,

1997). The degree to which the companies are able to encourage customers to provide feedback is one form of cooperation, which is one of the most important outcomes of relationship marketing (Morgan & Hunt, 1994). Therefore, it is viewed as a type of consumer citizenship behavior with customers' intentions to help the company improve their service delivery.

## **2.8. Relationship between Customer Emotions and Customer Citizenship Behaviors**

Research suggested that customer emotions influence their behavioral intentions (Hennig-Thurau, Groth, Paul, & Gremler, 2006), and customers who experience positive emotions exhibit approach behavior (Sander, Grandjean, & Scherer, 2005). In addition, actions taken to manage positive emotions can include sharing one's good fortune, savoring the experience, working to continue or increase the rewards, and increasing physical activity (Bagozzi et al., 1999). These various action tendencies also mean that positive emotions have the potential to induce different types of positive behaviors (Fredrickson, 2000). Based on Fredrickson (2003), a specific action tendency is defined as "the outcome of a psychological process that narrows a person's momentary thought-action repertoire by calling to mind an urge to act in a particular way (e.g., escape, attack, expel)" (p. 166).

Relating customer citizenship behaviors to the discrete emotions, this research examines three types of customer citizenship behaviors resulted from two discrete positive emotions. In particular this research posits that repurchase intentions and positive word of mouth may not require the involvement of interpersonal relationship in service encounters, yet providing feedback requires interpersonal relationship (gratitude). The detailed discussions on the hypothesized relationships are followed below.

The experience of gratitude motivates people to act pro-socially, such as engaging in

helpful behaviors toward the benefactor (Bartlett & DeSteno, 2006; Emmons & Tsang, 2004; Raggio et al., 2014). Research also suggested that feelings of gratitude help build trust and develop long-term relationships. Grateful individuals tend to increase future interactions with the benefactor (Bartlett & DeSteno, 2006; Raggio et al., 2014). In consumption settings, past literature also suggested that customers who experience gratitude are more likely to make future transactions (e.g., Buck, 2004; Fredrickson, 2004; Morales, 2005; Soscia, 2007) and perform pro-firm consumer behavior including increased willingness to pay, store choice, overall evaluations (Morales, 2005), repurchase intention, and positive word of mouth (Soscia, 2007).

Gratitude drives reciprocal behavioral intentions by encouraging people to render further benefits in order to reciprocate the benefits they have received (McCullough et al., 2001). Given that, this research proposes that customers' experience of gratitude will encourage them to reciprocate through providing feedback to help the company improve their performance. In addition, previous studies have demonstrated that gratitude has a positive relationship with repurchase intentions and positive word of mouth (Soscia, 2007; Xia & Kukar-Kinney, 2013). Similarly, this research proposes that grateful customers tend to continue purchasing from the company and act as advocates through spreading positive word of mouth. Hence, the following hypotheses are proposed:

***Hypothesis 6: Customer gratitude increases customers' providing feedback.***

***Hypothesis 7: Customer gratitude increases customers' repurchase intentions.***

***Hypothesis 8: Customer gratitude increases customers' positive word of mouth.***



Delight is understood as a pleasant surprise (Plutchik, 1980). The relationship between delight and positive word of mouth behavior can be explained via two aspects: social sharing of emotions and surprise. Word of mouth can be considered one form of social sharing in consumption setting. Research demonstrated that the frequency of social sharing has a positive relationship with the “disruptiveness” of the event (Rime, Boca, & Mesquita, 1992). The more disruptive an event (i.e. it challenges some basic beliefs), the more frequently the event is shared (Rime et al., 1992). In addition, social sharing of emotions has a positive relationship with the intensity of the felt emotion (Rime, Finkenbauer, Luminet, Zech, & Phillipot, 1998). Surprise is described as a spectrum of changes, including interruption of ongoing activities which are “disruptive.” Because surprise induces extensive cognitive work such as causal search, this cognitive burden and the disruptiveness generated by surprise could trigger social sharing (e.g., word of mouth) in order to relieve the individual’ burden (Derbaix & Vanhamme, 2003). Also, surprise is one of the emotional amplifiers that induce a higher intensity of other emotions if they arise with surprise (Elster, 1998; Kahneman & Miller, 1986).

Since delight is with high intensity and high disruptiveness with schema change, social sharing (word of mouth) is more likely to occur when customers experience delight. Moreover, the broaden-and-build theory of positive emotions suggested that the experiences of positive emotions encourage people to approach or continued action and participate in the environment (Fredrickson, 2001). In consumption setting, customers’ approaching action can be customers’ behavior of coming back to the company. Based on the above discussions, this research hypothesizes that delight leads to repurchase intentions and positive word of mouth.

***Hypothesis 9: Customer delight increases customers' repurchase intentions.***

***Hypothesis 10: Customer delight increases customers' positive word of mouth.***

Figure 1 provides the conceptual framework of this study. Specifically, *employee-specific* behaviors including unprompted and/or unsolicited actions, authenticity, and competence have effects on non-interpersonal relationship based emotion-customer delight. On the other hand, *interaction-induced* behaviors including mutual understanding, customized service lead to interpersonal relationship based emotion-customer gratitude. Subsequently, those discrete positive emotions trigger different set of customer behaviors containing repurchase intentions, positive word of mouth, and providing feedback.

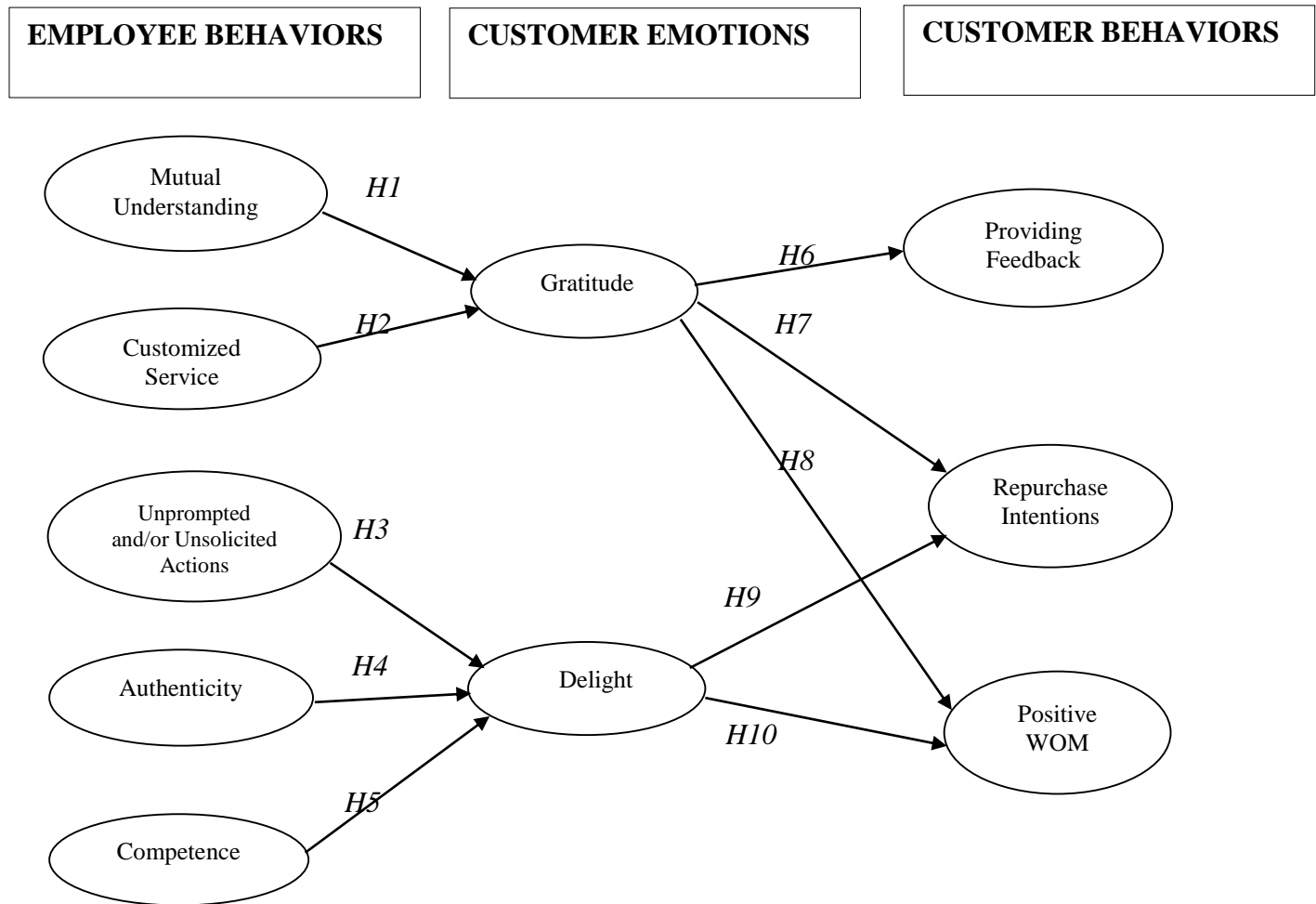


Figure 1. The model of employee behaviors, customer emotions and citizenship behaviors.

## **CHAPTER THREE: METHODOLOGY**

### **3.1. Data Collection Procedure**

The target population of the study is customers who had a positive service experience in hotels. The sampling frame consists of US adults who match the characteristic of target population in online marketplace Amazon Mechanical Turk. The target sample who are US adults over 18 years of age that reported having a positive hotel experience with an employee in the last six months were screened and invited to participate in the self-administrated online survey and asked to evaluate their most recent positive interaction with an employee at hotels. The target sample size is 100-200 for the pretest and 300 for the main study. Prior to data collection for the pretest and the main study, the approval of Human Subjects Use from Institutional Review Board (IRB) procedure at the University of Central Florida has been obtained. The IRB approval letters for the pretest and for the main study are enclosed as APPENDIX A: UCF IRB APPROVAL LETTER FOR PRETEST and APPENDIX B: UCF IRB APPROVAL LETTER FOR MAIN STUDY.

Recent evidence suggested that the data collected from online survey has reduced biases compared to the data collected from traditional samples (Gosling, Vazire, Srivastava, & John, 2004). In addition, research also indicated that Amazon Mechanical Turk (MTurk) participants were more demographically diverse than standard Internet samples (Buhrmester, Kwang, & Gosling, 2011). Amazon's Mechanical Turk ([www.MTurk.com](http://www.MTurk.com)) is an innovative and open

online marketplace for task creation, labor recruitment, compensation, and data collection (Buhrmester, Kwang, & Gosling, 2011). The site possesses a large and diverse workforce comprising over 100,000 users from over 100 countries who complete tasks daily (Pontin, 2007). MTurk has been utilized in previous survey research (e.g. Bolkan, Griffin, & Goodboy, 2014; Paharia, Avery, & Keinan, 2014).

### **3.2. Survey Instrument**

The online survey instrument began with the explanation of the research describing the background of the study such as the purpose of the study and the time needed to complete the survey. At the end of the first page the participants' willingness to take part in the study was confirmed before they can move to the filter question. The second page started with a brief description of the contexts of the study and the instruction was provided to ask the participants to recall a particularly positive interaction with an employee at a hotel in recent 6 months followed by the question asking about the time when that particular experience happened with the options of past six months (e.g., February, 2016) and one option for the respondents who did not have any positive interaction with an employee at hotels in recent 6 months (i.e. I did not have any particularly positive interaction with an employee at a hotel in recent six months). The respondents were directed to the end of the survey if they indicated that they did not have any positive interaction with an employee at hotels in recent six months.

After the qualifier question, the study used the Critical Incident Technique (CIT) with qualitative questions adapted from Bitner et al. (1990) such as "What specific circumstances led up to this situation?" in the beginning of the survey to guide the respondents to recall their particular positive experience. The procedure of the technique entails collecting qualitative data

with open –ended questions about past behavior or experiences and it has been utilized widely in service encounter research (Gremler, 2004). This research utilizes the CIT method to help the respondents to recall the positive service encounter so they can provide their evaluations based on their specific past experience rather than based on their general responses or reactions. Therefore, the data generated from CIT method served as a frame of reference for the respondents (Gremler, 2004). In other words, the participants can have the qualitative information they just provided in their mind when they assess the following quantitative questions.

After the qualitative questions, the respondents were asked to evaluate how positive and memorable their interactions with the employee were with the scale, from 1=Not at all positive to 7=Absolutely positive and the scale from 1=Not at all memorable to 7=Absolutely memorable, respectively. The responses from those two questions were used to ensure that the experiences recalled were memorable and positive. The respondents whose responses were 4 or above for those two questions were considered in the study. In addition, the questions regarding the respondents' past behaviors of repurchase, providing feedback, and word-of-mouth after the experience with the choice of yes or no were also asked to capture the complete process of the respondents' behaviors after the recalled experience.

Following the questions about the participants' actual behaviors were the questions regarding the type of the hotel they visited, whether they belong to a Loyalty or Rewards Program with the hotel, and their loyalty level with the hotel. After gathering the background information related to the participants' experience and history with the hotel, the constructs of employee behaviors, customer emotions, and customers' behavioral intentions have been

assessed with theory-driven scales. At the end of the survey, customers' demographic questions and any comments on the survey were recorded. The survey is attached at the end of the dissertation as APPENDIX C: SURVEY FOR MAIN STUDY.

### **3.3. Measures**

All the scale items were adapted from the relevant literature with minor wording modifications to reflect the study context. The items of employee behaviors and customer behaviors were measured by 7-point Likert scales ranging from strongly disagree (1) to strongly agree (7) while the items of emotions were assessed ranging from not at all (1) to a lot (7) to indicate the level of the discrete emotion experienced.

#### **3.3.1. Employee Behaviors**

Employee behaviors were assessed by five dimensions: mutual understanding (6 items), customized service (3 items), unsolicited behavior (3 items), authenticity (3 items), and competence (4 items). (1) *Mutual understanding* measures the extent to which the service provider communicates in an understanding and empathic manner. This dimension is related to the involvement of a boundary open relationship similar with a meeting between friends. It is similar with the cognitive perspective of empathy, which refers to a person's intellectual understanding of another individual's internal condition (Hogan, 1969; Lamont & Lundstrom, 1977; Pilling & Eroglu, 1994). Therefore, empathy was included for mutual understanding. Mutual understanding was measured by 6 items, three items from Price et al. (1995) (e.g., The employee connected to my life/experiences) and three items from Wieseke et al. (2012) (e.g., The employee had a high level of empathy with respect to my needs as a customer). (2)

*Customized service* measures if the service provider takes customers' needs into consideration (Ball et al., 2006) and three items (e.g., "The employee offered me services that satisfy my specific needs" were adapted from Ball et al. (2006) (3) *Unsolicited behavior* which is similar with Price et al. (1995)'s dimension of "extras" measures if the service provider offered special attention going beyond the prescribed role in the service encounter. Three items such as "The employee paid special attention to me" were adapted from Price et al. (1995). (4) *Authenticity* measures the extent to which the service provider is perceived as his/her real self in his/her interaction with the customer (Price et al., 1995). Three items from Price et al. (1995) (e.g., The employee was genuine) were included for this dimension. (5) *Competence* measures the service provider's functional dimensions deriving from research attempting to capture service provider competency (Zeithaml et al., 1990). The four items from Price et al. (1995) (e.g., The employee was capable) consisting of consumer ratings of whether the service provider is capable, efficient, organized and thorough were used.

### **3.3.2. Customer Emotions**

Two discrete emotions including delight (3 items) and gratitude (3 items) were evaluated. (1) *Delight* was assessed with three items including "gleeful", "elevated", and "delighted" adapted from Finn (2006). (2) *Gratitude* was assessed with three items including "grateful", "thankful", and "appreciative" adapted from McCullough, Emmons, and Tsang (2002).

### **3.3.3. Behavioral Intentions**

Three types of customer citizenship behaviors including repurchase intentions (3 items), positive WOM (3 items), and providing feedback (3 items) were evaluated. (1) *Repurchase*



*intentions* was assessed by two items from Smith and Bolton (1998) “I would visit this hotel again” and “I would go to this hotel more often” and one item from Anderson (1994) “I am more likely to return to this hotel next time” (2) *Positive Word of Mouth* was assessed with the items “I would encourage friends and relatives to go to this hotel”, “I would recommend this hotel to others”, and “I would recommend this hotel to those who ask or seek my advice” (Bove et al., 2009). (3) *Providing feedback* was assessed with three items “I would make suggestions as to how the service could be improved at the hotel”, “I would let the hotel know of ways that hotel could better serve my needs”, and “I would contribute my ideas to the hotel that could improve service at the hotel” (Bove et al., 2009).

#### **3.3.4. Summary of Measurement Items**

A pilot study was conducted with ten English native speakers to examine the wording and the face validity of the items, and the clarity of the instructions on the survey (Hair et al., 2010). Based on the feedback from the review, four more items from Gwinner et al. (2005) were added to *customized services* to ensure the face validity of the construct. Those items are from the construct of *service-offering adaptive behavior* which represents employee behaviors of modifying their service delivery in order to meet customer needs and satisfy the customers (Gwinner et al., 2005). Table 1 summarizes the measurement items used in the survey.

Table 1. Measurement Items

Construct	Items	Source
Mutual Understanding	The employee connected to my life/experiences. The employee revealed personal information (e.g., how his/her day was). The employee invited me to reveal personal information (e.g., the reason which brought me to the hotel). The employee had a high level of empathy with respect to my needs as a customer The employee tried to find out my needs by adopting my perspective. The employee was able to adapt his/her behavior to my needs in the situation.	Price et al., 1995  Wieseke et al., 2012
Customized Service	The employee offered me services that satisfy my specific needs. The employee offered services that I couldn't find in another company. If I changed between companies I wouldn't obtain services as customized as I have now. The employee adapted the type of service to meet my unique needs. The employee used a wide variety of strategies in attempting to satisfy me. The employee suggested a wide variety of services to meet my needs. The employee varied the actual service offering depending on my needs.	Ball et al., 2006  Gwinner et al., 2005
Unsolicited Behavior	The employee paid special attention to me. The employee went out of his/her way. The employee gave me a break (something extra).	Price et al., 1995
Competence	The employee was capable. The employee was efficient. The employee was organized. The employee was thorough.	Price et al., 1995
Authenticity	The employee was his/her own person. The employee was genuine. The employee was out of the ordinary (e.g., not just following uniform standards).	Price et al., 1995
Delight	Gleeful Elevated Delighted	Finn, 2006
Gratitude	Grateful Thankful Appreciative	McCullough et al., 2002
Providing Feedback	I would make suggestions as to how the service could be improved at the hotel. I would let my hotel know of ways that hotel could better serve my needs. I would contribute ideas to my hotel that could improve service at the hotel.	Bove et al., 2009
Positive WOM	I would encourage friends and relatives to go to this hotel. I would recommend this hotel to others. I would recommend this hotel to those who ask or seek my advice.	Bove et al., 2009
Repurchase	I would visit this hotel again. I would go to this hotel more often. I am more likely to return to this hotel next time.	Smith & Bolton, 1998 Anderson, 1994

### 3.3. Data Analysis

An independent –samples T test was performed to examine the external validity of customer behavioral intentions of repurchase intentions, providing feedback, and positive word-of-mouth with the responses of actual customer behaviors of repurchase, providing feedback, and

positive word-of-mouth after the experience. The pattern between customers' past behaviors and customers' behavioral intentions should be consistent to establish external validity (Singh, 1990). For example, customers who already provided feedback should be more likely to provide feedback in the future.

A structural equation modeling technique (SEM) was employed to test the hypotheses of the study. The technique of SEM allows the researcher to test a sequence of independent multiple regression equations at the same time. With SEM, latent variables can be added into the analysis and measurement errors can be considered in the estimation process (Hair et al., 1998). That is, SEM is capable of assessing complicated behavioral relationships with the establishments of measurement model and structural model.

Potential issues of missing data and outliers were assessed. The assumptions of statistical procedures (e.g., normality, homogeneity) procedures were validated before proceeding to further analysis. The researcher then conducted a SEM analysis using a two-step approach (Anderson & Gerbing, 1998). A confirmatory factor analysis was ran in the first phase to evaluate the adequacy of construct reliability and validity in the measurement model. Internal consistency was assessed using the Cronbach's alpha coefficient and the Scale Composite Reliability (SCR) and it must exceed 0.7 (Gliem & Gliem, 2003). Items presenting values below 0.7 may be removed in order to correct the scale's reliability. Convergent validity can be assessed with standardized factor loading estimates (0.5 or higher), Composite Scale Reliability (CSR) (higher than 0.7), and Average Variance Extracted (AVE) (higher than 0.5) (Chau & Lai, 2003). For discriminant validity, the square root of AVE value needs to be greater than its correlations with other constructs.

In the second phase, the structural model with the proposed hypotheses was assessed using goodness-of-fit indices. Goodness-of-fit (GOF) indicates how well the specified model reproduces the observed covariance matrix among the indicator items (i.e., the similarity of the observed and estimated covariance matrices). There are multiple alternative GOF measures available and those measures are categorized into three general groups: absolute measures, incremental measures, and parsimony fit measures. First, absolute fit indices are a direct measure of how well the model the researcher specified reproduces the observed data. Root Mean Square Error of Approximation (RMSEA) ( $< 0.08$ ) was assessed as the measure for absolute fit. Second, incremental fit indices assess how well the estimated model fits relative to some alternative baseline model. For example, a baseline model can be a null model which assumes all observed variables are uncorrelated. In other words, incremental fit represents how the specification of related multi-item constructs improves model fit. Comparative Fit Index (CFI) was used as an incremental fit index with higher values indicating better fit. CFI values above 0.90 are usually associated with a model that fits well. Third, a parsimony fit measure indicates which model among a set of competing models is best, considering its fit relative to its complexity. The parsimony ratio is the basis for these measures and is calculated as the ratio of degrees of freedom used by a model to the total degrees of freedom available. Parsimony Normed Fit Index (PNFI) ( $> 0.50$ ) was assessed for parsimony fit. This index takes on some of the added characteristics of incremental fit indices relative to absolute fit indices in addition to favoring less complex models. Relatively high values of PNFI represent relatively better fit of the model (Bagby et al., 1998; Diamantopoulos & Siguaw, 2006; Hair et al., 1998). The overall model fit in

both measurement and structural models were evaluated. The results from the pretests and the main study were reported in the next chapter.

## CHAPTER FOUR: RESULTS

### 4.1. Pretest 1

A preliminary pretest was conducted to evaluate construct reliability and validity. In other words, the preliminary pretest attempted to assess how well the items are measuring the constructs and the internal consistency of the items of each construct. The online survey instrument on Qualtrics was distributed randomly to the workers on Amazon Mechanical Turk who had a positive interaction with an employee at hotels in recent six months and are US residents with 18 years of age or older. A total of 250 responses were collected and 236 responses were usable for the data analysis.

For the assessment of construct reliability and validity, the researcher ran a confirmatory factor analysis to evaluate the adequacy of the measurement model. The results of the reliability tests for each construct indicated that except for three items for *mutual understanding* from Price et al. (1995) with Cronbach's alpha 0.65, all constructs have above the minimal value of acceptable reliability level 0.70 (Hair et al., 1998) with Cronbach's alpha ranging from 0.74 to 0.96. Therefore, those three items (i.e., "The employee connected to my life/experiences", "The employee revealed personal information", and "The employee invited me to reveal personal information") were removed from the analysis. The convergent and discriminant validity of the constructs were also assessed. Convergent validity of the constructs was acceptable with a standardized factor loading 0.5 or higher ranging from 0.54 to 0.97.

As for the discriminant validity of the constructs, the constructs of *mutual understanding*, *customized services*, *competence*, *authenticity*, and *repurchase intentions* have discriminant

validity issues because the square root of average variance-extracted (AVE) of those constructs is less than the absolute value of the correlation with another factor. The results indicated that *authenticity* correlates highly with both *mutual understanding* and *competence*. Therefore, two reverse coded items for *authenticity* from Grandy et al. (2005) “The employee was faking how she/he felt in this interaction” and “The employee seemed to be pretending, or putting on an act, in this interaction” were added to the construct to improve the measurement model.

Although there are issues of construct discriminant validity, the indices for the model fit have been satisfactory. The participants were provided with a text box entry at the end of the survey for any comment or questions on the survey and they did not reflect any problems about the wording and clarity of the survey.

#### **4.2. Pretest 2**

Since modifications were made in measurement items, another pretest was conducted to assess the measurement model for construct reliability and validity before proceeding to the main study. The sample of the second pretest consisted of a sample of United States consumers who had a positive experience with a hotel employee during their stay in recent six months. The online questionnaire was sent randomly to United States consumers (MTurk qualified participants) using MTurk platform. Among the 117 received responses, 10 of them were not considered because failing one of the three inspection checks resulting in a total of 107 valid responses for the analysis of the measurement model. At this stage, no comments or recommendations were received in relation to the wording of the items.

#### **4.2.1. Demographic Information of Sample**

Similar to the pretest 1, the target population for the second pretest is US consumers who have had a positive experience with a hotel employee in the last 6 months. The official pretest participants consisted of 46.7 % males and 53.3 % females, with an age ranging from 18 to 65. The dominant age group was age group between 26 and 35 years old (43.9%) and the smallest age group was of 56 years old or more (3.7%). Most of the respondents were married (45.8%), while the second most dominant group was single (34.6 %). Of all respondents, around 43 % had a Bachelor's Degree followed by the second dominant educational group with "some college background" (24.3%). In addition, "Master's Degree" and "Associate Degree" were marginally lower than the second group, at 11.2 % and 9.3% respectively.

For annual income, the dominant group was between \$25,001 and \$50,000 (28%), and \$50,001 and \$75,000 (23.4%) respectively. Of all respondents, 17.8% has annual income more than \$75,000, and 18.6% of the participants with an income higher than \$100,000. Of all respondents, around 82.2% were Caucasian. The second largest ethnicity group was "African American" (8.4%), while the third largest ethnicity group was "Hispanic" (7.5%). "Asian/Island Pacific" was marginally lower than the other groups, at 1.9%.

#### **4.2.2. Construct Reliability**

Chau and Lai (2003) suggested that reliability may be examined at two levels: Item reliability and construct (scale composite) reliability. "Item reliability indicates the amount of variance in an item due to the underlying construct rather than to error and can be obtained by squaring the factor loading" (Chau, 1997, p.324). The value of Cronbach alpha must be higher



than 0.70 to reveal acceptable internal consistency of the items (Hair et al., 1998) and the value of construct reliability is expected to be greater than 0.70 to consider a construct as considered reliable (Chin, 1998). In line with previous suggestions, Cronbach alpha and scale composite reliability were calculated to evaluate item and construct reliability. Table 2 displays all of the constructs in the measurement model. The results indicated adequate reliability estimates (a value higher than 0.70) with few items with low reliability estimates. Most of the items had values higher than the proposed threshold value of 0.70 ranging from 0.70 to 0.977 with the exception of four items (0.40, 0.59, 0.63, and 0.64) for *customized services* and one item for *unsolicited behavior* (0.42). Those items might be dropped in the main study if the estimates of the items are still lower than 0.70. For the composite reliabilities (CR), all the constructs showed values higher than 0.70 (ranging from 0.72 to 0.96). The values for construct reliability indicated acceptable reliability for the ten constructs.

#### **4.2.3. Convergent Validity**

Convergent validity reveals the level at which conceptually related measures are significantly associated. For this pretest, convergent validity was assessed based on a three conditions. Item loadings must be higher than 0.50 (Buil et al., 2013), composite scale reliability (CSR) should be higher than 0.70, and average variance extracted (AVE) should be higher than 0.50 as well (Chau & Lai, 2003). A violation of this criteria suggests that the construct has convergent validity issues. As demonstrated in Table 2, the constructs considered in this study showed item loadings higher than the proposed 0.50 with one item for *customized services* (0.40) and one item for *unsolicited behavior* (0.42) lower than 0.50 (Buil et al., 2013).

Table 2. Reliability and Convergent Validity

<b>Construct</b>	<b>Variables</b>	<b>Standardized Loadings</b>	<b>Composite Reliability</b>	<b>AVE</b>	<b>Item Reliability</b>
Mutual Understanding	MU1	0.86	0.89	0.58	0.89
	MU2	0.82			
	MU3	0.88			
Customized Service	CS1	0.40	0.87	0.50	0.86
	CS2	0.59			
	CS3	0.63			
	CS4	0.64			
	CS5	0.84			
	CS6	0.82			
	CS7	0.86			
Unsolicited Behavior	UN1	0.85	0.72	0.50	0.70
	UN2	0.73			
	UN3	0.42			
Competence	C1	0.93	0.95	0.83	0.95
	C2	0.90			
	C3	0.90			
	C4	0.92			
Authenticity	A1	0.94	0.95	0.91	0.95
	A2	0.97			
Delight	D1	0.84	0.92	0.76	0.92
	D2	0.88			
	D3	0.93			
Gratitude	G1	0.91	0.96	0.88	0.96
	G2	0.94			
	G3	0.96			
Feedback	FE1	0.86	0.93	0.83	0.93
	FE2	0.95			
	FE3	0.82			
WOM	WOM1	0.92	0.96	0.88	0.96
	WOM2	0.95			
	WOM3	0.95			
Repurchase	RE1	0.91	0.92	0.80	0.91
	RE2	0.79			
	RE3	0.97			

Note: AVE: Average variance extracted

The Composite reliability (CR) values ranged from 0.72 to 0.96, higher than the threshold value of 0.70. Similarly, the AVE indices ranged from 0.50 to 0.91, satisfying the 0.50 threshold

value. Additionally, the results showed that the CR values are superior to the AVE values, suggesting an adequate construct's convergent validity of the measurement constructs (Garbarino & Johnson, 1999). The examination indicated no convergent validity issues of the constructs in consideration. Table 2 demonstrates the values considered for the evaluation of construct reliability and convergent validity.

#### **4.2.4. Discriminant Validity**

“Discriminant analysis is a multivariate statistical technique to classify objects” (Hair et al, 2009). The test for discriminant validity examines the level at which the measures of different constructs noticeably differ from each other. Wu (2013) indicated that “discriminant validity might be effectively assessed using the measure that the square root of AVE for each construct is larger than its correlations with other constructs.” Therefore, relating inter-construct correlations with the square root of AVE has been applied to assess discriminant validity issues (Fornell & Larcker, 1981).

As displayed in Table 3, the square root of AVE for each pair of constructs are higher than their correlations with the exception of *mutual understanding* with square root of AVE being equal its correlation with *competence*. *Delight* (DEL) suggested high discriminant validity from all other constructs. The square root of AVE for *delight* (DEL) was 0.89 while the correlation between (DEL) and other constructs ranged from 0.04 to 0.61 suggesting no discriminant validity problems. Additionally, the square root of AVE for *authenticity* was 0.95 whereas the correlation between authenticity and other constructs ranged between 0.32 and 0.51. In summary, the ten constructs showed adequate reliability and convergent validity. Discriminant validity has

been satisfactory with the exception of *mutual understanding* with square root of AVE being equal its correlation with *competence*. These analyses and results indicated that the measurement of the survey is competent for the main study with the minor concern of discriminant validity between *mutual understanding* and *competence*.

Table 3. Discriminant Validity

	CR	AVE	1	2	3	4	5	6	7	8	9	10
1WOM	0.96	0.88	<b>0.94</b>									
2MUT	0.89	0.73	0.67	<b>0.86</b>								
3DEL	0.92	0.79	0.49	0.31	<b>0.89</b>							
4COM	0.95	0.83	0.72	0.86	0.46	<b>0.91</b>						
5CUS	0.86	0.49	0.53	0.61	0.45	0.39	<b>0.70</b>					
6AUT	0.95	0.91	0.31	0.42	0.17	0.52	0.10	<b>0.95</b>				
7GRA	0.96	0.88	0.66	0.71	0.61	0.84	0.46	0.44	<b>0.94</b>			
8REP	0.92	0.80	0.93	0.59	0.44	0.73	0.48	0.32	0.66	<b>0.89</b>		
9FEED	0.93	0.82	0.08	0.17	0.04	0.23	0.13	0.35	0.11	0.08	<b>0.91</b>	
10UNSO	0.72	0.48	0.64	0.85	0.55	0.76	0.64	0.51	0.79	0.58	0.22	<b>0.69</b>

Note: WOM, word of mounth; MUT, mutual understanding; DEL, delight; COM, competence; CUS, customized service; AUT, authenticity; GRA, gratitude; REP, repurchase intentions; FEED, providing feedback; UNSO, unsolicited behavior; CR, composite reliability; AVE, average variance extracted. The square root of AVE is highlighted in bold.

#### 4.2.5. Confirmatory Factor Analysis

Confirmatory Factor Analysis (CFA), commonly known as the measurement model, was conducted to evaluate the measurement model for all latent variables with more than one observed variable. Sarstedt et al. (2011) suggested that CFA focuses on the level at which the observed variables are correlated with their causing observed variables and how they are

triggered by the latent constructs. The CFA model focuses primarily on the correlation among constructs and their measured items within the structure of SEM (MacKenzie et al., 2005).

#### 4.2.6. Goodness of Model Fit

A confirmatory factor analysis (CFA) was run on the randomly selected data (n=107) with AMOS version 20.0 to assess the measurement model. The potential issue of outliers and multivariate assumptions were evaluated (Khattree & Naik, 1955). The results suggested that there is no violation of multivariate assumptions and no issue of outliers. The results of CFA suggested that the Absolute Fit Measures (Root mean square error of approximation (RMSEA) exhibited adequate goodness of fit value with 0.076 (<0.08) (Table 4). For the incremental fit measure, the value also showed adequate GOF value with Comparative Fit index (CFI) = 0.92 (>0.90) (Table 4). Parsimony Normed Fit Index (PNFI) (>0.50) was assessed for parsimony fit. The value exhibited adequate value with 0.70 (>0.50). Based on these standards, the obtained indices satisfied the threshold criteria. The researcher proceeded to the main study phase.

Table 4. CFA for the Measurement Model

Goodness-of-fit Statistics		Values	Desired Range of Values for a Good Fit
<b>Absolute fit measures</b>			
Root Mean Square Error of Approximation	RMSEA	.076	<0.08
<b>Incremental fit measures</b>			
Comparative Fit Index	CFI	.920	>0.90
<b>Parsimonious fit measures</b>			
Parsimonious Normed Fit Index	PNFI	.696	>0.50

### **4.3. Main Study**

The researcher proceeded to collect the data for the main study upon finishing the pretest phase satisfactorily. The next sections cover the procedure for data collection, demographic description of the sample, the results of confirmatory factor analysis and structural equation modeling for measurement model and structural model including model fit statistics and the significance of the relationships among constructs proposed in the study.

#### **4.3.1. Data Collection**

The self-administered online survey built on Qualtrics was modified based on the responses received from the pretest stage. The invitation to participate in the study was published on the platform of Amazon's Mechanical Turk ([www.MTurk.com](http://www.MTurk.com)). The description of the study indicated that the respondents need to be US residents with age of 18 years old or older and had a positive interaction with an employee at hotels in recent six months to qualify for the study. The purpose of the study and the link of the online survey were also provided in the invitation. The respondents needed to provide a random code generated at the end of the survey to complete the task. The researcher has also utilized the technique on the platform to prevent the respondents of the pretests taking the survey again. A total of 436 responses were collected for the main study. After screening the data for filter question, attention check, and missing data, 299 usable responses were retained for the data analysis.

#### **4.3.2. Demographic Description of Sample**

As indicated in Table 5, the respondents consisted of 36.8% males and 63.2% of females with the largest age group of between 26 and 35 years old (44.8%) followed by the age group of 18-25 (21.7%) and age between 36-45 (19.1%). For the marital status, the majority of the sample were married (42.8%) followed by single (32.4%) and partnered (14.4%). Thirty nine percent (39%) of the participants had the education level of 4 year Bachelor Degree while the second largest group has completed “some college” (29.1%) followed by Master Degree (15.1%) and 2 year Associate Degree (6.7%). Out of all participants, 29.8% had annual income between \$25,001 and \$50,000 followed by annual income between \$50,001 and \$75,000 (21.4%), 18.4% had annual income between \$75,000 and \$100,000, and 13% of sample had annual income \$25,000 or less. For the ethnic background, the majority of the sample were Caucasian (75.9%) followed by African American (9.4%), Asian/Island Pacific (5.7%) and Hispanic (5.7%).

Table 5. Descriptive Statistics for Demographics (n=299)

<b>Demographic Variables</b>	<b>Frequency</b>	<b>Valid percentage</b>
Gender		
Male	110	36.8
Female	189	63.2
Age		
18-25	65	21.7
26-35	134	44.8
36-45	57	19.1
46-55	25	8.4
56-65	18	6
66 or older	0	0
Marital Status		
Married	128	42.8
Partnered	43	14.4
Separated/Divorced	27	9
Widowed	3	1
Single	97	32.4
Prefer not to answer	1	0.3
Education		
High School	16	5.4
Associate degree (2 year)	20	6.7
Some college	87	29.1
Bachelor's Degree (4 year)	117	39.1
Master's Degree	45	15.1
Doctorate Degree	12	4
Prefer not to answer	2	0.7
Annual Income		
\$25,000 or less	39	13
\$25,001- \$50,000	89	29.8
\$50,001-\$75,000	64	21.4
\$75,001-\$100,000	55	18.4
\$100,001 - \$150,000	29	9.7
\$150,001- \$250,000	14	4.7
\$250,001 or more	4	1.3
Prefer not to answer	5	1.7
Ethnicity		
Caucasian	227	75.9
Asian/Island Pacific	17	5.7
African American	28	9.4
Hispanic	17	5.7
American Indian/other	4	1.3



### 4.3.3. Additional Background Information

Thirty nine point five percent (39.5%) of the participants stayed at Midscale hotels (e.g., Holiday Inn Express) followed by Upscale hotel category (e.g., Hyatt) (38.1%). Out of all participants, 76.3% did not belong to a Loyalty or Rewards Program with the hotel. The majority of the participants stayed in hotels 3-5 times on average a year (47.2%) followed by 1-2 times a year (26.8%). Nineteen percent point seven (19.7%) of the participants had the recalled experience in December, 2015 (19.2%) followed by in January, 2016 (18.4%) (See Table 6).

Table 6. Descriptive Statistics for Additional Information (n=299)

Variables	Frequency	Valid percentage
Type of Hotel Visited		
Luxury (e.g., Four Seasons)	20	6.7
Upscale (e.g., Hyatt)	114	38.1
Midscale (e.g., Holiday Inn Express)	118	39.5
Economy (e.g., Ramada)	32	10.7
Other:	15	5
Hotel Stay a Year		
Never		
1-2 times	80	26.8
3-5 times	141	47.2
6-12 times	60	20.1
Over 12 times	18	6
When Experience Happened		
September, 2015	39	13
October, 2015	39	13
November, 2015	31	10.4
December, 2015	59	19.7
January, 2016	55	18.4
February, 2016	46	15.4
March, 2016	30	10

#### **4.3.4. Past Customer Behaviors and Future Intentions**

An independent –samples T test with 95% confidence interval for the difference was performed for each type of customer behavioral intentions to examine if there is a difference in customers' future intentions between the customers who have performed the behavior and the customers who did not display the behavior. The responses from the items for the same construct were averaged. Each variable was tested to examine the difference between the customers who answered yes to the question regarding the actual behavior and the customers who answered no to the same question.

For customers' repurchase intentions, the results suggested that customers who performed repurchase in the past after the experience ( $M=6.21$ ) had a significantly higher repurchase intentions than customers who did not repurchased with the hotel ( $M= 5.57$ ) with  $t(192.42) = 5.02, p = 0.00$ . For customers' providing feedback, the results suggested that customers who provided feedback in the past after the experience ( $M=4.45$ ) had significantly higher intentions to provide feedback in the future than those who did not provide feedback ( $M=3.15$ ) with  $t(297) = 6.93, p = 0.00$ . For customers' positive word-of-mouth, customers who had spread positive-of-mouth in the past after the experience ( $M=6.44$ ) had significantly higher intentions to engage in positive of mouth in the future than those who did not ( $M=5.58$ ) with  $t(68.07) = 6.24, p = 0.00$ . With those results, it is indicated that the pattern between customers' past behaviors and their future intentions were consistent for those three types of behaviors. Therefore, the validity of customer behavioral intentions to access the actual behaviors was supported.

#### **4.3.5. Data Analysis Procedure**

The data was analyzed based on the two-step method proposed by Anderson and Gerbing (1988) to investigate the influence of employee behavior on customers' emotional responses (delight and gratitude) which in turn impact on customers' behavioral intentions. The two-step method included the first step of the confirmatory factor analysis (CFA) followed by the structural equation modeling (SEM). Analysis of Moments Structures 20.0 (AMOS) was used to examine the proposed model. Specifically, the structural equation modeling (SEM) was used to examine how well the projected model explains the data (Hair et al., 2009).

For the first step, the CFA was used to validate the measurement model (Hair et al., 1998). In this phase, the researcher examined the scale reliability, followed by the convergent and discriminant validity of the measurement model. Second, the researcher assessed the proposed research hypotheses and structural model.

#### **4.3.6. Construct Reliability and Validity**

Inter-item reliability (Cronbach's Alpha) and scale composite reliability (SCR) were examined to confirm construct reliability. In particular, SCR is based on the reliability of the combined scale (Farrell, 2010). Table 7 displays the limit for reliability and validity. For the main study, Cronbach's alpha values ranged from 0.78 to 0.95 (Table 8). Composite reliabilities of the ten constructs ranged from 0.79 to 0.95, revealing acceptable internal consistency for the ten constructs (Hair et al., 1998).

As suggested by Fornell and Larcker (1981), construct validity must be examined based on convergent validity and discriminant validity. In particular, convergent validity indicates the level at which conceptually similar measures are considerably associated. The convergent validity was assessed through average variance extracted (AVE), standardized factor loadings, and the comparison between average variance extracted (AVE) and composite reliability (CR). AVE describes the variance in the items explained by the common factor (Farrell, 2010).

Table 7. Reliability and Validity Limits

<b>Criteria for Reliability</b>	<b>Minimum Value</b>
Scale Composite Reliability	> 0.70
Cronbach' Alpha	> 0.70
<b>Criteria for Convergent Validity</b>	
Composite Reliability (CR)	> AVE
Average Variance Extracted (AVE)	> 0.50
Standardized Factor Loading	>0.50
<b>Criteria for Discriminant Validity</b>	
Inter-construct correlations	< Square root of AVE
Maximum Shared Squared Variance (MSV)	< AVE
Average Shared Squared Variance (ASV)	< AVE

Table 8 demonstrated that the values for AVE ranged from 0.50 to 0.87, exceeding the 0.50 base value. Comparing CR to AVE results, the obtained values also suggested that CR values are higher than AVE values. Moreover, the standardized factor loadings indicated significant values at the 0.001 level, and the standardized loadings of each item are greater than the recommended 0.5 (Buil et al., 2013) except for one item for *Unsolicited behavior* (UN3). The item with low standardized factor loading (0.49) (i.e., “The employee gave me a break (something extra”) has been omitted from further data analysis. Overall, these results suggested

an adequate convergent validity for each construct in the measurement instrument (Chau & Lai, 2003).

Table 8. Construct Reliability and Convergent Validity

<b>Construct</b>	<b>Variables</b>	<b>Standardized Loadings</b>	<b>Composite Reliability</b>	<b>AVE</b>	<b>Item Reliability</b>
Mutual Understanding	MU1	0.73*	0.83	0.62	0.82
	MU2	0.77*			
	MU3	0.86*			
Customized Service	CS1	0.52*	0.85	0.50	0.85
	CS2	0.61*			
	CS3	0.51*			
	CS4	0.72*			
	CS5	0.77*			
	CS6	0.65*			
	CS7	0.76*			
Unsolicited	UN1	0.82*	0.79	0.65	0.78
	UN2	0.78*			
	UN3	Dropped			
Competence	C1	0.94*	0.94	0.80	0.94
	C2	0.93*			
	C3	0.86*			
	C4	0.83*			
Authenticity	A1	0.95*	0.93	0.87	0.93
	A2	0.92*			
Delight	D1	0.82*	0.92	0.78	0.91
	D2	0.91*			
	D3	0.92*			
Gratitude	G1	0.85*	0.93	0.82	0.93
	G2	0.94*			
	G3	0.92*			
Feedback	FE1	0.91*	0.95	0.87	0.95
	FE2	0.96*			
	FE3	0.94*			
WOM	WOM1	0.90*	0.95	0.86	0.95
	WOM2	0.94*			
	WOM3	0.94*			
Repurchase	RE1	0.86*	0.88	0.72	0.87
	RE2	0.80*			
	RE3	0.88*			

Farrell (2010) suggested that discriminant validity reveals the level at which the variables of distinct constructs are markedly different from each other. Discriminant validity can be assessed through the comparison between the square root of AVE and its correlation with other constructs. Examining factor correlations and the square root of AVE suggested no discriminant validity issues in the measurement model (Fornell & Larcker, 1981).

As displayed in Table 9, the square root of AVE for positive word of mouth (WOM) was 0.93 whereas the correlation between (WOM) and other constructs range from -0.07 to 0.75 revealing no discriminant validity concerns. Similarly, the AVE for delight (DEL) was 0.89 whereas the share variance between delight and the rest of the constructs ranged from 0.04 to 0.52. By comparing the values for the Maximum Shared Squared Variance (MSV) and the Average Shared Squared Variance (ASV) to the values of AVE, it is suggested that the values for the average variance extracted (AVE) were higher than the values for the MSV and ASV. This examination clearly indicated that there are no discriminant validity concerns.

Based on the results obtained during the convergent and discriminant validity analysis, it was observed that neither convergent nor discriminant issues have been found. All values for the square root of AVE were higher than the correlation between factors (Fornell & Larcker, 1981). Regarding convergent validity, the CR values were higher than the values for AVE. Also, the values for AVE were higher than the limit of 0.5. The results clearly suggested that convergent and discriminant validity of the measurement model have been met. Thus, a theoretically satisfactory model was achieved in the final phase of this investigation.

Table 9. Discriminant Validity

	CR	AVE	MSV	ASV	1	2	3	4	5	6	7	8	9	10
<b>1REP</b>	0.88	0.72	0.57	0.18	<b>0.85</b>									
<b>2DEL</b>	0.92	0.78	0.27	0.12	0.38	<b>0.89</b>								
<b>3AUT</b>	0.93	0.87	0.36	0.18	0.33	0.29	<b>0.94</b>							
<b>4UNS</b>	0.79	0.65	0.57	0.25	0.37	0.36	0.57	<b>0.80</b>						
<b>5MUT</b>	0.83	0.62	0.57	0.26	0.45	0.32	0.50	0.76	<b>0.79</b>					
<b>6WOM</b>	0.95	0.86	0.57	0.22	0.75	0.38	0.49	0.43	0.46	<b>0.93</b>				
<b>7CUS</b>	0.85	0.50	0.39	0.15	0.42	0.33	0.21	0.58	0.62	0.27	<b>0.68</b>			
<b>8COM</b>	0.94	0.80	0.39	0.23	0.39	0.32	0.60	0.55	0.63	0.59	0.28	<b>0.89</b>		
<b>9FEED</b>	0.95	0.87	0.03	0.01	0.06	0.04	-0.16	0.01	0.00	-0.07	0.13	-0.15	<b>0.94</b>	
<b>10GRA</b>	0.93	0.82	0.27	0.18	0.36	0.52	0.43	0.49	0.43	0.48	0.29	0.52	-0.01	<b>0.90</b>

Note: WOM, word of mouth; MUT, mutual understanding; DEL, delight; COM, competence; CUS, customized service, AUT, authenticity; GRA, gratitude; REP, repurchase intentions; FEED, providing feedback; UNS, unsolicited behavior; CR, composite reliability; AVE, average variance extracted. MSV, Maximum Shared Squared Variance; ASV, Average Shared Squared Variance. The square root of AVE is highlighted in bold.

#### 4.3.7. Confirmatory Factor Analysis (CFA)

From the obtained results of the Absolute Fit Measures, the values for Goodness-of-fit Index (GFI), Chi-square/degrees of freedom ratio, and Root mean square error of approximation (RMSEA) are presented as follows: 1). GFI= 0.85 2).  $X^2/df = 1.9$ ; 3). RMSEA= 0.056 (Table 10). Three of these values suggested an adequate fit. From the results of the incremental fit measures, the values for Normed Fit Index (NFI), Comparative Fit index (CFI), Incremental Fit Index (IFI), and Relative Fit Index (RFI) are presented as follows: 1). NFI=0.902; 2). CFI = 0.95; 3). IFI = 0.95 and 4). RFI= 0.90 (Table 10). The obtained indices showed that all the incremental fit measures satisfied the threshold criteria. Finally, from the obtained results of the parsimonious fit measures, the indices for Parsimony Normed Fit Index (PNFI) and Parsimony Goodness of Fit Index (PGFI) are presented: 1). PNFI= 0.76 and 2). PGFI= 0.67 (Table 10). These parsimonious fit measures satisfied the threshold criteria of greater than 0.5.

Table 10. CFA for the Measurement Model

Goodness-of-fit Statistics		Values	Desired Range of Values for a Good Fit	Reference
<b>Absolute fit measures</b>				
Chi-square test	X <sup>2</sup>	850.29		
Degrees of Freedom	df	443	0	
Chi-square / degrees of freedom ratio	X <sup>2</sup> /df	1.9	< 3 (Good) < 5 (Acceptable)	Diamantopoulos& Siguaw (2006)
Goodness-of-fit index	GFI	0.85	>0.85	Bagby et al. (1998)
Root mean square error of approximation	RMSEA	0.056	<0.08	Hu & Bentler (1999)
<b>Incremental fit measures</b>				
Relative Fit Index	RFI	0.90	>0.90	Byrne (2001)
Normed fit index	NFI	0.902	>0.90	
Comparative fit index	CFI	0.95	>0.90	
Incremental Fix Index	IFI	0.95	>0.90	
<b>Parsimonious fit measures</b>				
Parsimonious normed fit index	PNFI	0.76	>0.50	Fu et al. (2014)
Parsimonious goodness-of-fit index	PGFI	0.67	>0.50	

#### 4.3.8. Structural Equation Modeling

After obtaining adequate measurement model in the CFA phase analysis, the structural model was based on the measurement model. The ten latent constructs (mutual understanding, competence, customized services, authenticity, unsolicited behavior, delight, gratitude, repurchase, feedback, and word-of-mouth) and 33 observed variables were considered to examine the structural model. Similar with the CFA analysis, AMOS 20 was used to examine the proposed model of the effect of employee behaviors on customer emotions and consumer behavioral intentions. Specifically, SEM was run to investigate the causal relationships of the constructs included in the theoretical framework.



From the obtained results of the Absolute Fit Measures, the indices for Goodness-of-fit Index (GFI), Chi-square/degrees of freedom ratio, and Root mean square error of approximation (RMSEA) are presented: 1). GFI= 0.85 2).  $\chi^2/df = 1.97$ ; 3). RMSEA= 0.057 (Table 11). Two of the absolute fit indices have reached the minimum threshold but GFI is 0.85. From the results of the incremental fit measures, the values for Normed Fit Index (NFI), Comparative Fit index (CFI), Incremental Fix Index (IFI), and Relative Fit Index (RFI) are presented: 1). NFI=0.90; 2). CFI = 0.95; 3). IFI = 0.95 and 4). RFI=0.90 (Table 11). The indices for NFI, CFI, IFI, and RFI suggested to range between 0 and 1. The higher the value the better is considered the fit of the model. The incremental fit measures suggested that the threshold values were met. Finally, from the results of the parsimonious fit measures, the values for Parsimony Normed Fit Index (PNFI) and Parsimony Goodness of Fit Index (PGFI) are presented: 1). PNFI= 0.78 and 2). PGFI= 0.70 (Table 11). The indices for PNFI and PGFI were higher than 0.5 meeting the minimum expected criteria. Therefore, the goodness-of-fit statistics suggested that the structural equation model fit is adequate. The next section discusses the hypotheses testing and results.

Table 11. SEM Analysis for the Structural Model

Goodness-of-fit Statistics		Values	With New Path	Desired Range of Values for a Good Fit	Reference
<b>Absolute fit measures</b>					
Chi-square test	X <sup>2</sup>	909.35	903.10		
Degrees of Freedom	df	461	459	0	
	X <sup>2</sup> /df	1.97	1.97	< 3 (Good) < 5 (Acceptable)	Diamantopoulos & Siguaw (2006)
Goodness-of-fit index	GFI	0.85	0.85	>0.85	Bagby et al. (1998)
Root mean square error of approximation	RMSEA	0.057	0.019	<0.08	Hu & Bentler (1999)
<b>Incremental fit measures</b>					
Relative Fit Index	RFI	0.90	0.88	>0.90	Byrne (2001)
Normed fit index	NFI	0.90	0.90	>0.90	
Comparative fit index	CFI	0.95	0.95	>0.90	
Incremental Fix Index	IFI	0.95	0.95	>0.90	
<b>Parsimonious fit measures</b>					
Parsimonious normed fit index	PNFI	0.78	0.78	>0.50	Fu et al. (2014)
Parsimonious goodness- of-fit index	PGFI	0.70	0.70	>0.50	

#### 4.3.9. Hypotheses Testing and Results

The findings discussed in the previous section suggested an adequate structural model fit. The purpose of the study is to examine how employee behaviors affect customers' feeling of delight and gratitude and how delight and gratitude subsequently influence customers' behavioral intentions. The coefficients of determination (variance explained in the model) were 38 percent for gratitude, 16 percent for delight, 17 percent for repurchase intentions, and 24 percent for positive word of mouth whereas providing feedback was not able to be explained in the model. A summary of the study results, containing standardized path coefficients and the significance of hypotheses testing, is presented in the following Table 12. Based on the findings

from the analysis, seven out of ten stated hypotheses were supported. Two additional paths of the relationship between customized service (path coefficient = 0.22) and customer delight and the relationship between employee authenticity and customer gratitude (path coefficient = 0.11) were significant.

Table 12. Results of the Structural Model

Parameter Estimates Structural Paths			Standardize	p-value	Results
			Path Coefficients		
H1: Mutual Understanding	→(+)	Gratitude	0.78	0.001 ***	Supported
H2: Customized Service	→(+)	Gratitude	--	ns	Not Supported
H3: Unsolicited Behavior	→(+)	Delight	0.29	0.001 ***	Supported
H4: Authenticity	→(+)	Delight	--	ns	Not Supported
H5: Competence	→(+)	Delight	0.13	0.001 ***	Supported
H6: Gratitude	→(+)	Providing Feedback	--	ns	Not Supported
H7: Gratitude	→(+)	Repurchase	0.24	0.001 ***	Supported
H8: Gratitude	→(+)	WOM	0.40	0.001 ***	Supported
H9: Delight	→(+)	Repurchase	0.24	0.001 ***	Supported
H10: Delight	→(+)	WOM	0.15	0.001 ***	Supported

\*\*\*p<0.001, ns= non-significant

The results of the hypotheses testing suggested that:

***Hypothesis 1: Employees' mutual understanding increases customer gratitude.***

The first proposed hypothesis predicted that employees' mutual understanding increases customer gratitude. The findings related to H1 (path coefficient = 0.78, p<0.001) suggested that employees' mutual understanding has a positive influence on customer gratitude.

***Hypothesis 2: Employees' customized service increases customer gratitude.***

The second hypothesis predicted that employees' customized service increases customer gratitude. Results from the present study suggested that customized service does not have a significant influence on customer gratitude (non-significant). The findings regarding the

relationship between customized service and gratitude are not consistent with literature (Kim & Lee, 2013; Morales, 2005). This study could not confirm that customers' feelings of gratitude are evoked when consumers receive employees' customized services.

***Hypothesis 3: Employees' unprompted and/or unsolicited actions increase customer delight.***

The third hypothesis stated that employee's unprompted and/or behaviors increase customer delight. Findings from this study suggested that employee's unprompted and/or behaviors have a significant positive impact on consumer delight (path coefficient = 0.29,  $p < 0.001$ ). These findings are coherent with previous findings (Crotts et al., 2008; Finn, 2005; Torres & Kline, 2006). This outcome revealed that customer delight tends to be triggered by employees' unsolicited actions.

***Hypothesis 4: Employees' authenticity increases customer delight.***

The fourth hypothesis stated that there is a significant positive causal relationship between employees' authenticity and customer delight. Results from the present study suggested that employees' authenticity does not increase customer delight (non-significant). This finding does not support that employee's display of high level of authenticity is enough to trigger positive emotion of delight within customers.

***Hypothesis 5: Employees' competence increases customer delight.***

The fifth hypothesis predicted that there is a significant positive relationship between employees' competence and customer delight. Findings from the current study showed that

employees competence has a significant positive impact on customer delight (path coefficient = 0.13,  $p < 0.001$ ). These results are consistent with what past scholars stated (Arnold et al., 2005; Barnes, Beauchamp, & Webster, 2010). This result demonstrated that customers tend to feel elevated and delighted when consumers perceive employees to be capable, efficient, and organized.

***Hypothesis 6: Customer gratitude increases customers' providing feedback.***

The sixth hypothesis predicted that there is a significant positive relationship between customer gratitude and customers' providing feedback. Results from the current study indicated that customer gratitude does not have a significant impact on customers' providing feedback (non-significant). This finding does not demonstrate that customers would make suggestions on how the service could be improved when consumers feel grateful, thankful, and appreciative.

***Hypothesis 7: Customer gratitude increases customers' repurchase intentions.***

The seventh hypothesis predicted that customer gratitude increases customers' repurchase intentions. The findings suggested that there is a significant positive relationship between customer gratitude and repurchase intentions (path coefficient = 0.24,  $p < 0.001$ ). This finding is consistent with Xia and Kukar-Kinney (2013)'s study. Customers tend to show behaviors to visit the hotel, and to go to the hotel more often when they feel grateful, thankful, and appreciative.

***Hypothesis 8: Customer gratitude increases customers' positive word of mouth.***

The hypothesis stated that there is a significant positive relationship between customer gratitude and positive word of mouth. Findings from the present research indicated that customer gratitude does have a significant impact on positive WOM (path coefficient = 0.40,  $p < 0.001$ ). The findings regarding the relationship between the gratitude and WOM are consistent with previous research studies (Sander et al., 2005; Soscia, 2007). This finding does demonstrate that customers who experience gratitude tend to encourage friends and relatives to go to the hotel, and to recommend the hotel to other consumers.

***Hypothesis 9: Customer delight increases customers' repurchase intentions.***

The ninth hypothesis predicted that there is a significant positive relationship between customers delight and repurchase intentions. Findings from the present study suggested that customer delight has a significant positive impact on customers' repurchases intentions (path coefficient = 0.24,  $p < 0.001$ ). From the findings obtained for the H9 it may be concluded that the feelings of gleeful, elevation, and delight tend to significantly influence consumers to visit the hotel several times and to buy from the hotel of choice more often.

***Hypothesis 10: Customer delight increases customers' positive word of mouth.***

The hypothesis 10 predicted that there is a significant positive relationship between customer delight and customers' positive word of mouth. Findings from the current study suggested that customer delight has a significant positive impact on positive word of mouth (path coefficient = 0.15,  $p < 0.001$ ). These findings demonstrated that consumers who feel gleeful,

elevated and delighted tend to encourage friends to visit the hotel and to recommend the hotel to others. Figure 2 summarizes the results of the hypothesis testing with path coefficient. The next chapter discusses those findings in more details.

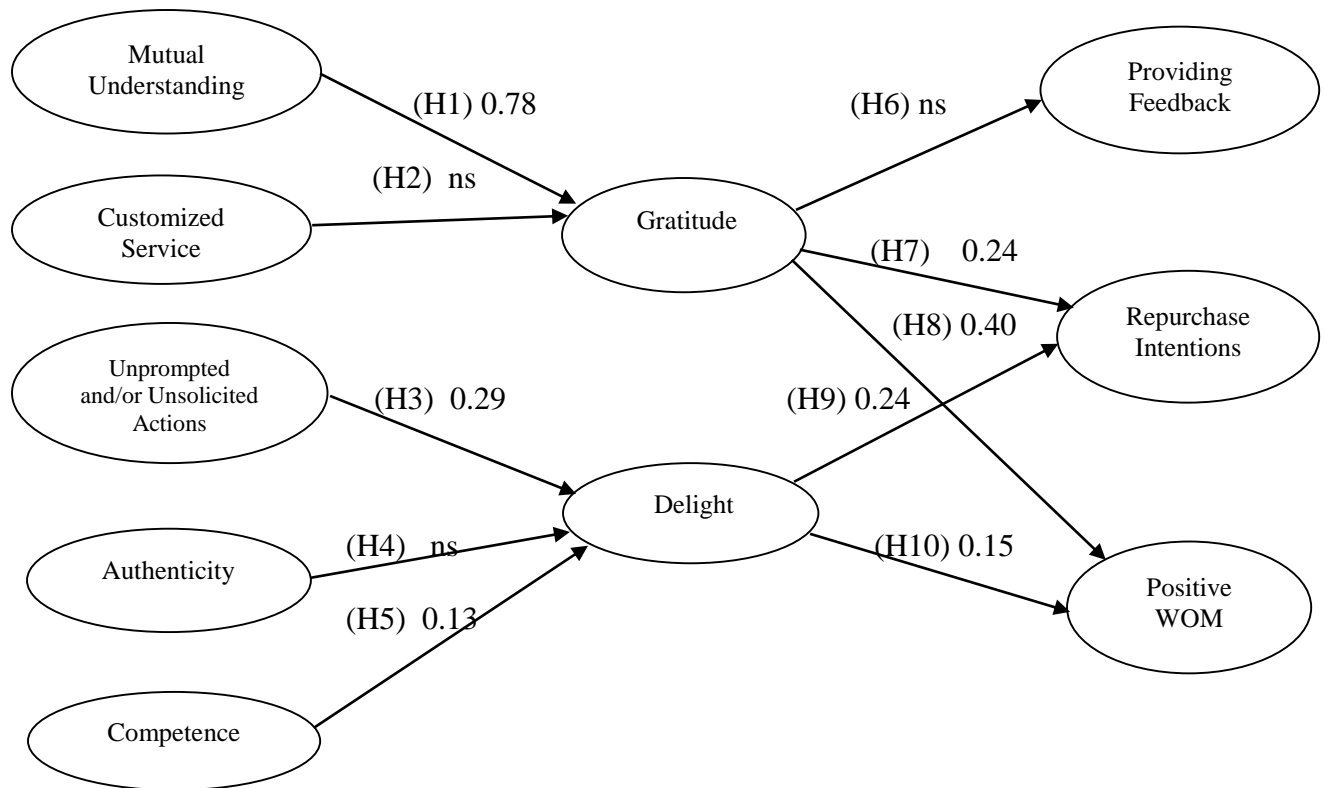


Figure 2. The results of hypotheses testing

Note: ns=not significant

## **CHAPTER FIVE: DISCUSSIONS, IMPLICATIONS, LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH**

### **5.1. Discussions**

This research focuses on customers' positive service encounters with employees at hotels. Integrating the cognitive appraisal (Lazarus, 1991) and the broaden-and-build theory of positive emotions (Fredrickson, 2001), the research examined a structural relationship among five employee behaviors: mutual understanding, customized service, authenticity, unsolicited behavior, and competence; two positive customer emotions: delight and gratitude; and three customer behavioral intentions: repurchase intentions, positive word of mouth, and providing feedback.

This research examined the role of two positive emotions, delight (non-interpersonal relationship) and gratitude (interpersonal relationship), and proposed that employee-specific behaviors (authenticity, unsolicited behaviors, and competence) are related to non-interpersonal relationship based emotion (delight), whereas interaction-induced behaviors (customized service and mutual understanding) are related to interpersonal relationship based emotion (gratitude). Given the reciprocal nature of gratitude, the study posits that customer gratitude can influence customers' repurchase intentions, providing feedback, and positive word-of-mouth in order to return the benefits they have received (McCullough et al., 2001). On the other hand, abundant empirical literature (e.g., Buck, 2004; Fredrickson, 2004; Morales, 2005; Soscia, 2007) has demonstrated that customer delight is strongly related to customers' positive word-of-mouth and repurchase intentions. Therefore, the relationships between delight and customers' repurchase intentions and positive word-of-mouth have been proposed.



### **5.1.1. Employee Behaviors and Customer Emotions**

The results of the research indicated that employees' mutual understanding is a strong antecedent (path coefficient =0.78) of customer gratitude. As this relationship has not been empirically examined in previous research, this research provides empirical evidence for the effect of employees' mutual understanding on customer gratitude. This finding also suggested the relationship between interaction-induced behavior (i.e., mutual understanding) and interpersonal relationship based emotion (i.e., gratitude). This research confirmed that employees' efforts to understand customers and to display care and empathy for the customer make the interaction more interpersonal for the customer which in turn increases their feeling of gratitude. This finding is consistent with past research which suggested that people engaging in self-closure help build interpersonal relationships (Crosby, Evans, & Cowles, 1990; Fehr, 1996; Price et al., 1995; Price, Arnould, & Tierney, 1995) and gratitude is an interpersonal relationship based emotion.

On the other hand, the relationship between employees' customized service and customer gratitude has not been confirmed. This relationship has been proposed because of the interaction-induced nature of customized service which requires customers' input during the service encounter; however, the results did not support this relationship. There are two possible explanations for this finding. First, the interaction involving customized service may not necessarily make the service encounter more interpersonal for the customer. Employees' customized service to accommodate customers' requests can be in a mechanical manner and non-personal (Mittal & Lassar, 1996). In this situation, the customer does not feel the interaction with the service provider to be interpersonal. As a result, the interpersonal relationship based

emotion-gratitude is not evoked within the customer. Second, it can be argued that employees' customized service does not prompt customers to perceive that they have received something special. Past research indicated that reciprocation is generated when people perceive that they are the recipients of special benefits (e.g., customized service) which are unavailable to others (Morales, 2005) and special treatment benefits influence customer's feeling of gratitude in upscale restaurants (Kim & Lee, 2013). In some situations, customers do not have the opportunity to compare the services they received to the services offered to other customers. Customers can perceive that the employee is offering the service to satisfy the customer in all situations without offering something unique to the customer if the customer made a request regarding the service. Therefore, it is critical to ensure that the employee emphasizes the uniqueness of the service provided rather than just fulfilling customers' explicit request.

For customer delight, the results suggested that both employees' unsolicited behavior and employee competence have a positive impact on customer delight. Employees' unsolicited behavior has a stronger influence on customer delight than employee competence. Aligning with existing literature, employees' behavior of going beyond specified in-role behaviors to exceed customers' expectations serves as a strong antecedent of customer delight (Bitner et al., 1990). Therefore, this research suggested that the service provider's unprompted and/or unsolicited behaviors in a positive manner resulted in customer feeling of pleasant surprise (delight) (Crotts et al., 2008; McNeilly & Barr, 2006; Torres & Kline, 2006). Although this relationship has been suggested in the literature, the current study integrated different dimensions of employee behaviors and customer delight in the model and demonstrated the effect of each employee behavior dimension on customer delight.

In addition to employees' unsolicited behavior, the results suggested that service provider's core task behaviors achieving customers' goals and fulfilling customers' needs (Lloyd & Luk, 2011; Van Dolen et al., 2002) is also critical on customer delight although is not as strong as going beyond the in-role behaviors. The weaker effect of employee competence on customer delight can be due to the fact that this dimension of employee performance is expected from customers' perspective. This supported relationship also implied that it is possible to induce delight purely as a result of joy without surprise (Arnold et al., 2005; Barnes, Beauchamp, & Webster, 2010). Furthermore, the results indicated the connection between employee-specific behavior (i.e., unsolicited behavior and competence) and non-interpersonal relationship emotion-customer delight.

As for the relationship between employee authenticity and customer delight, this relationship has not been supported in the current research. The effect of employee authenticity on customer delight is proposed because it is indicated that employees' authentic display (employee-specific behavior) with customers is able to generate customers' positive non-interpersonal relationship emotion (delight), and to fulfill customers' need of self-esteem to be valued as an individual. In addition, research suggested that customers' feeling of delight is induced when their need of self-esteem to be acknowledged and valued as a person has been fulfilled (Schneider & Bowen, 1999). However, the effect of employee authenticity might be diminished when the customer is not able to detect whether the service provider is genuine or his/her own person in a short period of time during the service encounter. In addition, other dimensions of employees' performance might interfere the effect of employee authenticity on customers' evaluations. For example, Grandey et al. (2005) found that employees' authentic

positive display has little influence on customer satisfaction when the employee is not competent in their task performance. They argued that employee competence rather than employee authenticity is the core aspect of the service in a more economic exchange compared to social exchange. Therefore, it is possible that the effect of employee authenticity has been reduced when the employee is not competent in their task performance. Furthermore, research suggested that employee authenticity is related to close interpersonal behaviors without self-consciousness such as joking with the customer. Therefore, employee authenticity can make the interaction with the customer more personal even it is an employee specific behavior (Yagil & Medler-Liraz, 2013).

Based on the discussions above, it is indicated that each dimension of employee performance has its unique impact on customer delight or customer gratitude. In addition to categorizing employee behaviors into employee specific and interaction-induced, it is suggested that the researchers need to look deeper into how the characteristic of service encounters (e.g., interpersonal or non-interpersonal) can be transformed based on the manner how each type of employee behavior is delivered.

### **5.1.2. Customer Emotions and Customer Behavioral Intentions**

In terms of the relationship between customer emotions and customer behavioral intentions, both customer gratitude and customer delight have a positive impact on repurchase intentions and they have equal effect on this behavioral intention. The relationship between the two positive emotions and customers' repeat purchase intentions supported that customers who experience positive emotions tend to display approach behaviors such as repeat purchases to

continue or increase the positive experience (Sander, Grandjean, & Scherer, 2005). This finding is consistent with the previous research which indicated grateful customers are more likely to make repeat purchases with the company (e.g., Buck, 2004; Fredrickson, 2004; Morales, 2005; Soscia, 2007) and the experience of delight triggers customer to visit the company more often. Although past research has suggested those two relationships, the current research integrated customer delight and customer gratitude in one model with customers' repurchase intentions and demonstrated that these two positive emotions have similar effect on customers' repeat purchases.

Similarly, both customer delight and customer gratitude can increase customers' positive word-of-mouth but gratitude has a stronger effect on WOM than delight. The supported relationship between customer gratitude and customers' positive word-of-mouth indicated that the reciprocal nature of gratitude helps induce grateful customers perform pro-firm behaviors. As suggested by McCullough et al (2001), gratitude encourages people to render further benefits in order to reciprocate the benefits they have received. As for customer delight, the experience of delight triggers customers to recommend the company to their family and friends. The results also suggested that customers are more likely to share their experiences with others because of the high intensity and high disruptiveness of delight (Derbaix & Vanhamme, 2003). However, customer gratitude serves as a more influential antecedent of customers' WOM than customer delight.

On the other hand, the relationship between customer gratitude and customers' providing feedback was not supported. While existing research suggested that grateful customers tend to perform pro-firm behaviors such as repeat purchase with the company and spreading positive

word-of-mouth, the effect of gratitude on providing feedback has not been empirically examined in the consumption setting. It might not be a common practice for customers to make suggestions to the company to help improve the service if they are not asked to perform this action during the service encounter. Furthermore, the customer might not have any suggestion if everything in the service encounter went smoothly. Lastly, the customers might not view providing feedback as a favorable behavior for the company because providing feedback can be taken as criticizing or complaining about the service. Therefore, the motivation for customers to share their opinions and ideas with the company in positive service encounters will need to be further investigated.

### **5.1.3. Summary of Discussions**

In summary, employees' mutual understanding helps to induce customers' feeling of gratitude while employees' unsolicited behaviors and competence influence customer delight. In turn, customer gratitude and customer delight evoke customers to make repeat purchases with the company and to spread positive word of mouth. More importantly, customer gratitude has a stronger impact on customers' positive word-of-mouth than customer delight and customer gratitude is triggered by employees' mutual understanding. The current research found that the theory of positive emotions and the application of cognitive appraisal theory can be applicable in the setting of service encounters. Although not all of the relationships proposed have been supported, the overall results confirmed that different types of employee behaviors have specific influence on customers' gratitude and delight, and customer's gratitude and delight subsequently affect customers' reactions to the positive service encounter respectively.

## **5.2. Conclusions and Implications**

The main goal of the study is to investigate customers' emotional and behavioral responses to different types of employee behaviors in positive service encounters. With the contexts of the interaction between the customer and the service provider at hotels, the study identified the types of employee behaviors which can influence customer gratitude and customer delight. Furthermore, the study found that how customers' favorable behaviors including repeat purchases and positive word-of-mouth can be induced through the feeling of positive emotions evoked by employee behaviors. The current research provides practical implications for practitioners regarding how to generate favorable customer behaviors. For theoretical implication, the study advances limited positive service encounter literature and offers a systematic explanation of the relationship among employee behaviors, customer emotions, and customer behavioral intention with empirical evidence. The research examined post-purchase customer behaviors from a consumption emotion perspective and suggested that customer discrete emotion is a valid link between employee behaviors and customer behavioral intentions.

### **5.2.1. Implications for Research**

This research can contribute to the service encounter field of research in three ways. First, this research integrated the cognitive appraisal theory and broaden-and-build theory from psychology field and confirmed the applicability of those two theories in positive service encounters. The theory of cognitive appraisal and broaden-and-build theory help to offer a systematic explanation between customer emotions and customer behavioral intentions. It is essential to consider the unique impact of discrete emotions on customer behavioral intentions

even those emotions might have the same significant relationships with various types of customer behavioral intentions. For example, the researchers can offer different explanations of the relationship between customer delight and customers' WOM and the relationship between customer gratitude and customers' WOM. The strength of the impact of discrete emotions on the same type of customer behavioral intentions can be dissimilar as well. This research showed that the discrete emotions approach can provide more insight than the general valence-based emotions approach to understand customer responses to positive service encounters because each discrete emotion involves a different set of cognitive appraisals (Frijda, Kuipers, & Ter Schure, 1989). The discrete emotions approach enables the researchers to explain how conceptually dissimilar discrete positive emotions are induced and how those positive emotions are related to different types of consumer behaviors. The applicability of the cognitive appraisal theory and broaden-and-build theory opens up opportunities for the researchers to examine how different positive emotions (e.g., pride, hope) can be generated and the specific effect of discrete positive emotions on customers' behavioral intentions in the contexts of service encounters.

Second, this research indicated that it is important to apply specified dimensions of employee behaviors in service encounters when examining the effect of employee behaviors on customers' responses. Although it has been suggested in the past research that employees play an important role in service encounters and how employees behave in the interaction with customers has an impact on customers' evaluation regarding the service encounter, previous research considered employee behaviors in a broad manner without specifying the dimensions of employee behaviors. The current research provided a framework of systematic relationships between the dimensions of employee behaviors and customers' positive emotions in service



encounters. Specifically, the interaction-induced employee behavior of mutual understanding helps to induce interpersonal relationship based emotion: customer gratitude and employee-specific behavior of unsolicited behaviors and employee competence trigger non-interpersonal relationship based emotion: customer delight. The current research also suggested the need to examine how the nature of service encounters can be transformed based on the manner the employee is delivering the service besides the consideration of employee-specific and interaction-induced behaviors. Employee-specific behaviors can possibly lead to a more interpersonal service encounter and interaction-induced behaviors might be able to make the service encounter non-interpersonal.

Third, this research contributed to service encounter research by providing a theoretical foundation of positive service encounters. The current research examined five distinct employee behaviors (*mutual understanding, customized service, authenticity, unsolicited behavior, and competence*); two discrete positive emotions (*delight and gratitude*); and three customer behaviors (*repurchase intentions, positive word of mouth, and providing feedback*) in one comprehensive framework and provided systematic explanations with empirical evidence for the relationships among employee behaviors, consumer emotions, and customer behaviors in positive service encounters.

### **5.2.2. Implications for the Industry**

Gaining a better understanding of positive service encounters is essential for the hospitality industry because the interaction between the service provider and the customer influences customers' perception regarding the service and the company. Moreover, those evaluations affect customers' subsequent actions after the service experience. The findings of the

research can provide some insights into how the practitioners can take advantage of employees' behaviors during their interaction with the customers to generate favorable customers' behaviors which would help the performance of the company.

Unlike employee characteristics such as personality which are not easily to be changed, employee behaviors can be trained and improved; thus, it is critical for service companies to identify what types of employee behaviors lead to favorable customer behaviors. Based on the results of the study, employees' mutual understanding induces customer gratitude which subsequently impacts positively on customers' repeat purchases and customers' word-of-mouth. Compared to customer delight, customer gratitude has a similar effect on customer repeat purchase and a stronger impact on customer word-of-mouth. Word-of-mouth helps the company attract new customer with lower customer acquisition costs (Goodwin & Ross, 1992). Therefore, hotels need to generate gratitude in customers with employees' mutual understanding.

To demonstrate mutual understanding, it is critical for the employees to be perceived as understanding and empathic. During the service encounter, the employee needs to show efforts to connect with customers' lives and empathy by adopting customers' perspective. Employees are recommended to engage in a more personal conversation with the customer and to offer the services from customers' point of view. For example, the employee can ask about the reason (e.g., birthday, honeymoon) which brought the customer to the company at hotel check-in and anticipate what the customer might need if the employee was in their situation. This strategy has been implemented in the Four Seasons Hotel as they truly believe in the philosophy of the Golden Rule-“Treating others as you wish to be treated yourself.” This type of behavior can be

trained through regular perspective taking with role play or simulation. In addition, customer reciprocation can be evoked when they perceive that they are the recipients of particular benefits which are not available to others (Morales, 2005); therefore, the service provider is suggested to emphasize how special the service the customer receives is and customer reciprocation through positive word-of-mouth and repeat purchase can be induced.

The results of the research also identified the importance of employees' unsolicited actions to trigger customer delight which in turn affects customers' repeat purchase and positive word of mouth. Consistent with what has been suggested in the past literature, it is essential for employees to constantly surprise customers with unexpected service in order to retain customers (Bitner et al., 1990). Therefore, employees should be encouraged to go beyond the specified responsibilities and to find creative ways to provide something extra in addition to the regular service offering. The service company is suggested to empower their employees to enable them to deliver the service beyond the standard procedures. For example, the employees at the Ritz-Carlton have up to \$2,000 to enhance guest experience without the approval from upper management. Small gestures such as decorating the guest room with bright balloon and a big cookie with the greeting "Happy Birthday" after knowing that the kid is having the birthday can make the guest experience extremely positive and result in customer delight which generates repeat purchase and positive word of mouth. Also, employees need to be innovative and creative in order to be able to think of diversified strategies in their service delivery. Brainstorming or inspiring true stories of excellent service delivery can be utilized in the staff meeting to stimulate employees' creativity.

Employee competence is another important factor contributing to customer delight which subsequently influences customers' repeat purchases and positive word-of-mouth. Based on this finding, the company needs to train their employees well in their core task behaviors so the employees are capable, organized, efficient, and thorough in their service encounter with the customer. In addition to being competent in core tasks such as check-in process, employees need to keep themselves updated with the information which might be helpful for the customer. For example, the front desk agent in a hotel is supposed to be familiar with the amenities offered in the hotel and the surrounding area of the hotel property; thus, they can provide useful information for the customer who is new to the hotel and needs suggestions for activities they can enjoy or the restaurants with good food. Besides, the employee is expected to be professional in the service encounter with a pleasant attitude. In other words, it is critical for the employee to be capable in their performance, to be positive in their attitude and behavior, and to be knowledgeable when the customer is looking for employees' advice so that employees can fulfill customers' goals and needs.

The hotels have the opportunity to take advantage of employees' service encounter with customers to generate favorable customer behaviors such as positive word-of-mouth. Therefore, the hotel managers need to select their front-line employees based on if they can perform those identified employee behaviors (e.g., mutual understanding) or train their employees to display those behaviors in their interaction with the customers to be effective in influencing desirable customer behaviors. The outcome of each type of employee behaviors can be all positive; however, it has dissimilar effect on customers' emotions and in turn influence customer to perform different behaviors.

### **5.3. Limitations and Future Research**

Although the current research offers significant theoretical and practical knowledge, some limitations existed in the study. First of all, the results of the study might not be generalized to the population which is not similar with the sample of the study. The sample was collected in the United States and the majority of the sample were Caucasians. As indicated in previous literature, different type of employee behaviors represents good service in different cultures (Mattila, 1999). For example, service in Asia are more people-oriented whereas in the West service delivery efficiency is highly valued (Riddle, 1992). Therefore, future studies can be conducted in countries (e.g., Asian countries) with dissimilar expectations regarding services in order to confirm the external validity of the proposed theoretical framework. In addition, the respondents' age ranged mostly from 18 to 45 years. Older age groups or generations might have dissimilar expectations from the service because of the particular life experiences or events in their life stages. Therefore, future studies can also be conducted with the age group of 46 or older to examine the external validity of the proposed framework.

The current study has investigated the positive encounters taken place in hotels. However, the results may vary by types of industry due to the nature of the interactions between employees and customers. For the restaurant industry, the interaction between the server and the customer can influence how customers evaluate the restaurant. Therefore, future studies are encouraged to apply the proposed framework to other industries to examine its applicability in different contexts. For example, customers in country club might have dissimilar expectations for the service they receive because of the large amount of money they invested to join the

membership of the country club. Also, customers might have expectations for the different market segments in the industry. Most of the respondents stayed at mid-scale or up-scale hotels in the study; thus, future studies can examine if the results are generalizable to other market segments.

In addition, the results of the study indicated that neither customer delight nor customer gratitude is a significant antecedent of providing feedback in positive service encounters. As a result, a better understanding of the motivation for customers to provide feedback to help improve the performance of the company is needed to advance the literature of customer citizenship behaviors and to offer insights in this regard for the companies who are looking for customers' inputs to better serve their needs. In addition, the studies can be conducted to understand how customer evaluates the behavior of providing feedback (positive or negative).

Methodologically, the study employed survey research which asked the respondents to recall their most recent positive service experience and assessed that particular experience. The design of the study might have limitations of gathering customers' true responses in the service encounters because of the time lag between the time when the experience occurred and the time when the respondents fill out the survey. The positive outcome of the experience might be enhanced and the details of the experience might become vague because of the recall bias. However, the recall bias would not affect the results of the study because the current study focuses on the structural relationships among employee behaviors, customers' emotions and customer behavioral intentions rather than the strength of the relationships. Future studies are

encouraged to apply different methodology to empirically examine the proposed model in the study.

## **APPENDIX A: UCF IRB APPROVAL LETTER FOR PRETEST**





University of Central Florida Institutional Review Board  
Office of Research & Commercialization  
12201 Research Parkway, Suite 501  
Orlando, Florida 32826-3246  
Telephone: 407-823-2901 or 407-882-2276  
[www.research.ucf.edu/compliance/irb.html](http://www.research.ucf.edu/compliance/irb.html)

### Approval of Exempt Human Research

From: **UCF Institutional Review Board #1  
FWA00000351, IRB00001138**

To: **Yoshimasa Kageyama and Co-PI: Hee Jung Ro**

Date: **February 24, 2016**

Dear Researcher:

On 02/24/2016, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review:	Exempt Determination
Project Title:	The effect of employee behaviors on consumers' emotions and behavioral intentions in positive service encounters.
Investigator:	Yoshimasa Kageyama
IRB Number:	SBE-16-12069
Funding Agency:	
Grant Title:	
Research ID:	N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the [Investigator Manual](#).

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

A handwritten signature in black ink that reads "Joanne Muratori".

Signature applied by Joanne Muratori on 02/24/2016 05:04:23 PM EST

IRB Manager

## **APPENDIX B: UCF IRB APPROVAL LETTER FOR MAIN STUDY**



University of Central Florida Institutional Review Board  
Office of Research & Commercialization  
12201 Research Parkway, Suite 501  
Orlando, Florida 32826-3246  
Telephone: 407-823-2901 or 407-882-2276  
[www.research.ucf.edu/compliance/irb.html](http://www.research.ucf.edu/compliance/irb.html)

### Approval of Exempt Human Research

From: **UCF Institutional Review Board #1  
FWA00000351, IRB00001138**

To: **Yoshimasa Kageyama and Co-PI: Hee Jung Ro**

Date: **March 17, 2016**

Dear Researcher:

On 03/17/2016, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review:	Exempt Determination
Modification Type:	After collecting data for the pilot study, the PI has added eleven items to the survey to improve it. A revised survey has been added to the study in iRIS.
Project Title:	The effect of employee behaviors on consumers' emotions and behavioral intentions in positive service encounters.
Investigator:	Yoshimasa Kageyama
IRB Number:	SBE-16-12069
Funding Agency:	
Grant Title:	
Research ID:	N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the [Investigator Manual](#).

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

A handwritten signature in black ink that reads "Joanne Muratori".

Signature applied by Joanne Muratori on 03/17/2016 02:12:01 PM EDT

IRB Manager

## **APPENDIX C: SURVEY FOR MAIN STUDY**



## EXPLANATION OF RESEARCH

Title of Project: The effect of employee behaviors on consumers' emotions and behavioral intentions in positive service encounters.

Principal Investigator: Yoshimasa (Nancy) Kageyama (Graduate student)

Co-Investigator: Heejung Ro, Ph.D. (Faculty supervisor for the project)

You are being invited to take part in a research study. Whether you take part is up to you.

- The study examines customers' reactions to their previous positive interactions with an employee at hotels.
- You will be asked to participate in answering survey questions regarding your previous positive interaction with an employee and demographic information questions. The survey is expected to take 10 to 15 minutes to complete.
- Any consumer, who had a previous positive interaction with an employee at the hotel in recent six months and is 18 years of age or older, can participate in this study. This is voluntary participation. There is no penalty for not taking part in the study.
- The survey is anonymous. No personally identifiable information will be collected in the survey.

You must be 18 years of age or older to take part in this research study.

Please also note that the data you provide may be collected and used by Amazon as per its privacy agreement, which is posted at <https://www.mturk.com/mturk/privacynotice>. Your MTurk worker ID will not be communicated to anyone outside the research team, and it will not be attached to records of your data

**Study contact for questions about the study or to report a problem:** If you have questions, concerns, or complaints, please contact: Yoshimasa (Nancy) Kageyama, PhD Student, Department of Hospitality Services, Rosen College of Hospitality Management by email at [ykageyama@knights.ucf.edu](mailto:ykageyama@knights.ucf.edu), or Dr. Heejung Ro by email at [HeeJung.Ro@ucf.edu](mailto:HeeJung.Ro@ucf.edu), Department of Hospitality Services at Rosen College of Hospitality Management, Faculty supervisor.

**IRB contact about your rights in the study or to report a complaint:** Research at the University of Central Florida involving human participants is carried out under the oversight of the Institutional Review Board (UCF IRB). This research has been reviewed and approved by the IRB. For information about the rights of people who take part in research, please contact: Institutional

Review Board, University of Central Florida, Office of Research & Commercialization, 12201 Research Parkway, Suite 501, Orlando, FL 32826-3246 or by telephone at (407) 823-2901.

Do you want to participate in the study? ☐ Yes ☐ No



When you travel and stay at a hotel, you interact with service employees. Among those many employees, you may have had a hotel employee(s) who made your service experience absolutely positively memorable! This survey tries to understand how behaviors of those employees can influence how you feel about that positive service experience.

### Instructions

Think of your hotel experiences **in recent 6 months**. Please, try to recall a time when, as a customer, you had a particularly **positive interaction with an employee** at a hotel.

When did the experience happen?

- ☐ September, 2015
- ☐ October, 2015
- ☐ November, 2015
- ☐ December, 2015
- ☐ January, 2016
- ☐ February, 2016
- ☐ March, 2016
- ☐ I did not have any positive interaction with an employee at a hotel in recent six months.

What specific circumstances led up to this situation?

Exactly what did the employee say or do?

What did you feel at that time?

What resulted that made you feel the interaction was positively memorable?

How would you rate the experience that you described above?

**Not at all positive**

**Absolutely positive**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
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**Not at all memorable**

**Absolutely memorable**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
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What did you do after this hotel experience? Please answer Yes or No to each of the following behaviors.

I provided feedback to this hotel to help them improve their service.	Yes	No
I recommended this hotel to my family and friends.	Yes	No
I already stayed in this hotel again.	Yes	No

What was the type of hotel you visited?

- Luxury (e.g., Four Seasons, Ritz Carlton)
- Upscale (e.g., Hyatt, Marriott)
- Midscale (e.g., Courtyard, Holiday Inn Express, Comfort Inn, La Quinta, Day's Inn)
- Economy (e.g., Ramada, Super 8, Motel 6, Econo Lodge)
- Other: \_\_\_\_\_

Do you belong to a Loyalty or Rewards Program with this hotel?

[ ] Yes      [ ] No

What is your general assessment about this hotel? Please indicate your level of agreement for the following statements.

	<b>1=Strongly Disagree</b>				<b>7=Strongly Agree</b>		
I have a positive attitude toward this hotel.	1	2	3	4	5	6	7
I love staying at this hotel.	1	2	3	4	5	6	7
I like the services at this hotel.	1	2	3	4	5	6	7
I like this hotel better than other hotels.	1	2	3	4	5	6	7

The following questions are to assess the detailed **behaviors of the employee** who you described at the beginning of this survey. Please indicate your level of agreement for each statement.

**1=Strongly Disagree**

**7=Strongly Agree**

The employee connected to my life/experiences.	1	2	3	4	5	6	7
The employee revealed personal information (e.g., how his/her day was).	1	2	3	4	5	6	7
The employee invited me to reveal personal information (e.g., the reason which brought me to the hotel).	1	2	3	4	5	6	7

	1=Strongly Disagree				7=Strongly Agree			
The employee had a high level of empathy with respect to my needs as a customer.	1	2	3	4	5	6	7	
The employee tried to find out my needs by adopting my perspective.	1	2	3	4	5	6	7	
The employee was able to adapt his/her behavior to my needs in the situation.	1	2	3	4	5	6	7	

	1=Strongly Disagree				7=Strongly Agree			
The employee offered me services that satisfy my specific needs.	1	2	3	4	5	6	7	
The employee offered services that I couldn't find in another company.	1	2	3	4	5	6	7	
If I changed between companies I wouldn't obtain services as customized as I have now.	1	2	3	4	5	6	7	

The employee adapted the type of service to meet my unique needs.	1	2	3	4	5	6	7
The employee used a wide variety of strategies in attempting to satisfy me.	1	2	3	4	5	6	7
The employee suggested a wide variety of services to meet my needs.	1	2	3	4	5	6	7
The employee varied the actual service offering depending on my needs.	1	2	3	4	5	6	7

	1=Strongly Disagree				7=Strongly Agree			
The employee paid special attention to me.	1	2	3	4	5	6	7	
The employee went out of his/her way.	1	2	3	4	5	6	7	



The employee gave me a break (something extra).	1	2	3	4	5	6	7
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	1=Strongly Disagree				7=Strongly Agree			
The employee was his/her own person.	1	2	3	4	5	6	7	
The employee was genuine.	1	2	3	4	5	6	7	
The employee was out of the ordinary (e.g., not just following uniform standards).	1	2	3	4	5	6	7	

The employee was faking how she/he felt in this interaction.	1	2	3	4	5	6	7
The employee seemed to be pretending, or putting on an act, in this interaction.	1	2	3	4	5	6	7

	1=Strongly Disagree				7=Strongly Agree			
The employee was capable.	1	2	3	4	5	6	7	
The employee was efficient.	1	2	3	4	5	6	7	
The employee was organized.	1	2	3	4	5	6	7	
The employee was thorough.	1	2	3	4	5	6	7	

Please indicate the extent to which **you felt** the following emotions at the time of the event that you described at the beginning of this survey.

	1=not at all				7=a lot			
Elevated	1	2	3	4	5	6	7	
Gleeful	1	2	3	4	5	6	7	
Delighted	1	2	3	4	5	6	7	

	1=not at all					7=a lot		
Grateful	1	2	3	4	5	6	7	
Thankful	1	2	3	4	5	6	7	

Appreciative	1	2	3	4	5	6	7
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**Based on your experience at the hotel**, please indicate your level of agreement with the following statements.

	1=Strongly Disagree				7=Strongly Agree		
Overall, I was satisfied with the decision to stay at this hotel	1	2	3	4	5	6	7
I believe I did the right thing when I stayed at this hotel.	1	2	3	4	5	6	7
This hotel fulfilled my expectations.	1	2	3	4	5	6	7

**Based on your service interaction experience with the employee**, please indicate your level of agreement with the following statements.

	1=Strongly Disagree				7=Strongly Agree		
I was very satisfied with the employee at the hotel.	1	2	3	4	5	6	7
This service interaction experience was exactly what I needed.	1	2	3	4	5	6	7
The employee fulfilled my expectations.	1	2	3	4	5	6	7

	1=Strongly Disagree				7=Strongly Agree		
I would make suggestions as to how the service could be improved at the hotel.	1	2	3	4	5	6	7
I would let the hotel know of ways that hotel could better serve my needs.	1	2	3	4	5	6	7
I would share my opinions with the hotel if I felt they might be of benefit to the hotel.	1	2	3	4	5	6	7
I would contribute ideas to the hotel that could improve service at the hotel.	1	2	3	4	5	6	7

	1=Strongly Disagree				7=Strongly Agree		
I would encourage friends and relatives to go to this hotel.	1	2	3	4	5	6	7
I would recommend this hotel to others.	1	2	3	4	5	6	7
I would recommend this hotel to those who ask or seek my advice.	1	2	3	4	5	6	7

	1=Strongly Disagree				7=Strongly Agree		
I would visit this hotel again.	1	2	3	4	5	6	7
I would go to this hotel more often.	1	2	3	4	5	6	7

I am more likely to return to this hotel next time.

1 2 3 4 5 6 7

Any comments/questions regarding the survey:

Finally some quick questions about your background information:

On average, how often do you stay in hotels in **one year**?

Never [ ]    1-2 times [ ]    3-5 times [ ]    6-12 times [ ]    over 12 times [ ]

Your gender:

Male [ ]    Female [ ]    Other (Please specify \_\_\_\_\_)

What is your age?

- ☐ 18-25
- ☐ 26-35
- ☐ 36-45
- ☐ 46-55
- ☐ 56-65
- ☐ 66 or older

Please indicate your ethnicity

- ☐ Caucasian
- ☐ Asian/Island Pacific
- ☐ African American
- ☐ Native American
- ☐ Hispanic
- ☐ Other (Please specify\_\_\_\_\_)

Your relationship status:

- ☐ Married
- ☐ Partnered
- ☐ Separated/ Divorced
- ☐ Widowed
- ☐ Single
- ☐ Prefer not to answer

Please indicate your education level:

- ☐ High School
- ☐ Associate degree (2 year)
- ☐ Some college
- ☐ Bachelor's Degree (4 year)
- ☐ Master's Degree
- ☐ Doctorate Degree
- ☐ Prefer not to answer

Please indicate your household income level:

- ☐ \$25,000 or less
- ☐ \$25,001- \$50,000
- ☐ \$50,001-\$75,000
- ☐ \$75,001-\$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001- \$200,000
- ☐ \$200,001-\$250,000
- ☐ \$250,001 or more
- ☐ Prefer not to answer

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