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Three essays on customer delight

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THREE ESSAYS ON CUSTOMER DELIGHT

By

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Deciding on the appropriate level of customer service remains an important area of research. In the current service environment where competition is ubiquitous, the importance of identifying and retaining key customers is of paramount importance. As such, the concept of customer delight, which refers to a profoundly positive emotional state experienced by the customer, has developed. Unfortunately, much remains unknown regarding customer delight.

In response to this dearth of research, the current study focuses on delight from multiple perspectives utilizing multiple methods. Thus, this dissertation adds to the emerging knowledge base of customer delight in three areas: first, assessing what delight represents to the employee; second, investigating its impact on the employee; and third, examining what delight represents to the customer. To gain this knowledge, three separate essays were written. A summary of each is below.

In Essay 1 (Chapter 2), the goal was to gain an appreciation of delight from the employee's viewpoint. Through the use of a qualitative technique where critical

incidents were content analyzed, several themes emerged. First, employees evaluate delight differently then customers. Second, employees experience elevated affective states after providing delight. Finally, employees seem to exhibit customer-oriented behaviors after a delightful encounter.

With these key themes in mind, Essay 2 (Chapter 3) utilized structural equation modeling, which is a quantitative method that helps investigate relationships among variables. Findings indicated that employees did in fact experience elevated levels of affect, as well as commitment, satisfaction, and customer-oriented behaviors.

After investigating the effects of delight on the employee, it was necessary to evaluate what exactly delights the customer. Utilizing the aforementioned qualitative method, Essay 3 (Chapter 4) provides several themes regarding the customer perspective: first, there are both cognitive and affective routes to delight; second, both the disconfirmation paradigm and the needs-based model are appropriate for understanding delight; and third, employee affect and effort are key drivers of delight.

Taken together, the findings provide a more complete understanding of the focal construct, as well, as articulating specific behaviors that lead to perceptions of delight. Finally, this dissertation evaluates the important employee outcomes that result from providing delight.

DEDICATION

To my family, Mom, Dad, Jennifer, Martha, Scott, Noah, Sarah and Buddy.

And to two others who may as well be: Brendon Penner and Brad Breitwise. Words do not express my gratitude to each one of you for the support you have given me.

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AN INTRODUCTION TO THE THREE-ESSAY DISSERTATION ON CUSTOMER DELIGHT

Why Customer Delight is Important to the Service Firm

Competitive pressures, improved technology, and the importance of the consumer in the long term success of service firms have forced many companies to reevaluate their strategic marketing goals. For example, the long standing aim of achieving satisfaction within the consumer base is being reassessed with the realization that satisfaction does not necessarily imply loyalty or profitability (i.e., Oliver et al. 1997). In response, firms have begun experimenting with the idea of moving customers past satisfaction, to what is commonly referred to as delight, defined as "profoundly positive emotional state" (Oliver et al. 1997, p. 329). This new level of emotional state is important as it is thought to lead to higher levels of loyalty and profitability (Oliver et al. 1997), as well as explaining why customers "reporting the same levels of satisfaction can have different behavioral intentions" (Finn 2005).

Early Findings on Customer Delight

Although the benefits of providing delight to the customer seem intuitive, when evaluated across different studies, researchers have come to different perspectives regarding the value of this strategy. For example, Berman (2005) claims "potential

positive consequences of delight include lower costs due to increased word-of-mouth promotion, lower selling and advertising costs, lower customer acquisition costs, higher revenues due to higher initial and repeat sales, and long-term strategic advantages due to increased brand equity and increased ability to withstand new entrants" (p. 14). Conversely, Rust and Oliver (2000) question the sustainability of providing delight, thereby cautioning too quick an acceptance of its value. Arnold, Reynolds, Ponder, and Lueg (2005) found customers now expect to be delighted, implying companies must continually delight their customers to meet customer expectations and ensure satisfaction. Ngobo (1999) illustrated declining marginal returns exist that may negate any benefits of delighting the customer. Further, the whole concept of delight has been referred to as a customer satisfaction fable (Iacobucci et al. 1994).

The Current State of Delight Research

What seems apparent from previous research is marketers are currently unsure how delight should fit into a firm's competitive strategy. Further exacerbating this situation is the fact that major gaps exist regarding key aspects of delight that might clarify the costs/benefits of delighting the customer. For example, literature does not exist in three fundamental areas (1) critically evaluating how employees view the concept of delight; (2) analyzing the behavioral and psychological impact delighting the customer has on the employee; and (3) evaluating customer delight specifically within the service context.

These omissions in the literature seem surprising for two reasons. First, research has highlighted the importance of the employee to the implementation of a

successful service encounter (Bitner 1992; Bitner et al. 1994; Reichheld 1994), as well as firm success (Heskett et al. 1994). Second, the U.S., as well as most developed countries, is moving towards a service economy (Vargo and Lusch 2004).

Dissertation Overview

In response to these important issues, this dissertation presents three related but different evaluations of customer delight. The central theme focuses on the impact of customer delight for parties involved in a service encounter. The first essay (Chapter 2), titled "Investigating the Employee's Perspective of Customer Delight," qualitatively evaluates what employees perceive as delight, and how these perceptions in turn affect the employee. The second essay (Chapter 3), titled "The Psychological and Behavioral Ramifications of Providing Customer Delight for the Service Employee," builds upon the insights gained in the first essay and empirically demonstrates the influence of delightful encounters on both psychological and behavioral variables for the employee. The third essay (Chapter 4), titled "Investigating the Key Routes to Customer Delight in a Service Environment," evaluates the affective and cognitive routes to delight from the customer's perspective. Each essay is briefly outlined below.

Essay 1: Investigating the Employee's Perspective of Customer Delight

While the concept of delight has been studied from a consumer and a management perspective, the employee's perspective of delighting a customer has not been evaluated with the same intensity. This is surprising as the front line employee has been consistently shown as a pivotal component of a successful service encounter. In attempts to fill this gap, this essay utilizes the Critical Incident Technique as a means

to evaluate FLE responses to key questions regarding delight. An important contribution of this essay is to discover what employees believe constitutes delight, as well as examining how providing this level of service affects the employee.

Essay 2: The Psychological and Behavioral Ramifications of Providing Customer Delight for the Service Employee

Building on the qualitative findings of Essay 1, this research incorporates an empirical analysis of the psychological and behavioral outcomes that occur for the employee that provides delight. By modeling a delightful encounter as a direct antecedent to job satisfaction and positive affect, and an indirect antecedent of affective organizational commitment and customer-oriented boundary-spanning behaviors, this essay aims to provide empirical support for the value of a delight strategy. An important contribution of this essay is incorporating structural equation modeling to assess the psychological and behavioral outcomes that occur for employees who provide delight to customers.

Essay 3: Investigating the Key Routes to Customer Delight in a Service Environment

After evaluating the impact of customer delight on the employee, this essay focuses on resolving issues that remain regarding what delight represents to the customer. Specifically, three issues are addressed: (1) evaluating the types of employee behaviors that lead to delight in a service encounter; (2) assessing consumers' expectations prior to their delightful encounter; and (3) how satisfactory and delightful encounters differ at the individual customer level. In answering these questions, the intended goal of this essay is to provide a framework that accounts for

both cognitive and affective routes to delight, as well as to provide some understanding of what customers perceive the differences between delight and satisfaction to be.

Summary

The concept of customer delight remains of interest to both practitioners and academics. By developing three related but different essays, the current research attempts to increase the marketing field's knowledge of this important, and possibly under-researched topic.

CHAPTER 2

ESSAY 1: INVESTIGATING THE EMPLOYEE'S PERSPECTIVE OF CUSTOMER DELIGHT

The established thought for many organizations has been that satisfying customers' wants and needs was the primary driver of long term success. Customer satisfaction was initially lauded as a driver of numerous important outcomes such as increased market share, profitability, and retention (Anderson et al. 1994; Szymanski and Henard 2001). Recent research challenges these assumptions by noting that satisfied customers are not especially loyal nor do they have strong repurchase intentions (i.e., Jones and Sasser 1995; Mittal and Kamakura 2001). Customers who stated that they were simply satisfied with a service provider often expressed a feeling of ambivalence toward the company (Schneider and Bowen 1999). Thus, merely satisfying customers is no longer enough to prevent them from defecting to a competitor. For these reasons, both practitioners and academics are examining customer delight to determine if it is a more appropriate method for retaining customers and creating a competitive advantage.

Customer delight is defined as a "profoundly positive emotional state generally resulting from having one's expectations exceeded to a surprising degree" (Oliver et al. 1997, p. 329). Some researchers argue that delight is better than satisfaction at

predicting such positive outcomes as customer loyalty, word of mouth communications, and profitability (Berman 2005; Torres and Kline 2006). These studies exclusively examined the concept of delight from the customer's perspective. From a management perspective, Rust and Oliver (2000) suggest delight is an appropriate strategy in the following conditions: (i) satisfaction has a strong influence on behavior; (ii) future profits receive significant weight; (iii) the satisfaction of competitor customers has a strong impact on retention and other behaviors; and (iv) the firm is able to capitalize on dissatisfied customers of competitors, by converting them into its customers

One area that is surprisingly missing from the literature is the employee's view of what actions or behaviors constitute a delightful experience. A crucial component in any successful encounter is how the front line employee (FLE) manages the customer experience. If employees have differing opinions than customers on the idea of delight, then any attempts to provide a delightful experience will have a minimal impact. Subsequently, management must understand and resolve any inconsistencies on what it means to delight customers if the firm truly expects to see "bottom line" results occur from this added effort.

To explore the employee's perspective of customer delight, three important topics relating to FLEs' perceptions of customer delight are relevant to this research. First, FLEs were asked to describe what they think a delightful experience entails. Second, since delight creates strong positive emotional reactions in customers, such as joy and excitement, this research investigated if the emotions have a spillover effect on the employee. Specifically, this research examines what, if any, emotional reaction employees experience due to delighting a customer. Lastly, this research inquires about

the future behavior of employees after delighting a customer. For example, does a delightful encounter influence the future interaction of the employee with customers, or is delighting a customer a special situation that does not have any carry-over effects to future customers?

A brief review of the concept of delight is provided, along with a discussion of why the FLE's perspective is so important in a customer experience. Next the findings are presented, and the research is concluded with managerial implications.

Literature Review

Origins of Delight in the Marketing Environment

The development of the delight concept can be traced to four occurrences within the service environment: (1) the realization that satisfaction was no longer enough to ensure important behavioral outcomes (Oliver et al. 1997); (2) increasing competitiveness of the business environment (Schneider and Bowen 1999); (3) improvements in service quality management which made satisfaction easier to attain (Verma 2003); and (4) the rising importance of customers as the most valuable asset to the firm (Vargo and Lusch 2004). Due to these conditions, it has become increasingly important for firms to provide elevated levels of service quality. In turn, this elevated service quality is thought to deliver amplified levels of customer satisfaction, referred to as delight.[1]

Because of the possibility of heightened consumer responses to elevated levels of service quality, both practitioners and academics have researched the domain of customer delight. Practitioner-related writings were quicker to accept the value of

delight, as can be seen in several delight-related books (i.e., Brinkman and Kirschman 2006; Keiningham and Vavra 2001; Mitchell 2003). Much of the support for these writings is in the form of CEO anecdotes or case studies where a delight strategy is seen as the cause of improved firm performance. For example, Keiningham et al. (1999) provide the case of Roche Diagnostics and attribute their soaring profitability and market share to their emphasis on delighting the customer. Academic researchers, on the other hand, caution the implementation of a delight strategy because it may elevate customer expectations, thereby making it more difficult to continually delight customers (Arnold et al. 2005; Rust and Oliver 2000).

FLE Internal Motivations for Providing Customer Delight

One possible FLE motivation for providing customer delight is the elevated level of positive affect that the employee receives afterwards. This is an especially noteworthy possibility, as previous research has highlighted the importance of employee positive affect to outcomes such as customer orientation (Bateman and Organ 1983; Kelley and Hoffman 1997) and relationship formation (Beatty et al. 1996). The increase in positive affect could be a result of the contagious emotions that flow from the customer (having received delightful service) to the FLE. This phenomenon is referred to as emotional contagion, and is defined as "the tendency to automatically mimic and synchronize movements, expressions, postures, and vocalizations with those of another person, and, consequently, to converge emotionally" (Howard and Gengler 2001, p. 190). Even in situations characterized by minimal contact, "emotions and attitudinal states can pass between Person A (the initiator) and Person B (the recipient)

and leave a permanent trace" (Stock and Hoyer 2005, p. 540). Support for the power of emotional contagion has been illustrated in many settings, including service appraisals, service quality evaluations, customer relationships, and product evaluations (Barger and Grandey 2006; Gountas et al. 2007; Hennig-Thurau et al. 2006; Pugh 2001; Stock and Hoyer 2005; Verbeke 1997).

Another motivation for providing delightful service is the elevated self-concept that FLEs may derive from providing excellent customer service. A key motivating factor in employee behavior is the desire to create a positive self-concept in their work world, both for themselves (Steele 1988) and in the eyes of others (Baumeister 1982). To ensure this positive image, the employee shapes the work environment in which he or she exists. For example, Beatty et al. (1996) showed that sales associates who "took on" the problems of a customer were able to adapt their personality to that of the customer. In return for these alterations, the employee enjoyed higher levels of self-worth and feelings of accomplishment (Beatty et al. 1996). In relation to this research, it is likely that by altering the work environment, the FLE can accrue benefits from providing delightful service, as it ties directly into their self-concept.

Method

To explore the employee's perspective of delight, the Critical Incident Technique (CIT) (Flanagan 1954) was utilized. Critical incident studies have a rich history in the marketing literature. For example, it has been used to evaluate satisfying encounters from both customer and employee points of view (Bitner et al. 1994; Bitner et al. 1990; Grove and Fisk 1997); reasons for customer switching (Keaveney 1995);

and rapport building behaviors used by retail employees (Gremler and Gwinner 2008). One reason for the repetitive use of the CIT in research is its ability to "increase knowledge of a phenomenon about which relatively little has been documented and/or to describe a real world phenomenon based on a thorough understanding" (Bitner et al. 1990, p. 73). As the concept of customer delight is still relatively young and no research has evaluated delight from the FLE's perspective, the CIT appears to be an ideal method to employ. Furthermore, this method allows us to interview employees from a wide array of industries which resolves the problem of delight being evaluated from a single firm (Finn 2005).

As suggested in a review of the CIT method by Gremler (2004), this research utilized a two-study approach in our research. In Study 1, data were collected to develop a classification schema of delightful encounters from the employee's viewpoint. In the second study, a larger number of independent surveys were collected to validate the classification scheme developed in Study 1, as well as to reflect a greater umbrella of issues related to delight. Details regarding methods of each study are provided below.

Study 1 – Data Collection and Sample

To study the employee's perspective of delight, this research initially focused on two objectives: 1) what an FLE considers to be a delightful experience, and 2) what emotional outcomes the FLE experiences due to delighting a customer. From these objectives, a critical incident instrument was developed and pre-tested on a small group of experts and a convenience sample of 30 students with experience as service workers.

No issues were identified, so the instrument was tested the sample on 124 non-student service workers recruited by 31 upper-level marketing students enrolled in a senior level marketing research class. Students received training in techniques of recruitment, screening, and survey administration, and they were told the surveys would be verified. This sampling method follows in the footsteps of previous authors (Gremler 2004; Gremler and Gwinner 2008).

Respondents were given the structured questionnaire and asked to provide information about their job responsibilities and along with basic demographic information. Each respondent then answered a series of questions to aid in the recall of an identifiable incident (i.e., Gremler and Gwinner 2008). Questions specifically prompted them to describe in detail an experience in which they thought they had delighted the customer, as well as how the incident made the employee feel (see Appendix A). Following suggestions by Gremler (2004), this research clearly stated what was considered to be a critical incident on the first page of the instrument. Namely, the accepted definition of customer delight (profoundly positive emotional state generally resulting from having one's expectations exceeded to a surprising degree) was provided to encourage respondents to provide examples that match a delightful critical incident. Half a page was provided for each of the open-ended questions.

Each instrument was completed by the respondents themselves, thereby alleviating the possible variance associated with multiple interviewers (Jones 1999). Further, this sampling procedure allowed us to generate a sample representative of a

large cross-section of service firms, thus overcoming a deficiency in previous delight research.

As is the case with previous CIT research (Bitner et al. 1990; 1994), criteria that had to be met for an incident to be included were determined *a priori*. Namely, an incident had to: (1) involve employee-customer interaction, (2) be a discrete episode, (3) have sufficient detail to be visualized by the researchers, and (4) be considered a delightful encounter from the employee's point of view. A total of 124 surveys were completed, with two deletions because the criteria set forth were not met. To ensure the quality of data, 10% of the surveys were randomly selected and each of these respondents was contacted. All of the respondents contacted verified the information provided in the surveys. Given that no problems were uncovered, and that data were validated according to standards set forth in previous research (i.e., Gremler and Gwinner 2008), there is evidence of authenticity in the data.[2] The average age of the sample was 28, and 57% were female.

To provide a further description of the sample, the data were divided along the taxonomy of services proposed by Bowen's (1990). This taxonomy was chosen because of its empirical basis, as well as its repetitive use in the service literature (i.e., Gwinner et al. 1998; Hennig-Thurau et al. 2002). In this taxonomy, three groupings of firms exist: Group One, services directed at people and characterized by high customer contact with individually customized service solutions (e.g., financial consulting, medical care, travel agencies, restaurants, hotels); Group Two, services directed at an individual's property, in which moderate to low customer contact is the norm and the service can be customized only slightly (e.g., shoe repair, retail banking, pest control,

photofinishing, and pool maintenance); and Group Three, services typically directed at people that provide standardized service solutions and have moderate customer contact (e.g., airlines, movie theaters, cafeterias, and grocery stores, fast food). Illustrating the broad spectrum of the sample for Study 1, we collected 39 (32%) employee incidents for Group One, 22 (18%) for Group Two, and 61 (50%) for Group Three.

Study 1 – Classification Schema Development

Using an incident classification system consistent with previous research (Bitner et al. 1990; Gremler and Gwinner 2008; Keaveney 1995), content analysis was utilized to interpret FLEs' answers to the two open-ended questions. After the surveys were collected, four independent coders read the responses and were encouraged to develop their own categories of incidents. These four coders were upper-level undergraduate marketing students who received training regarding qualitative data analysis in their marketing research course. Using an iterative process, the coders read, sorted, and re-read the incidents with the goal of combining "similar incidents into distinct, meaningful categories" (Bitner et al. 1990, p. 97).

After the four coders developed their categories, the primary researcher developed an independent set of categories for each of the questions.[3] The primary researcher, who has experience with the construct of customer delight as well as the CIT method, then evaluated the five independent sets of categories and definitions looking for similarities or differences. Based on this analysis, category names and comprehensive definitions were developed.

Next, these categories and definitions were provided *a priori* to two new independent expert judges (Judges A and B) to further validate the categories. These judges went through all of the data individually and independently to evaluate how well the a priori categories fit the data. These judges were deemed expert judges for three reasons: (1) the possessed a doctoral degree; (2) they had previous experience with the CIT; and (3) they were familiar with delight research. These expert judges were encouraged to create new categories if needed. After reviewing the data, the judges concluded that the *a priori* categories were suitable. Although there were few, any coding disagreements were resolved by discussion. Three measures of reliability (interjudge agreement between, Cohen's K, and the Perreault and Leigh's index) were calculated, which all exceeded the levels recommended by previous research. See Table 1 for a summary of these statistics.

Table 1

Reliability Statistics

	% Agreement[a]	Cohen's Kappa [a,b]	Perreault & Leigh (I_r) [a,c]
Study 1, n=122			
Question 1 – Example of delightful encounter	89.3	0.836	0.928
Question 2 – Emotions felt in delightful encounter	92.6	0.867	0.949
Study 2, n=308			
Question 1 – Example of delightful encounter	90.4	0.843	0.879
Question 2 – Emotions felt in delightful encounter	91.0	0.817	0.878
Question 3 – Behavior changes in the FLE	91.3	0.855	0.884
Question 4 – Example of satisfactory encounter	92.3	0.732	0.896
Question 5 – Emotions felt in satisfactory encounter	86.2	0.806	0.826

[a] Above .80 is considered significant
[b] corrects for the likelihood of chance agreement between judges
[c] accounts for the number of potential categories that responses can be classified.

Because this research is utilizing a two-study approach, Study 1's goal was simply to identify potential categories within the data. The first question on the survey addressed instances in which FLEs felt they had delighted the customer. Five categories emerged for this question: employee in-role performance, employee extra-role performance, complimentary offering, empathy, and service failure recovery. Each category is fully discussed in Study 2.

The second question on the survey evaluated the types of affect that the employee experiences as a result of a delightful encounter. It is important to research this outcome because of the impact of employee emotions on a customer encounter (Menon and Dube 2000; 2004). As shown in Table 3, two categories dominate this question: delight contagion and a sense of accomplishment. The remaining two categories (indifference, future benefits) account for a minority of the incidents. A complete discussion of each category is given in Study 2.

Study 2 – Overview

As stated previously, this research utilized a two-study approach whereby the initial data collection was seen as an exploratory step meant to develop potential categories, as well as improve the specificity of the survey instrument to be used in Study 2. Thus, the instrument in Study 2 is similar to Study 1, with several additional questions (see Appendix B). The first two questions were identical. The following additions were based on employee responses to the two questions in Study 1, relevant literature, and helpful suggestions from colleagues:

1. First, a question was added to assess the behavioral implications of delighting the customer (Question 3, Appendix B). Previous consumer research has highlighted the importance of investigating both attitudes and behaviors to fully account for a phenomenon (Ajzen and Fishbein 1980). As Study 1 results point to an emotional contagion that occurs when employees delight the customer, adding a question that assesses the resulting change in employee behavior represents an important contribution to research.
2. Because many of the delightful critical incidents provided in Study 1 appear to represent what the literature considers "satisfactory" encounters, a question was explicitly asking for a critical incident where the employee believed they had provided satisfactory experience (Question 4, Appendix B). The definition provided to the respondents was an "encounter where they felt they had met the expectations of the customer". By adding this question, this research can determine if differences exist across the service levels that employees provide. Further, this answers previous calls for research regarding the comparison of delight and satisfaction at the individual level (i.e., Finn 2005).
3. Finally, a last question asked employees to explain how they felt when they provided satisfactory service, so a comparison of affect could be assessed across delight and satisfactory incidents (Question 5, Appendix B).

Study 2 – Data Collection

Data collection for Study 2 was identical to Study 1 with the only change in the sample recruiters, which now consisted of 105 undergraduate and master's level

business students who received similar training to students in Study 1. The same standards for inclusion of critical incidents were utilized across both studies. A sample of 317 front-line service workers was obtained. A total of 9 surveys were deleted because of failure to meet the inclusion criteria, which left a final sample of 308. As in Study 1, the overall sample for Study 2 included a wide spectrum of firms according to Bowen's (1990) taxonomy: 130 (42%) incidents for Group 1, which consisted of services directed at people, with high customer contact and individually customized solutions; 78 (33%) for Group 2, which consisted of services directed at an individual's property; and 100 (25%) for Group 3, which consisted of services directed at people with moderate contact and standardized solutions. A test was run to assess if differences existed across service categories in Bowen's Taxonomy. Significant differences did not exist at either the .05 or the .01 level for Questions 1, 3, 4, or 5. For Question 2, Tukey's Post-Hoc test revealed that Groups 1 and 2 differed significantly from Group 3. Recall that Group 3 consists of services performed on an individual's property. Intuitively, it makes sense that the affect transfer is less pronounced for this group of services in comparison to the services performed on individuals themselves.

Study 2 – Data Classification

Based on the categories formed in Study 1, two new independent expert judges (Judges C and D) with the same qualifications at Study 1 evaluated how the larger data set generated in Study 2 fit the categories for Questions 1 and 2. Similar to previous research, the new expert judges were provided category names and definitions to increase reliability of qualitative research (Bitner et al. 1994; Bitner et al. 1990).

For Question 3, expert judges C and D followed the coding steps outlined in Study 1 to develop mutually exclusive and collectively exhaustive categories. That is, each expert judge independently engaged in an iterative process whereby the read and re-read the incidents until general themes became apparent. These judges then developed a category name as well as a comprehensive definition for each category.

For Questions 4 and 5, the category labels and definitions that arose from the delight questions (Questions 1 and 2) were used as a starting point for data classification. For those incidents that did not fit into the original categories, the judges (C and D) were encouraged to develop their own categories. This resulted in the formation of a single new category for Question 5, referred to as negative emotions. Although the category utilized were very similar across delight and satisfaction incidents, the percentage of incidents classified into the categories varied greatly across the two levels.

The next phase of analysis was to provide the category names and definitions for questions 3 through 5, as well as all of the incidents to a third independent expert judge (Judge E), to code all of the incidents. Reliability calculations were then conducted between Judge C and Judge E. See Table 1 for reliability statistics.

Results

Q1: Employees' Perspective of Delight

For Question 1, employee-generated examples of delightful incidents, five categories were revealed: (1) Employee In-Role Performance (55%), (2) Employee Extra-Role Performance toward Customers (22%), (3) Complimentary Offering (10%),

(4) Empathy (7%), and (5) Service Failure Recovery (5%). Table 2 presents a summary of these results, followed by a description of each category.

Table 2

FLE-Identified Categories of Delightful Encounters

Category	Brief Description	Study	# of Factors	Examples
Employee In-Role Performance (EIRP)	The employee provides the expected service with skill and knowledge	1	62 (51%)	"…A lady told me she had a daughter that has health problems and that she could not get life insurance on her. I informed her that my company has a policy especially designed for people with health problems. I was able to get coverage for her daughter…"
		2	170 (55%)	
Employee Extra-Role Performance Toward Customers (ERPC)	Service encounter where the employee goes well beyond what the customer or service firm could expect	1	33 (27%)	"…There was a group of about 16 men that had come to play golf. It was kind of a messy day weather – wise and there was no one to work in the snack bar. Some of them requested a hot dog or sandwich, so I made some for them. I could have just told them the snack bar was closed and they would have to go into town to eat…"
		2	69 (22%)	
Complimentary Offering	Service encounters where the customer receives something above and beyond what was paid for	1	14 (11%)	"A few weeks ago I gave a woman a haircut. She had really long hair and we cut 4 inches off. She loved the haircut and the end results so I offered to give her a free sample of the hair products I used on her. She gladly accepted..."
		2	32 (10%)	
Empathy	Caring and individualized attention that employees provide to their customers	1	10 (8%)	"…when a customer comes in having a bad day, I try and get on a personal level with them…"
		2	23 (7%)	"…I changed the spikes in the (golf) shoes of a man with arthritis…"
Service Failure Recovery	Recovery after service failure that leads to customer delight	1	3 (2%)	"A customer called and said their product had been damaged in transit. They were upset because they needed the product. They were overwhelmingly delighted when I told them we would overnight ship them a replacement product for no charge…"
		2	14 (5%)	

n=122 for Study 1
n=308 for Study 2

The largest number of employee-generated delightful incidents can be grouped into a category previously termed employee in-role performance (EIRP) (Maxham et al. 2008). EIRP is defined as employee actions characterized by: (1) being knowledgeable about the firm, its products, competitors' products, and customers; (2) conducting proper product displays, store signage, and opening/closing procedures; and (3) performing in-role tasks specified in the job description, such as processing customer orders and conducting mandated checkout procedures. Exemplary statements from employee responses included themes such as "getting it to the customer on time," "knowledgeable about where the product was within the store," "helping the customer find what they were looking for," "just doing my job," "I knew the policies of the store," etc. Thus, this category represents encounters where the FLE provides the expected service with skill and knowledge at the level expected by the customer. For more examples given by respondents to question 1, see Table 2.

The fact a majority of employee generated incidents is grouped into this category represents an interesting finding. It appears that FLEs believe that customer delight occurs when expectations are simply met. This seems in contrast to requirements for delight reported in the academic literature. In comparing the results of the current study to Berman's (2005) conceptualization of requirements for delight, it appears that FLEs are more aligned with "must-be" requirements rather than "satisfiers".

The next category of results that arose from the incidents can be compared to what has previously been called employee extra-role performance toward customers (ERPC) (Maxham et al. 2008). Instances in this grouping are characterized as FLE

actions going well beyond what the customer could expect. Similar category conceptualizations for elevated levels of customer service have been offered by Beatty et al. (1996) with augmented personal service, Berman (2005) with special efforts, Bettencourt and colleagues (1997; 2001) with pro-social behaviors, and customer-focused organizational citizenship behaviors, and finally, Bitner et al. (1990) with unprompted and unsolicited employee actions. The similarity between these separate research projects is that one way to delight the customer is through extra effort on the part of the FLE. Exemplary statements fitting this category include: "opening the store at off hours," "delivering service on my own time," "I worked overtime for the customer," "delivered service to the customer's home," etc.

The third category identified from this research is referred to as complimentary offering, and is defined as performances where the customer receives something above and beyond what was paid for. This can include samples, coupons, free merchandise, free services, and so on. Complimentary offering occurred in only 10% of the incidents. A possible explanation for this low number is that FLEs do not realize the shift in equity that occurs when the customer receives a complimentary offering. Perhaps service firms need to include and account for the concept of complimentary offerings in their management practices.

The next category that emerged from the respondents was empathy. Previously identified as one of the five key dimensions of service quality (Parasuraman et al. 1988), empathy is defined as the "caring, individualized attention that service firms provide its customers" (Zeithaml et al. 2006, p. 120). Empathy has been highlighted as an essential skill for employees (Aggarwal et al. 2005; Beatty et al. 1996).

Representative statements include: "getting on a personal level with the customer when they are having a bad day," "helping (needy) customers," "spending extra time with a customer to make them feel valued," etc. The essence of empathy is conveying, through personalized or customized service, that customers are unique and special and their needs are understood (Zeithaml et al. 2006, p. 120). This implies that empathy is an important condition in providing customer delight. Yet, only 7% of incidents are classified in this category. Clearly, more research is required to discover why the FLE does not attribute more examples of delight to this category.

Of the reported incidents of delight from the FLE's point-of-view, a small percentage (5%) represents service failure recoveries. Sample statements included: "giving a desert after problems with the meal," and "being out of a product/service and introducing the customer to a new service." The progression from service failure to delight has been referred to as the "ultimate recovery paradox," and is thought to be a key driver of customer delight (Verma 2003). Based on the results of this research, it appears that FLEs are skeptical of their ability to achieve customer delight after a service failure. There are two possible conclusions that can be made. First, it could be that the paradox effect is weaker from the FLE's viewpoint, because once failure occurs, the FLE may believe the ability to delight the customer is unreasonable. This would indicate that FLEs do not believe in the validity of the ultimate recovery paradox, which has been questioned by previous research (Andreassen 2001). Second, this finding could be an artifact of the data, in that FLEs were asked to provide a single instance of delight, and they may have either ignored service failure recoveries, or perceived they were not appropriate examples.

Q2: Employees' Emotions in a Delightful Experience

For Question 2, employee affect when providing delightful encounters, four categories were revealed: (1) Delight Contagion (64%), (2) Sense of Accomplishment (28%), (3) Indifference (5%), and (4) Excitement about Future Benefits (4%). Table 3 presents a summary of these results, and a description of each follows.

Table 3

Employee Affect Resulting from a Delightful Encounter

Category	Brief Description	Study	# of Factors	Examples
Delight Contagion	The tendency of the employee to mimic the emotions of the customer who has been delighted	1	70 (57%)	"Delighting the customer made me feel good about myself …. Sometimes I can be selfish and actually helping or thinking about someone else put a smile on my face. I knew I was going to have a positive day because of that customer."
		2	198 (64%)	
Sense of Accomplish-ment	Positive emotions that arise within the employee after providing delight	1	40 (33%)	"This encounter made me feel as though I was in the job I was supposed to be in, and made me feel more confident."
		2	85 (28%)	
Indifference	No difference reported after the delightful encounter	1	7 (6%)	"I really didn't care. It is my job. I am just there for the paycheck."
		2	14 (5%)	
Future Benefits	Positive emotions that the employee has over the possible future benefits that the employee may receive	1	5 (4%)	"It made me feel great because I felt she would be a return client and possibly buy the new product next visit. Also, the client could bring another client that asked where they got their hair done or she could have been so pleased with the outcome of her hair she told people and they decided to get me to do theirs."
		2	11 (4%)	

n=122 for Study 1
n=308 for Study 2

The largest category of employee affect was delight contagion. With regard to satisfactory encounters, it has been shown emotional contagion creates a bi-directional

effect of emotions with service employees and customers (Beatty et al. 1996; Pugh 2001; van Dolen et al. 2002; Verbeke 1997). The current research suggests that delight emotions can also be contagious between the customer and FLE. This is an important contribution of this study as positive affect in the employee has been linked to elevated service quality evaluations (Kelley and Hoffman 1997; Pugh 2001); helping coworkers, protecting the organization and spreading goodwill (George and Brief 1992), and improved performance (Pelled and Xin 1999). A majority of respondents' recollections included statements such as: "made me feel great," or "I was excited because the customer was excited."

The next highest reported factor for FLE affect when providing delight to the customer was a sense of accomplishment (28%). The main difference between this category and the contagion category is where the affect originates. With contagion, emotions travel from the customer to the employee. In this category, emotions arise from within the FLE. This finding seems to reflect the ability of the FLE to craft their jobs as meaningful or important (Wrzesniewski and Dutton 2001). For example, employees enjoy an increased self-worth and sense of accomplishment from dealing with customers (i.e., Beatty et al. 1996). Results from the current research that illustrate the FLEs' sense of accomplishment include statements that delighting the customer "gave them proof of their importance," or "made [the FLE] feel like they were supposed to do the job they were in."

The next category that emerged from the data is indifference. Representative incidents include FLEs who are not concerned with the outcome of the service experience above and beyond a certain level. FLEs illustrated an uninterested attitude

whereby they felt they were simply doing a job. While indifference accounts for a small percentage of the overall reported incidents, this category should raise some concern for the firm. As a customer experience requires both the employee and the customer to be active participants in the service delivery, having an indifferent member may prove problematic for the relationship. Relevant research shows that the moods of employees and customers are antecedent conditions that influence many service encounters (Kelley and Hoffman 1997). If FLEs are indifferent, they may be providing a negative attribution base for evaluating overall service quality for the customer.

The last category for employee affect is excitement over future benefits, defined as anticipation for what will come from the customer in the future after receiving elevated service and includes monetary and non-monetary rewards. Rewards have a powerful effect on employee attitudes towards their job (i.e., Lincoln and Kalleberg 1990). Exemplary statements from employee responses include the following: "I know this customer will help us in the future," "I felt like I was investing in a relationship," "this encounter made me an asset in [the customer's]) eyes," and "makes it easier to sell future products to the customer."

Q3: Employees' Behavioral Intentions after Delighting a Customer

After discovering the emotions that exist within the FLE after providing delightful service, it was important to determine whether behavioral changes also occurred. Thus, Question 3 examines if and how delighting the customer alters employee behavior. The largest number of incidents fell into the category referred to as

improved customer orientation (46%), followed by no effect (40%), and improved job skill (14%). Table 4 provides examples of each category.

Table 4

Effects of Delighting the Customer on Employee Behavior

Category	Brief Description	# of Factors	Examples
Improved Customer Orientation	Employee has an increase in desire to please the customer	141 (46%)	"…I wanted to give everyone the same level of service…" "…it made me feel so good…" "…it makes me try harder…"
No Effect	The encounter has no effect on the employee	123 (40%)	"…no, it's just what I do everyday…" "…no, delighting the customer in this case was an exception…"
Improved Job Skill	The encounter increased the skills/abilities of the employee in some way	44 (14%)	"…I learned what techniques work and I will use them again…" "…this experience helped me to understand how to do my job better…" "…I became more aware…"

n=308

Customer orientation (CO) is defined "as the degree to which (an) employee attempts to meet customer needs and the degree to which they enjoy doing so" (Brown et al. 2002, p. 111). This construct has been heavily researched in the marketing environment because it has been linked to several important outcomes such as job satisfaction, organizational commitment, service performance and citizenship behaviors (Brady and Cronin 2001; Donavan et al. 2004; Pettijohn et al. 2002). CO has also been modeled as an antecedent to job performance and job satisfaction (Donavan et al. 2004; Pettijohn et al. 2002), as well as a behavioral outcome resulting from job satisfaction and commitment (Bettencourt and Brown 2003; Bettencourt et al. 2005).

The current research supports modeling CO as an outcome of a delightful encounter. This occurs because the employee experience elevated levels of positive affect, which has been shown to lead to customer oriented behaviors (George and Brief 1992). For example, after delightful encounters, employees mentioned "having a better appreciation for the importance of the customer," "becoming even more patient when dealing with other customers," and "being inspired to go more out of my way in the future to make sure the customer is happy." In other words, FLEs have an increased desire to serve customers in a conscientious, responsive, attentive, and courteous manner (Bettencourt and Brown 2003; Bettencourt et al. 2005), which are the foundations of customer-oriented behaviors.

The next largest category when assessing the change in behavior as a result of providing delight is referred to as "no effect." Simply put, FLEs did not attribute any change in behavior to the delightful encounter. Exemplary statements include: "not really, I try and give the same service to everyone," "no, this is just what I do everyday," "no, I am always a nice person," "this was a one-time deal, I don't expect to delight (customers) again," and "one session does not change my future sessions."

There are several explanations for this surprising finding. First, FLEs do not realize they are *actually* changing their behavior after a delightful encounter. Second, in comparison with attitudes, behaviors are slower to change. Since findings from the current research imply that attitudes are in fact altered after the delightful encounter, it is quite possible that behavioral changes require more than one delightful encounter.

The final category of behavior-related incidents was classified as improved job skills, as FLEs stated that they learned the best practices or the best way to do their job.

This includes specific skills and policies that will be mimicked in the future with other customers. Examples of this category include statements such as: "I learned ways to do things better in the future," "We try to add free services for customers to make them happy," "I saw what worked and did it again," "I learned to open the communication channels to ensure happy customers," and "I realized some people need more help than others." Regardless of the exact skill, it appears that employees see what works best in the service encounter and adapt their skill sets accordingly.

Q4: Employees' Perspective of Satisfaction

A neglected area in delight research is the direct comparison with satisfaction at the individual level (i.e., Finn 2005). In an effort to address this issue, two questions were added that mirrored Question 1 and 2 except the respondents were asked about satisfying incidents rather than delightful incidents. *A priori*, it was assumed there would be differences between the two types of encounters for both employee actions as well as employee affect.

Question 4 captured employee perceptions of providing a satisfactory experience to customers. The largest number of incidents fell into the Employee In-Role Performance (EIRP)

category (84%), followed by Service Failure Recovery (8%), and extra-role performance, complimentary offering, and empathy (7%). Table 5 provides examples of each category.

Table 5

Examples of Categories of *Satisfactory* Customer Experiences

Category	# of Factors	Examples
EIRP	260 (84%)	"A claimant called to change their direct deposit. I made the proper computer inputs and he thanked me" "I helped a patron scan in an image and crop it to its proper dimensions. The patron thanked me for my help"
Service Failure Recovery	25 (8%)	"A customer complained about dirt that was dug up by our crew and not replaced (utility work). I promptly called it in to have more dirt brought out to fix the problem" "A customer complained that we didn't starch his jeans and I told him we would redo it at no charge to him"
ERPC	14 (4%)	"When a customer called to ask if we had a shirt she'd seen in the online store. We didn't have it, but I called around to other stores close by and let her know where she could get one..."
Complimentary Offering	9 (3%)	"A gentleman brought in a truck that was muddy all over. After completing the repair on the bed, we washed his whole truck and got all the mud out from the underside of the truck. He more than expressed his satisfaction"
Empathy	0	n/a

n=308

Although a majority of the incidents for delightful encounters were placed in the EIRP category, a much larger majority was classified in this group during satisfactory encounters. This finding seems intuitive as service encounters where employees perform their expected roles lead to the outcome of customer satisfaction according to the disconfirmation paradigm (i.e., Oliver 1980). Thus, employees seem to realize that satisfactory encounters can be mainly attributed to regular job performance. Illustrative statements included: "there was not anything, time, speed, or attention about the task that would have been exceptional or exceeded the expectations of the customers," "satisfying means to do the minimum required," and "requires doing my job and nothing more."

The next largest category of incidents was classified as service failure recoveries. When comparing this finding with the results of the delightful encounter (i.e., 4% of the incidents), there seems to be support for the idea that after a service failure, customers can be brought back to a zone of satisfaction, but not delight. In many of the instances, after service failure (poor food quality, missed delivery, etc.), the FLE engages in some form of recovery, but regardless of the extra effort he may put forth, he or she only reports it as a satisfactory encounter. For instance, one employee personally delivered a package after work hours that had previously delivered to the wrong place, and still reported the customer as *just* being satisfied. Because this effort is considered extra-role, the incident should probably be reported as a delightful encounter. However, it appears that employees are resigned to the fact that after a service failure, regardless of effort, the end result will be satisfaction. Thus, this research provides support for the lack of attitudinal change even after extraordinary recovery efforts (i.e., Andreassen 2001).

The three remaining categories (extra-role performance, complimentary offering, and empathy) identified for delightful encounters do not appear relevant to satisfactory encounters. This implies that employees are indeed able discriminate between delightful and satisfactory encounters. For example, in reported satisfactory encounters, ERPC and complimentary offerings account for only 7% of incidents (in comparison with 44% of delightful encounters). In other words, employees realized that when they go the extra mile, or provide something above and beyond what is paid for, they are moving past satisfaction.

A final point in comparing delightful and satisfactory encounters is that employees attribute 0% of satisfactory incidents to empathetic behaviors, with 7% attributed to empathy in delightful situations. Thus, it appears that when they engage in behaviors that are seen as "caring" to the customer, employees believe that are providing delight.

Q5: Employees' Emotions in a Satisfactory Experience

The final question on Study 2's instrument related to employee affect when providing satisfactory customer service. Four categories of incidents were discovered: (1) Indifference (40%), (2) Emotional Contagion (24%), (3) Sense of Accomplishment (18%), and (4) Negative Emotions (11%). Table 6 provides examples of each of these categories, and they are discussed below in greater detail.

Table 6

How FLEs Feel when they *Satisfy* their Customers

Category	# of Factors	Examples
Indifference	124 (40%)	"…when I just satisfy someone it doesn't feel anymore special than picking up litter off the floor, but when I delight someone it feels like getting the Christmas present you've always wanted…"
Emotional Contagion	73 (24%)	"I felt very good inside, because the customer was so happy…" "It made me feel good that a (customer) was satisfied with the way I handled the situation"
Sense of Accomplishment	57 (18%)	"I had successfully done my part to help and did my job well" "It makes me feel like I have the ability to do the job I was hired to do"
Negative Emotions	35 (11%)	"It doesn't feel great, but there really is nothing that I can do about it.....I still think that satisfying customers is better than displeasing them" "I felt awful and I considered calling him to see if he had any further questions..."
Future Benefits	19 (6%)	"It made me feel assured that he would bring us more business" "Satisfying customers is how I make my money. If I do not satisfy them they will leave me less of a tip. So, I guess satisfying my customers makes me richer which in return makes me happier"

n=308

The largest category of employee affect after interacting in a satisfactory encounter was indifference, which is akin to employees lacking concern over the quality of the experience. This finding represents a major concern because employee attitudes and behaviors characterized as indifferent are expected to have a negative effect on customer evaluations of service quality.

A comparison of the percentage breakdown of indifference in satisfactory encounters (40%) versus delightful encounters (5%) highlights the impact that a customer experience can have on the employee. In other words, there are many instances where providing satisfaction does not stimulate affect in the employee at all.

This was especially true in one of the comments given, where a FLE stated that satisfying a customer "doesn't feel any more special than picking up litter off the floor." For more examples, see Table 6.

The next category is emotional contagion, and represents the emotions generated in the employee from providing satisfactory service. These results indicate that employees can elicit positive emotions from providing satisfactory service. Exemplary statements were similar to the response from the delightful incidents; "made me feel great," "excited," "happy," etc. However, it is interesting to note that multiple respondents made unprompted statements such as "it made me feel good, but not nearly as good as when I delight a customer." Thus, it seems employees can decipher the emotional contagion that occurs between the different levels of service

Sense of accomplishment was also considerably lower in the satisfactory incidents. This result relates back to research on self-concept, in that FLEs who provide satisfactory service are only *satisfied* with their accomplishment. From these responses, it is clear that delivering a satisfactory level of service is not rewarding in and of itself. Exemplary statements included: "it made me feel like I had done the job right," "makes my effort worthwhile," "I had successfully done my part," and "makes me feel like I have the ability to do my job correctly."

The next category of affect is negative emotions, defined as the guilt or regret that arises from providing satisfactory service. The fact that negative emotions were found to come from satisfactory encounters may result if management is consistently asking employees to go above satisfaction; thus, when employees *just* satisfy the customer, they perceive they have not done enough. Alternately, because incidents

characterized as satisfactory may not lead to overly positive emotions or outwards displays of happiness by the customer, the FLE does not receive the positive contagious effects that higher levels of service provides, thus "depressing" the employee. The end result is that the FLE not only evaluates the encounter as negative, but also experiences negative emotions. Incidents that embody this category include statements such as "I felt I could have done more," and "I didn't feel as satisfied with the service."

Discussion

We investigated how FLEs view the concept of customer delight. Several themes developed in this research. Most important was the realization that providing customer delight has beneficial outcomes for the FLE. This results from an emotional contagion that occurs between the customer and the FLE. Most research investigating emotions considers how employee emotions affect the customer, while neglecting the reverse. This is an ominous omission as it is understood that employees are affected by their role in the service experience. Furthermore, this represents an unaccounted effect in previous delight research, and indicates a hidden value may exist for those firms that delight their customers. Thus, it appears that positive emotional reactions from customers influence or spur employees to provide delightful experiences for future customers. This circular phenomenon is a difficult factor to quantify and to the researcher's knowledge remains unaccounted for in research assessing the viability of a delight strategy. Furthermore, as positive affect has been linked to job satisfaction which ultimately leads to service quality and customer satisfaction (Brown and Lam 2008), this emotional contagion represents a very powerful force.

A second very important finding is the evidence that delightful encounters can act as an antecedent to customer-oriented behaviors for the FLE. This is a significant because customer-oriented behaviors are linked to beneficial outcomes for the firm. Furthermore, this important relationship has not been evaluated in previous delight research examining the feasibility of customer delight as a firm strategy.

Third, a disconnect may exist between FLEs perceptions of customer delight and the definitions currently presented in academic literature. The fact a majority of the delightful incidents reported by employees in this research can be characterized as regular in-role performance raises a red flag. Firms must train and educate FLEs to evaluate their performance from the customer's point of view. With this knowledge, FLEs will have a higher likelihood of providing delight as judged by the customer.

Fourth, FLEs connect their self-concept to the services they provide and the environment in which they function. This results in a desire to construct their identity in such a way as to maximize their "appearance." For example, FLEs strive to give a high level of service so that they will be seen in a positive light by others.

Finally, this research incorporates an analysis of satisfactory versus delightful encounters at the employee level. From this comparison, there are two important contributions to both practitioners and academics. First, it appears from respondent recollections that satisfaction arises from doing the bare minimum regarding their performance, without engaging in customer oriented behaviors, or extra-role performance. In other words, the old adage of "satisfaction guaranteed" may no longer be appropriate to motivate either customers or employees. Second, the delight

contagion that occurs between customer and employee in a delightful encounter is not nearly as pronounced in a satisfactory encounter.

Managerial Implications

From a managerial perspective, there are numerous implications for implementing a strategy to delight customers. First, trying to delight every customer on a continual basis is not a feasible or desirable strategy. Employees exert a tremendous amount of effort and time into delighting a single customer, and if this was expanded to delighting every customer, it may create job dissatisfaction and burnout due to the physical and mental burden. Additionally, delight is about creating an emotional reaction with customers, if customers become callous to the employee's extra effort this might create a polarizing effect and actually discourage employees from attempting to create delight.

Previous research has warned that trying to implement a global delight strategy might create an "assimilated delight" where expectations are elevated and the delightful experience is seen as the regular service experience (Rust and Oliver 2000). If this happens, a firms' extra effort to delight customers will only produce additional costs and could potentially hurt long term financial success. Delighting customers is not a mass market strategy but an opportunity to create memorable experiences for individual customers.

In order for management to institute a culture of delighting customers, it starts with training employees to recognize and react to the instances or situations in which an employee can exceed a customer's expectations to a surprising degree. Nordstrom is a

good example of a firm that takes great effort to train their employees on how to selectively delight customers. Employees at Nordstrom have ironed shirts, wrapped presents bought at other stores during Christmas, and even taken back a tire chain (Nordstrom does not sell tire chains) in efforts to provide a delightful experience. These are all efforts directed at individuals when the opportunity presented itself to delight a customer.

Along with training, management needs to empower employees with the freedom to make decisions and act independently in order to delight a customer. From this study, numerous examples of delighting customers were given when the employee was allowed to go "off-script" and provide an extra service. For management to truly create a culture of delighting customers it starts with hiring the right employees that can be trusted to act independently and ethically without direct management involvement. Providing a complimentary offerings or performing an extra role performance is a necessary component to delighting customers, which means employees must be given more control over shaping the experience of a customer. Obviously, in certain environments, delighting customers could actually be destructive with employees over stepping their bounds or acting unethically. Delighting customers is a strategy that only works if employees and management can balance the restriction of the job along with the freedom to act independently to create a memorable experience.

The findings of this research can also aid managers in how to create and maintain a happy employee base. The emotional contagion of delighting customers provided ample instances where employees were actually more satisfied with their job and produced an emotional reaction of their own. Giving employees the ability and

means to delight customers not only creates happy customers but also reinforces the employee's sense of accomplishment and overall satisfaction with his or her performance. This research specifically examined employees delighting customers, but one could generalize that if managers tried to selectively delight employees, the emotional contagion would be present in upper management as well. It's obvious that creating a delightful experience is mutually rewarding to the recipient and the provider.

Unlike satisfaction, which is a cognitive evaluation, delight is about creating an emotional reaction to a customer experience. Delight is not a strategy that should be used if a firm is concerned about the efficiency of serving the maximum number of customers. Creating an emotional reaction in customers means that a firm is willing to forgo efficiency and spend an additional amount of time or effort to give a customer a memorable experience. For many firms this means giving customers the unexpected before and after the sale. If great customer service is common sense, then creating a service experience that is surprising and creates emotions such as joy and elation is "uncommon sense" (Heath and Heath 2007, p. 74). For delighting customers to be an effective and profitable pursuit, it starts with breaking customers' schema for what is expected from a firm. Stirring an emotional reaction from a customer is not an easy thing to accomplish which is why firms often need to perform "uncommon" tasks for customers to take notice. Ultimately, firms must pursue not only the head but also the heart of customers to create an experience that is not only memorable but will also change future behavioral intentions.

Limitations and Future Research

As with any study there are limitations in the research. First, it is acknowledged that there are limitations to the Critical Incident Technique. By using a CIT method, there is an assumption that employees fully understand what it means to delight a customer. Additionally, by asking employees to recall past incidents there is a possibility that events may be remembered inaccurately or biased to the employee with the passage of time. Further, the CIT method assumes that respondents will answer truthfully to all questions. The presence of social desirability bias is a concern, though each employee was assured that their responses would be held confidentially. Finally, this research did not evaluate the reported encounters from the customer's point-of-view. This was outside the scope of the current research project, but would certainly be a worthwhile project to compare how employees and customers view the same encounter.

Beyond addressing the limitations, this research opens opportunities for future research to further clarify the advantages and disadvantages of delighting customers. From a financial standpoint, one area that still needs to be explored is how to quantify the effects of delight on the employee. At the current time, relevant models (i.e., cost analysis or profit based models) do not incorporate this important aspect, and therefore, conclusions regarding the appropriateness of delight may be invalid. For example, it is quite possible that delight contagion creates a "delight ripple" whereby employees have higher levels of job commitment and customer orientation. Previous studies have discussed the added costs of trying to delight customers but have failed to capture the

positives that are derived from these activities. Clearly, more research is still needed to understand the benefits and potential drawbacks of delighting customers.

Notes

[1] Of critical importance is the fact satisfaction and delight although correlated are conceptually different (Berman 2005; Finn 2005; Oliver et al. 1997; Rust and Oliver 2000; Verma 2003). Satisfaction is considered cognitive based, whereas delight is considered emotion based, and is conceptualized as a combination of joy and surprise (Finn 2005; Oliver et al. 1997).

[2] As is the case with previous research utilizing this method, steps were taken to encourage authentic responses (see Gremler and Gwinner 2008, p. 311). This included warning interviewers that data falsification was akin to cheating and students would be held to university standards regarding cheating. Furthermore, highlighted on the survey instruments was a note that random number of respondents would be contacted to verity the data (respondents were asked to provide their first name and a telephone number they could be reached at). All the individuals contacted verified the information in the survey. Finally, a visual scan as well as a content analysis was performed by the authors to sufficient variability in both handwriting and patterns across responses, as well as consistency within individual responses. Due to these steps, the researcher believed in the authenticity of the data.

[3] After coding the initial sample in the pre-test for Study 1, students were no longer involved in any analysis.

CHAPTER 3

ESSAY 2: THE PSYCHOLOGICAL AND BEHAVIORAL RAMIFICATIONS OF PROVIDING CUSTOMER DELIGHT FOR THE SERVICE EMPLOYEE

Currently there is confusion in the marketing literature regarding the viability of customer delight (i.e., Ngobo 1999; Rust and Oliver 2000). A reason for this uncertainty is due to the different perspectives previous researchers have taken. For example, from a cost oriented perspective, there is concern over rising customer expectations and declining marginal returns that may exist with a delight initiative (i.e., Ngobo 1999; Rust and Oliver 2000). However, from a customer oriented perspective, where customer satisfaction is considered the paramount goal of the firm, it seems that customer delight is a logical and necessary goal (i.e., Keiningham and Vavra 2001). Equating these different perspectives represents a difficult challenge for the service firm and may be the reason for the confusion regarding delight as a firm strategy.

Recently a third perspective, that of the employee, has been investigated with regard to the analysis of delight as a strategy (Barnes 2008). From this qualitative work, *hidden* benefits of customer delight were introduced to the debate on the feasibility of delight as a strategy. These benefits included both psychological and behavioral changes that occur to the employee after providing delight to the customer.

For example, from a psychological perspective, employees were shown to experience a "delight contagion" whereby their job satisfaction and affective state were positively affected after they perceive they have delighted the customer. From a behavioral position, employees were shown to engage in increased customer-oriented boundary-spanning behaviors. This represents an important finding related to the discussion of delight as a strategy, as improved employee attitudes and behaviors have been linked to firm success within the Service Profit Chain (SPC) framework (Heskett et al. 1994).

As such, qualitative evidence suggests that customer delight leads to improvements in the attitudes and behaviors of the employee. This important factor has not been considered in previous research evaluating the appropriateness of a delight strategy for the service firm. Thus, the exact nature and power of the delight effects that continue to reverberate through the SPC remain unclear. In response to this gap in the literature, a structural model is developed that links delightful service encounters to employee psychological and behavioral variables previously shown to be influential within service research.

Literature Review

Why Employee Satisfaction Matters

The SPC establishes causal relationships in a chain formation between internal service quality, the creation of value, and external service quality (Heskett et al. 1994). In other words, the SPC "asserts that satisfied and motivated employees produce satisfied customers and satisfied customers tend to purchase more, increasing the revenue and profits of the organization" (Gelade and Young 2005, p. 2). Support for

the framework has been found in retail environments (Keiningham et al. 2006; Maxham et al. 2008); service environments (Gelade and Young 2005; Homburg et al. 2009; Kamakura et al. 2002), and franchise environments (Maritz and Nieman 2008). Furthermore, a recent meta-analysis confirms the central links of the SPC, stating that the relationship of employee satisfaction to customer satisfaction is "remarkable" (Brown and Lam 2008).

One avenue of research that has not been evaluated within the SPC literature are situations where employees experience elevated levels of satisfaction and positive affect. Because employees are the starting point for value creation within the SPC, it seems likely that employees who experience elevated levels of affect and job satisfaction will have powerful effects on the SPC.

Does Customer Delight Lead to Employee Delight?

Customer delight is defined as a "profoundly positive emotional state generally resulting from having one's expectations exceeded" (Oliver et al. 1997, p. 329). Originally Oliver and colleagues included a prerequisite of surprise in their definition of customer delight, but subsequent research has shown that surprise is not necessarily required for customers to experience delight (Arnold et al. 2005; Keiningham and Vavra 2001; Kumar et al. 2001).

Service firms have become increasingly interested in the concept of delight because of the beneficial outcomes it may produce. Previous service research has found that delighted customers are more satisfied (Westbrook and Oliver 1991), more loyal (Keiningham and Vavra 2001), and more likely to engage in word-of-mouth

behaviors (Berman 2005; Gremler and Brown 1999). These delighted customers also have stronger memories (Arnould and Price 1993; Berman 2005), and are more likely to form emotional bonds with the service firm (Berry 1995). Thus, a common theme in the delight research mentioned above is that outcomes of customer delight are connected to changes in psychological states and behaviors of the customer which are reflected in benefits for the firm.

Recent qualitative research suggests that delightful encounters can also have psychological and behavioral effects for the employee providing the delight (Barnes 2008). For example, after delightful encounters, employees are more committed and exhibit greater satisfaction with their job, as well as exhibiting greater levels of customer oriented behaviors.

Considering the impact that employee behaviors and attitudes have on a successful service encounter (Beatty et al. 1996; Hennig-Thurau et al. 2006; van Dolen et al. 2004), it is important to study the exact nature of the relationship between customer delight and employee level service encounter variables. In the following section, a model is formulated that accounts for the changes in the employee after a delightful encounter. This model is the first known to quantify the effect that customer delight has on the employee.

Model and Hypotheses

In response to the questions raised in the current research, the model presented in Figure 1 examines the direct effects of a delightful encounter on employee positive affect, and the indirect effects of customer delight on employee attitudes and behaviors.

Specifically, a delightful service encounter is expected to have a direct effect on employee positive affect. In turn, employee positive affect influences job satisfaction and affective commitment. Following attitude-behavior research models (i.e., Ajzen and Fishbein 1980), these psychological states then lead to behavioral changes. For example, employees are more likely to engage in customer oriented behaviors, such as helping customers and other employees to ensure successful exchanges. Because such behaviors have been linked to positive long term outcomes for the firm (Brady and Cronin 2001; Narver and Slater 1990), they represent an important effect that needs to be quantified. Further, it is important to understand the nature of the relationship between customer delight and employee performance to contribute to the debate regarding customer delight as a firm strategy.

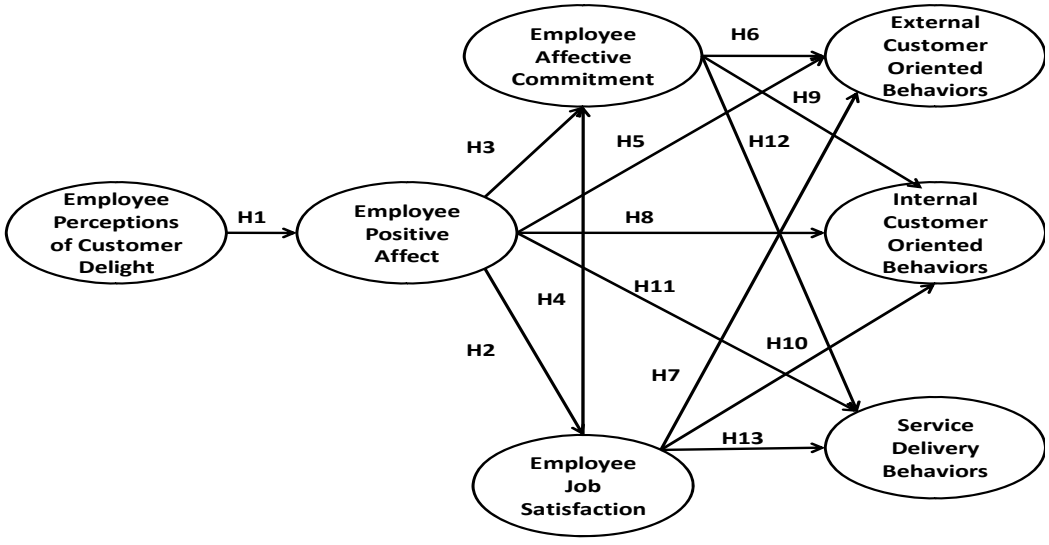

Figure 1

The Psychological and Behavioral Ramification of Providing Customer Delight

In the following section, a brief description of each construct and its relevance to the current study will be given.

Hypotheses

Delight → Employee Positive Affect (EPA) as a State. Positive affect (PA) reflects the "extent to which a person feels enthusiastic, active, and alert" (Watson et al. 1988, p. 1063). PA can be measured as a trait or as a state. The former represents an enduring personality trait that "predisposes people to experience positive emotions and moods as well as to have a positive outlook and orientation" (George and Brief 1992, p. 318). The latter refers to a more transient affective state, and "captures how ones feels at a given point in time" (George and Brief 1992, p. 318).

The current research is interested in studying the effects of providing customer delight on the *state* of employee positive affect (EPA). There are several reasons why: (1) states can be determined by situational factors (George and Brief 1992) such as service encounters; (2) PA as a state is shown as a significant predictor of customer service behaviors for employees, whereas PA as a trait was not (George 1991); (3) states are expected to have "profound effects on thought processes and behavior at work and in organizational settings" (George and Brief 1992, p. 314); and (4) states can have duration and breadth to influence outcomes long after they occur (Pelled and Xin 1999).

It is expected that employees who provide customer delight will experience increased levels of EPA. The basis for this expectation is found in theories relating to emotional contagion (Hatfield et al. 1994; Hatfield et al. 1992), which state "exposure

to an individual expressing positive or negative emotions can produce a corresponding change in the emotional state of the observer" (Pugh 2001, p. 1020). This phenomenon has been shown in customer settings, where customers who are exposed to the emotional displays of employees experience corresponding changes in their own affective states (Hennig-Thurau et al. 2006; Pugh 2001).

What has not been evaluated within the emotional contagion literature is the extent to which customer emotions affect employee emotions in delightful encounters. Previous research has shown that the contagion phenomenon that exists from employee to customer also exists from customer to employee in satisfactory encounters (Homburg and Stock 2004). Thus, the transfer of emotions in satisfactory encounters can flow in both directions. In regard to delightful encounters, qualitative research suggests that employees experience increased positive affect after providing delight to the customer (Barnes 2008). Because of the importance of positive employee emotions to service quality evaluations (Pugh 2001) and firm success (Hennig-Thurau et al. 2006), quantifying the effect of contagion effects in a delightful encounter is an important step for service research. Thus,

H1: Delightful service encounters have a positive influence on EPA

EPA → Job Satisfaction. Similar to previous service research (i.e., Hartline and Ferrell 1996; Parish et al. 2008), Locke's (1976) conceptualization of job satisfaction: "as a pleasurable or positive emotional state resulting from a person's appraisal of his or her job or job experiences" is utilized (p. 1300). The link between EPA and job satisfaction has been well established in academic literature. For example, a meta-analysis revealed a high adjusted correlation between job satisfaction and positive

affect (r=.34) (Thoresen et al. 2003). Weiss and Cropanzano (1996), also provide support for the influence of affect on employee attitudes such as job satisfaction. Relating directly to this research Niklas and Dormann (2005) found that state affect leads to generalized job satisfaction. Thus,

> *H2: Employee positive affect (EPA) as a state has a positive influence on job satisfaction*

EPA → Affective Commitment, and *Job Satisfaction → Affective Commitment.* Organizational commitment is defined as "the strength of an individual's identification with and involvement in a particular organization" (Porter et al. 1974, p. 604). Although related to job satisfaction, the two constructs differ in that "job satisfaction is viewed as a reflection of immediate reactions to the workplace, (whereas) organizational commitment is believed to develop more slowly as employees learn more about their job and organization" (Parish et al. 2008, p. 225). Empirical research supports this distinction by showing evidence for a causal relationship from job satisfaction to organizational commitment (i.e., Motowidlo et al. 1986; Parish et al. 2008).

Although organizational commitment was originally modeled as a uni-dimensional construct (i.e., Porter et al. 1974), later research has revealed it to be multi-dimensional (Allen and John 1990; Meyer and Allen 1991; Meyer et al. 1993). The three components of the construct are: "(1) affective, which refers to the employee's emotional attachment to, identification with, and involvement in the organization; (2) normative, which refers to the employee's feelings of obligation to stay with the

organization; and (3) continuance, which refers to the commitment based on the costs that the employees associate with leaving the organization" (Allen and John 1990. p. 1).

Similar to previous service research (i.e., Dean 2007; Paulin et al. 2006), the component of organizational commitment that is of interest in this context is affective commitment. This is because this research is interested in how employees *feel* and whether they *want* to remain with the firm rather than whether they *need* to do so. Theoretical support for why affective commitment alone is an appropriate measure of commitment has been provided in previous service research (i.e., Dean 2007). For example, evidence suggests continuance commitment is a less enduring source of loyalty compared with affective commitment (Evanschitzky et al. 2006). Further, normative commitment is correlated with affective commitment (Fullerton 2005), but with weaker effects (Gruen et al. 2000). Additional support for a focus on affective commitment as the key form of commitment comes from research that has shown a relationship between affective commitment and employee performance and tenure (Malhotra and Mukherjee 2003; Meyer and Allen 1991); organizational citizenship behaviors (Organ and Ryan 1995); service failure recoveries (Boshoff and Allen 2000); and customer-oriented boundary-spanning behaviors (Bettencourt and Brown 2003).

Research shows a relationship between affective commitment and employee tenure (Malhotra and Mukherjee 2003; Meyer and Allen 1991). Furthermore, previous research has shown a correlation between positive affect and affective commitment (Herrbach 2006). Finally, evidence suggests job satisfaction is an antecedent to customer orientation (Bateman and Organ 1983) and organizational commitment

(Mathieu and Zajac 1990; Parish et al. 2008; Porter et al. 1974; Sergeant and Frenkel 2000). Thus,

> *H3: Employee positive affect (EPA) as a state has a positive influence on affective organizational commitment*
>
> *H4: Job satisfaction has a positive influence on affective organizational commitment*

Customer-Orientated Boundary-Spanning Behaviors (COBSBs)

Customer orientation is a cornerstone of competitive advantage and occurs when the firm is engaged in the organization-wide generation, dissemination of, and responsiveness to market intelligence (Brady and Cronin 2001; Narver and Slater 1990). An important aspect of developing a customer orientation for the service firm is the ability of its workers to engage in boundary-spanning roles that link the service firm with the external environment (Bettencourt and Brown 2003; Bettencourt et al. 2005). These boundary-spanning roles allow the firm to "acquire and assimilate the information necessary to design and execute marketing strategies that result in more favorable customer outcomes" (Brady and Cronin 2001, p. 241).

Bettencourt and colleagues (2003; 2005) have highlighted three boundary-spanning behaviors of employees that contribute to a customer orientation. These behaviors are: (1) external representation, (2) internal influence, and (3) service delivery, and are included in the structural model as dependant variables.

<u>External Representation Behaviors (ERBs)</u>

ERBs occur when employees are vocal advocates to outsiders of the organization's image, products, and services (Bettencourt and Brown 2003; Bettencourt

et al. 2005). External representation, which is a form of word-of-mouth communication (Shinnar et al. 2004) can exist in two forms: (1) referral for use, and (2) referral for employment (Parish et al. 2008). Referral for use is expected to behave in the same manner as traditional word-of-mouth (Parish et al. 2008). That is, it is likely to be an outcome of affective commitment, satisfaction and be particularly influential within the employee's social network (Parish et al. 2008). Referral for employment has been shown to offer several advantages for the firm. For example, employees recruited through referrals have longer tenure (Breaugh 1981); a better understanding of job requirements (Breaugh and Mann 1984); and higher job applicant quality (Breaugh et al. 2003; Fernandez and Weinberg 1997; Kirnan et al. 1989).

Previous research has found that EPA leads to spreading goodwill (George and Brief 1992), which is akin to the external representation behaviors in this research. Organ and Ryan (1995) found that EPA led to increases in citizenship behaviors that benefit the firm. Further, it has been shown that after a delightful service encounter, employees experience positive affect which then leads to increases in job satisfaction and commitment (Barnes 2008). Finally, previous research has shown that job satisfaction and organizational commitment are antecedents to external representation behaviors (Parish et al. 2008). Thus,

H5: EPA *has a positive influence on ERBs*

H6: Affective organizational commitment has a positive influence on ERBs

H7: Job satisfaction has a positive influence on ERBs

Internal Influence Behaviors (IIBs)

IIBs occur when employees take individual initiative in communications to the firm and coworkers to improve service delivery by the organization, coworkers, and oneself (Bettencourt and Brown 2003; Bettencourt et al. 2005). Thus, these behaviors lead to the development of knowledge and organizational learning, which has been referred to as the only true source of competitive advantage (Lusch et al. 2007).

It is expected that employees are more likely to engage in IIBs for themselves and for others after they have experienced a delightful encounter. Social Identity Theory (Tajfel and Turner 1985) which offers a social-psychology perspective on employee behavior, provides the theoretical underpinnings for why this is likely to occur. Employees identify with the firm and develop a self-concept from the firm's interactions (Ashforth and Mael 1989). Thus, positive and negative firm interactions are analogous to personal successes and failures. As such, employees who are satisfied and committed are motivated to engage in practices that are most beneficial for the service firm, and by default themselves.

In the context of this research, the model suggests that employees will experience positive affect after providing delight to customers. Because the employee connects these states to the delightful encounter, it is expected that the employee notes which factors contributed to the delightful encounter and then stockpiles these factors for future use. Support is found in research that identified a relationship between positive emotions and performing discretionary acts for the firm (George and Brief 1992; Lyubomirsky et al. 2005). For example, employees in positive moods were more likely to be helpful, regardless of whether the helpful behavior in question was part of

their job responsibilities or was above and beyond the call of duty (George 1991). Thus,

H8: EPA *has a positive influence on IIBs*

H9: Affective organizational commitment has a positive influence on IIBs

H10: Job satisfaction has a positive influence on IIBs

Service Delivery Behaviors (SDBs)

SDBs occur when employees serve customers in a conscientious, responsive, attentive, and courteous manner (Bettencourt and Brown 2003; Bettencourt et al. 2005). As an example of the power of these factors, conceptually similar concepts constitute the seminal service quality model in previous research (Parasuraman et al. 1988), and have been linked to important outcomes for the firm such as relationship formation and the development of interpersonal bonds (Gremler and Gwinner 2000).

Within the model this research predicts that job satisfaction, affective commitment, and EPA all influence SDBs. The relationship between job satisfaction and service quality behaviors has been well documented (i.e., Brown and Lam 2008; Hartline and Ferrell 1996). It is also expected that affective commitment will lead to increases in SDBs on the basis of the social identity theories previously discussed. Finally, this model predicts increases in EPA will be reflected in increases of SDBs because of the "feel good – do good" link discussed in management literature (i.e., George and Brief 1992). That is, employees in positive moods have a higher motivation to "engage others in conversation" (Pelled and Xin 1999, p. 879), deliver

conscientious service as well as improving both actual performance and perceptions of the employee (Staw et al. 1994). Thus,

H11: EPA has a positive influence on SDBs

H12: Affective commitment has a positive influence on SDBs

H13: Job satisfaction has a positive influence on SDBs

Method

Sample

A main goal of this research was to gain a cross-section of service employees, which helps to reduce service type influences (i.e., Hennig-Thurau et al. 2002). Because of the number of industries sampled Bowen's (1990) taxonomy of services was utilized as a method for organizing the data (Gwinner et al. 1998; Hennig-Thurau et al. 2002). In this taxonomy three groupings of service firms exist: Group 1, those services directed at people and characterized by high customer contact with individually customized service solutions (e.g., financial consulting, medical care, travel agency, and hair care services); Group 2, services directed at an individual's property, in which moderate to low customer contact is the norm and the service can be customized only slightly (e.g., shoe repair, retail banking, pest control, and pool maintenance); and Group 3, services typically directed at people that provide standardized service solutions and have moderate customer contact (e.g., airlines, movie theaters, cafeterias, and grocery stores).

In order to get this cross-section of service employees, student researchers were utilized as recruiters, a practice established in previous service research (Bitner et al.

1994; Gwinner et al. 1998; Hennig-Thurau et al. 2002; Keaveney 1995). Students utilized were enrolled in a senior level marketing research class, and were given the option to participate in the research. Each student received a cover sheet with instructions on the type of service employees they were supposed to recruit, as well as the html address for respondents. Each student was encouraged to recruit up to four employees from each of the service categories established by Bowen (1990). The student recruited respondents were told to go to the html address to complete the survey. Furthermore, the students were explicitly told in their directions to refer any questions to the primary researcher (see Appendix C).

To ensure that students recruited the appropriate employees, students received training with regards to recruiting and screening potential subjects. This included analysis of the strengths and weaknesses of the snowballing procedure, as well as the importance of the student recruiters to developing an authentic sample. Furthermore, the three groupings of services were explained in detail, with a large number of additional examples provided for each category on top of the examples included in the cover sheet.

The survey link was opened for 14 days after distribution. As is the case with previous research utilizing this method, steps were taken to encourage authentic responses (see Gremler and Gwinner 2008, p. 311). This included warning interviewers that data falsification was akin to cheating and students would be held to university standards regarding cheating. Furthermore, highlighted on the survey was the fact that a random number of respondents would be contacted to verity the data (respondents were asked to provide their first name and a telephone number they could

be reached at). All the individuals contacted verified the information in the survey (n = 41). Finally, a visual scan as well as a content analysis was performed by the authors to ensure sufficient variability in patterns across responses, as well as consistency within individual responses. Due to these steps, the authenticity of the data has been further demonstrated. Lastly, as a manipulation check, the delight definition that was provided on the first page of the survey instrument was provided in a 5-point, true-false likert scale. Those respondents that answered 1, 2, or 3 were deleted from the analysis, because the researcher believed these respondents did not correctly identify the definition of customer delight. This resulted in the deletion of 12 cases. The final sample size was 431. This included 183 surveys from Group 1, 138 from Group 2, and 110 from Group 3.

As shown in Figure 1, the proposed model contains seven latent variables, each consisting of multi-item measures. As in previous service employee research, self-rating scales were used for all measures (Sergeant and Frenkel 2000). All of the measures were adapted from scales that had proved reliable in previous studies (see Table 7). A draft survey was pilot-tested on customer contact employees, as well as a convenience sample of academics to establish evidence of face validity. No issues were identified.

Table 7

Construct Measures and Confirmatory Factor Analysis

Construct and Scale Item	Factor Load.	CR[e]	AVE[e]	α
Delight[a] – Finn (2005), reported α = 0.90		0.95	0.74	0.86
Thinking back to encounters where you delighted a customer, please indicate how often you perceive your customers felt the following emotions				
1. Gleeful	0.78			
2. Elated	0.77			
3. Delighted	0.79			
4. Happy	0.73			
5. Cheerful	0.77			
6. Excited	0.75			
Job Satisfaction[b] – Johlke and Duhan (2000), reported α = 0.81		0.88	0.70	0.91
1. My job was valuable	0.90			
2. I was doing something worthwhile	0.92			
3. My job was interesting	0.84			
4. My job was satisfying	0.91			
Affective Commitment[c] – Babakus et al. (1999), reported α = 0.84		0.94	0.80	0.94
1. I really cared about the fate of this company	0.89			
2. I felt a great deal of loyalty to this company	0.94			
3. I was willing to put forth effort to help this company be successful	0.89			
4. I felt a sense of belonging to this company	0.89			
5. My relationship with my service firm was very important to me	0.91			
Positive Affect[a] – Tsai et al. (2007), reported α = 0.94		0.97	0.83	0.94
1. When I remember delightful service encounters I feel enthusiastic about my work	0.79			
2. When I remember delightful service encounters I feel happy	0.79			
3. When I remember delightful service encounters I feel elated	0.75			
4. When I remember delightful service encounters I feel delighted about my work	0.83			
5. When I remember delightful service encounters I feel excited about my work	0.88			
6. When I remember delightful service encounters I feel inspired	0.81			
7. When I remember delightful service encounters I feel determined	0.79			
8. When I remember delightful service encounters I feel proud about my work	0.78			
9. When I remember delightful service encounters I am more interested in my job	0.83			
10. When I remember delightful service encounters I am more active in my job	0.77			

Table 7 continued

External Representation Behaviors[d]– Bettencourt and Brown (2003), reported α = 0.91		0.88	0.69	0.86
1. I tell outsiders this is a great place to work	0.88			
2. I generate goodwill for my service firm	0.87			
3. I say good things about my service firm to others	0.91			
Internal Representation Behaviors[d] – Bettencourt and Brown (2003), reported α = 0.91		0.90	0.75	0.90
1. I make constructive suggestions for service improvement	0.90			
2. I share creative solutions to customer problems with other team members	0.92			
3. I encourage co-workers to contribute ideas and suggestions for service improvement	0.92			
Service Delivery Behaviors[d] – Bettencourt and Brown (2003), reported α = 0.83		0.89	0.54	0.78
1. I follow up in a timely matter to customer requests and problems	0.84			
2. Regardless of circumstances, I provide exceptionally courteous and respectful service to customers	0.84			
3. I follow through in a conscientious manner on promises to customers	0.81			

[a] 5 point scale (never - always)
[b] 7 point scale (strongly disagree – strongly agree)
[c] 5 point scale (strongly disagree – strongly agree)
[d] 7 point scale (not at all characteristic of me – extremely characteristic of me)
[e] Calculated with parceling

Measures

Table 7 contains items for all constructs. Employee perceptions of *customer delight* was measured using scale items similar to the seminal article in delight literature (Oliver et al. 1997). Modifications to this scale were based on Finn's (2005) reassessment of the factor structure of delight. As opposed to testing a 13-item scale, his analysis revealed that six positive emotions were most reflective of the delight factor of position emotion. Thus, this research utilized the following six terms as reflective indicators of delight: gleeful, elated, happy, delighted, cheerful, and excited. Similar measures of customer delight have been accepted in recent literature (i.e., Chitturi et al. 2008). Thus, for employee perceptions of delight, employees were asked

to give their perception of the extent to which these emotions existed in the customer. Because this research is based on the employee perception of customer emotions, measuring customer delight in this manner is appropriate.

Job Satisfaction was measured using a four-item measure adapted from previous service research (Johlke and Duhan 2000). The scale items reflect overall work satisfaction rather than any specific dimensions of work satisfaction (Singh et al. 1996). Measuring satisfaction at this level, as opposed to the specific facets of the job has been recommended when investigating the transference of emotions between customers and employees (i.e., Brown and Lam 2008).

Positive affect was measured using the 10 item Positive Affect Negative Affect Schedule (PANAS) developed by Watson, Clark, and Tellegen (1988).

Affective commitment was measured using five items from the short Organizational Commitment Questionnaire of Mowday, Steers, and Porter (1979). Similar scale items have been used in previous service research (Babakus et al. 1999; Dean 2007; Netemeyer et al. 2005). The scale "captures identification with the company (pride in belonging), psychological attachment (sense of belonging), concern about the long term success of the company, and feelings of loyalty" (Dean 2007, p. 166).

Customer orientation behaviors were measured using three components previously employed in service research (Bettencourt and Brown 2003; Bettencourt et al. 2005). *External representation* was measured using a three-item scale designed to tap the extent to which an employee is a vocal advocate to outsiders of the organization's image, goods, and services. *Internal influence behaviors* were measured

with a three-item scale intended to capture the extent to which a person takes individual initiative in communicating to the firm and co-workers about ways to improve service delivery by the organization, co-workers, and oneself. *Service delivery behaviors* were measured with a three-item scale that reflects the extent to which the employee serves customers in a conscientious, responsive, flexible, and courteous manner.

Measure Validation Procedures

This research utilized Anderson and Gerbing's (1988) recommended procedure for testing the overall measurement model. A seven-factor, correlated model was estimated. Reflective scale items for both the delight construct and the employee positive affect were parceled. Because "SEM has a difficult time identifying the measurement model if too many indicators are used to represent a single latent variable…a general rule of thumb is that measurement models have difficulty estimating over 5 parameters for a given latent variable…Three indicators per latent variable is ideal…"(Garver and Mentzer 1999, p. 40). Further, by using this method random error is reduced, and a complex model is simplified (Garver and Mentzer 1999). A second reason for parceling the positive affect scale is to avoid the issues that have been raised regarding the PANAS scale. Namely, there has been discussion on the factor structure of positive affect (Clore et al. 1987; Diener et al. 1995). By parceling, this issue was alleviated as each item now included both affective and cognitive components of positive affect. Also, in following previous research investigating the same customer-oriented variables, the zeta values were allowed to correlate, since relationships amongst these variables were not of interest (Bettencourt

and Brown 1997). Finally, a single item from the affective commitment scale was deleted because of measurement issues. Specifically, item 3 was deleted, which was worded "I was willing to put forth effort to help this company be successful." In retrospect, when evaluating this item in the context of the current research, one could predict that this item would load with the COBSBs as the terms are conceptually similar. In both cases, the employee is "putting forth" effort.

This model achieved an acceptable fit: $\chi 2$ (273) = 504.21 ($p < .01$), comparative fit index (CFI) = 0.974. The goodness of fit index (GFI) (0.917), Tucker-Lewis Index (0.979) and root mean square error of approximation (RMSEA) (0.044) further demonstrated that the measurement model achieves an acceptable fit (Hu and Bentler 1995). In addition, validity, reliability, and discriminant validity of the measures were assessed at the item level. As shown in Table 7, the confirmatory factor analysis (CFA) results lend strong support to the convergent validity of all measures, because all estimated loadings of the indicators for the underlying constructs are greater than the recommended 0.5 cutoff and are statistically significant at the 0.05 level (Bagozzi and Yi 1988). The Cronbach's alpha values of all constructs are higher than the 0.7 threshold (Nunnally and Bernstein 1994), and the minimum reliability (α) of the measures is 0.78.

To examine the internal validity of the measurement model, composite reliability (CR) and average variance extracted (AVE) were calculated (Fornell and Larcker 1981). All the CRs are above the recommended 0.7 level (Nunnally and Bernstein 1994). The AVEs of all constructs, which represent the amount of variance captured by the construct's measures relative to measurement error and the correlations

among the latent variables, are higher than the 0.5 cutoff recommended by Fornell and Larcker (1981) for each construct. Thus, there is evidence that the internal validity of the measurement model appears adequate.

Disciminant validity was further assessed utilizing Fornell and Larcker's (1981) test, whereby AVE estimate for each construct is compared with the squared correlation between any two constructs. This is considered a more rigorous test of the measurement model (DeWitt et al. 2008). The AVEs are higher than the squared correlations, confirming the discriminant validity of the constructs (see Table 8).

Table 8

Means, Standard Deviations (SD) and the Correlation Matrix

	Mean	SD	DELIGHT	JS	PA	AC	EXT	INT	SDB
DELIGHT	3.8	0.60	**0.74**						
JS	6.2	0.99	0.08	**0.70**					
PA	4.1	0.64	0.26	0.38	**0.83**				
AC	4.3	0.84	0.05	0.58	0.36	**0.80**			
EXT	4.1	0.85	0.20	0.31	0.39	0.39	**0.69**		
INT	4.0	0.89	0.11	0.19	0.27	0.24	0.31	**0.75**	
SDB	4.4	0.61	0.01	0.20	0.10	0.17	0.12	0.12	**0.54**

NOTE: The calculated values of the squared correlations of the path estimates between all possible pairs of constructs are presented in the lower corner. Average variances extracted are presented in boldface type along the diagonal.

Therefore, the measurement model meets all psychometric property requirements. Given acceptable fit in the measurement model, the structural models were estimated using AMOS 5 to test the hypotheses.

Results

The hypothesized relationships in the model were tested using structural equation modeling (SEM). Table 9 provides a summary of results obtained by estimating the hypothesized model in Figure 1. The global goodness-of-fit statistics indicate that the structural model represents the data structure well. As such, each hypothesis was tested by examining path significance.

According to the results, a delightful service encounter positively influences EPA (H1), which in turn positively influences affective commitment (H2) and job satisfaction (H3). In accordance with previous research there is a significant path from job satisfaction to affective commitment (H4).

Further, the findings indicate that EPA positively influences all three COBSBs (H5, H8, H11). On the other hand job satisfaction influences only SDBs, while affective commitment influences both IIBs and ERBs.

Table 9

Results of the Structural Model

Hypotheses	B (t-value)	Hypotheses Validation
H1: Delight Encounter → Positive Affect	0.41 (8.3)	Yes
H2: Positive Affect → Job Satisfaction	0.66 (12.8)	Yes
H3: Positive Affect → Affective Commitment	0.32 (5.9)	Yes
H4: Job Satisfaction → Affective Commitment	0.46 (7.9)	Yes
H5: Employee Positive Affect → External Representation Behaviors	0.27 (4.7)	Yes
H6: Affective Commitment → External Representation Behaviors	0.64 (10.2)	Yes
H7: Job Satisfaction → External Representation Behaviors	-0.09 (-1.4)	No
H8: Positive Affect → Internal Representation Behaviors	0.35 (5.4)	Yes
H9: Affective Commitment → Internal Representation Behaviors	0.27 (4.1)	Yes
H10: Job Satisfaction → Internal Representation Behaviors	0.06 (0.85)	No
H11: Positive Affect → Service Delivery Behaviors	0.33 (4.7)	Yes
H12: Affective Commitment → Service Delivery Behaviors	0.03 (0.41)	No
H13: Job Satisfaction → Service Delivery Behaviors	0.29 (2.9)	Yes
Squared Multiple Correlations for Structural Paths		
Positive Affect	0.172	
Job Satisfaction	0.431	
Affective Commitment	0.507	
External Representation Behaviors	0.590	
Internal Influence Behaviors	0.366	
Service Delivery Behaviors	0.276	
Fit Indexes	Global	Incremental
	X2/df = 1.67	CFI = 0.982
	GFI = 0.932	IFI = 0.982
	RMSEA = 0.040	NFI = 0.957
	TLI = 0.979	PNFI = 0.802

Three hypotheses were not supported. Specifically H12, which stated delightful service encounters have a positive influence on affective commitment which is then reflected in increases of SDBs. The other hypotheses that were not supported dealt with the influence of job satisfaction on ERBs and IIBs (H7, H10). See Figure 2 for the results of the Structural Model.

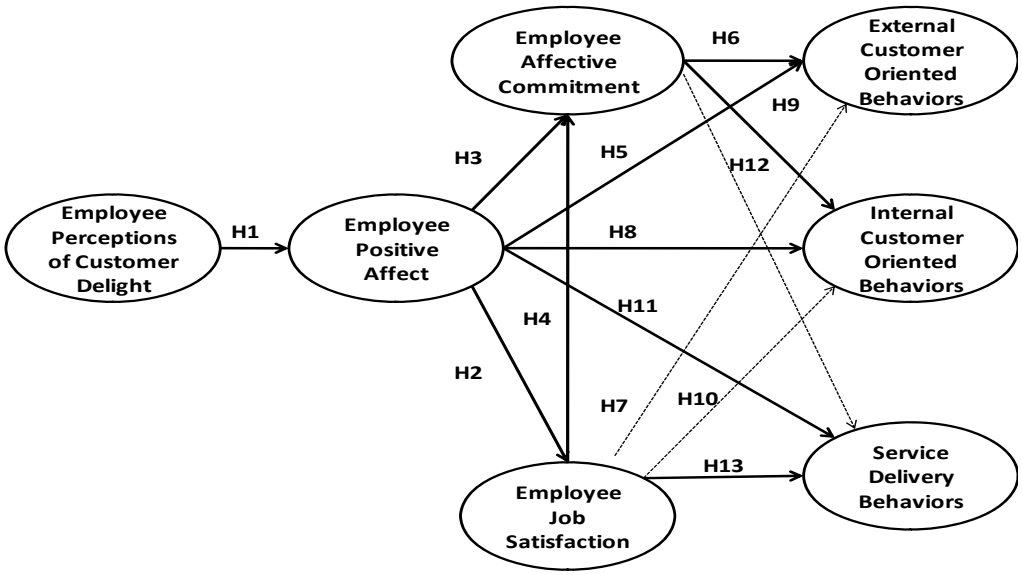

Figure 2

Results of the Structural Model

Discussion

The most significant contribution of this research is the findings that relate to transference of emotions between customers and employees. Utilizing emotional contagion this research illustrates how elevated positive emotions transfer from the customer to the employee, and are associated with both psychological and behavioral changes in the employee. As such, this research makes several theoretical contributions to the literature on emotional contagion. First, a majority of previous research investigating emotional contagion has evaluated the effects of employee emotions on customers (for an exception see Homburg and Stock 2004). The current research provides evidence this effect also exists in the opposite direction; signaling the power of emotional contagion to explain the transfer of emotions. This is an important extension as previous research has made calls to discover how discrete emotions can influence employee behaviors and performance (i.e., Barsade and Gibson 2007; Lazarus and Cohen-Charash 2001).

Second, to my knowledge, no research has empirically evaluated the transfer of emotions from customers to employees in situations characterized as delightful. Once again, this research finds support for the transfer of elevated positive emotions between groups. In other words, contagion effects can rise above satisfaction in either direction regardless of the origin (customer or employee). This is an important finding as previous research has shown that positive emotions like pleasure (i.e. delight) are very influential on employee attitudes (Mignonac and Herrbach 2004)

Furthermore, when evaluating the contagion effects within the Service Profit Chain (SPC), there are several implications. Most importantly, an unidentified benefit

of aiming to delight the customers is employee delight. The effects from this latter delight are then echoed through the SPC, which is important as the SPC has been shown to be an accurate framework linking employee satisfaction to customer satisfaction and firm profit (i.e., Brown and Lam 2008; Homburg et al. 2009).

Another important finding of this research is that the antecedent variables that affect different Customer-Orientated Boundary-Spanning Behaviors (COBSBs) vary. For example, employees with higher levels of job satisfaction are more likely to engage in service delivery behaviors, whereas to engage in internal influence or external representation employees must first be affectively committed to the firm. Although this relationship was not predicted, there is support in the literature for this unexpected finding. It appears that employees see certain types of COBSBs are seen as extra-role behaviors, while other types of COBSBs are seen as role-prescribed behaviors. The former represent actions that employees are not evaluated on, nor are they behaviors that represent a part of their formal job descriptions (Brief and Motowidlo 1986). On the other hand, role-prescribed behaviors represent expected employee actions and behaviors in serving the firm's customers (Brief and Motowidlo 1986). For example, such behaviors include "exhibiting common courtesy, demonstrating accurate knowledge of policies and products, addressing customers by name, greeting and saying 'thank you' to customers" (Bettencourt and Brown 1997, p. 42). These types of behaviors are "derived from implicit norms in the workplace or from explicit obligations as specified in organizational documents" (Bettencourt and Brown 1997, p. 42).

The distinction between role-prescribed and extra-role behaviors is important because they have "fundamentally different relationships" across the same variable (MacKenzie et al. 1998). This fact is illustrated in the results section. Namely, whether or not the behavior is considered a part of the job description provides an explanation of the relationship between specific antecedent variables (job satisfaction, affective commitment) and specific forms of COBSBs. Support for this finding is found in research that shows that job satisfaction does not lead to extra-role behaviors (Lee et al. 2006), as well as research that shows some work behaviors are a reaction to cognitive experiences, while other behaviors are reflective of affective experiences (Lee et al. 2006; Weiss and Cropanzano 1996).

Also deserving further explication is why the results contradict two previous studies: first, Bettencourt and Brown (2003) modeled both job satisfaction and affective commitment to all three COBSBs, and second, research by Lee et al. (2006) reports an insignificant path from organizational commitment to extra-role behaviors. This research contends that by including positive affect, and partitioning out its affect on COBSBs, the phenomenon that is actually causing COBSBs is most accurately modeled. This is supported by the fact that a competing model in which Employee Positive Affect (EPA) completely mediated the relationship between job satisfaction and affective commitment was tested. Not only were the model fit statistics worse, but also the results illustrated that including a direct path from EPA to COBSBs made paths from job satisfaction and affective commitment to certain COBSBs nonsignificant. Thus, the findings indicate that the effects of EPA lead directly to COBSBs. This finding is supported by Weiss and Cropanzano (1996) who state: "affective states

influence performance and job satisfaction but their performance implications are, by and large, independent of their relationships with satisfaction" (p. 65). In other words, the controversy over the satisfaction-performance link in the management literature, that is, the weak relationship reported in meta-analyses (i.e., Iaffaldano and Muchinsky 1985), may be explained by this study's findings. What leads to performance could be EPA or affective commitment and not job satisfaction.

Finally, this research extends the SPC chain literature to include situations characterized as delightful. In doing so, this research provides evidence that delightful encounters can energize employee attitudes and behaviors, which the SPC predicts are reflected in both customer satisfaction and firm success.

Managerial Implications

The most significant practical implication of this research is support for the notion that providing customer delight can add value to the firm's profitability (Keiningham and Vavra 2001), albeit by indirect effects. As such, the importance of human resource management for a service firm is of pivotal importance. In service encounters where employee-customer interactions are important indicators of quality, it is imperative to hire and train effectively. In the case of a delight strategy, it is important to recognize that some employees have a greater ability to experience the contagion effects from the customer. Thus, for firms implementing a delight strategy, it is important to locate such individuals and provide them with the ability to create delight in the SPC.

This research also identifies practical benefits that can be attained for the service firm when the employee is able to delight the customer. In this sense, this research provides managerial guidance to allow the employee to delight the customer, as doing so invests value creation in the SPC. Further, this research helps managers to understand the importance of emotions in both the customer and the employee.

Lastly, from a managerial perspective it is important to understand that delight producing factors can be transferred through the organization in several manners: (1) by way of word-of-mouth that employees engage in to facilitate higher levels of organizational performance (i.e., best practices); and (2) through vicarious learning, whereby members of the organization observe practices that are most effective. In either case the organization performs at a higher level that is beneficial to the service employee's identity.

Limitations and Future Research

Although the current research makes significant contributions to the understanding of how customer emotions affect employee behaviors and attitudes, there are certain limitations that should be acknowledged. Data were collected utilizing multiple interviewers as well as a snowballing procedure, both of which have weaknesses. For examples, a selection bias may exist in the data set. Furthermore, this study assessed employee perceptions of customer delight, without verifying that delight had occurred from the customer's point-of-view. Also, this research measured positive affect as a state in contrast to positive affect as a trait, with the understanding that the latter could also prove useful in research. Furthermore, data were collected in a

retrospective manner assuming employees could clearly remember how they felt after providing customer delight. Finally, with regards to causality, data were collected in a cross-sectional manner, a stronger case for causality would be made with longitudinal or experimental data.

Aside from these limitations, there are many avenues of future research that can develop from the findings presented. For example, there are several topics relating to emotional contagion warranting further research: developing an emotional contagion scale for the service environment; illustrating how long the effects of contagion last; if contagion differs across employee populations; if contagion is more pronounced in some industries in comparison with others. Furthermore, this research considered only positive emotions, it would be interesting to evaluate how negative emotions relate to the relationships shown in this study. Another interesting area of future research would be to evaluate different outcome variables in comparison with COBSBs. For example, a variable such as adaptability, which has been shown as an important component in service quality evaluations (Gwinner et al. 2005). It is likely that a positive relationship exists between employees in an elevated mood state and ability and desire to engage in adapting behaviors for the benefit of the firm/customer.

CHAPTER 4

ESSAY 3: INVESTIGATING THE KEY ROUTES TO CUSTOMER DELIGHT IN A SERVICE ENVIRONMENT

There has been tremendous debate in the marketing community regarding the extent to which a firm should go to please customers. From one perspective, the goal is to achieve ultimate customer satisfaction, commonly referred to as customer delight. The appeal of customer delight is intuitive, as customers represent a key resource for the firm (Vargo and Lusch 2004). However, from another perspective, marketers argue against aiming for ultimate satisfaction within the customer base. The crux of this position is that firms aiming for delight are not allocating their limited resources in the most beneficial manner. For example, some customers are not worthy of the extra resources required to delight them, as their lifetime value is limited (Rust and Oliver 2000).

Further complicating this debate is the lack of research in the area of customer delight (Arnold et al. 2005). A majority of the early delight research contributed significant understanding to the structure of delight (Finn 2005; Kumar et al. 2001; Ngobo 1999; Oliver et al. 1997; Rust and Oliver 2000) while downplaying it's causes. Although this research was required to illustrate discrimant validity between delight

and satisfaction, more research is now required that moves beyond delight, to create a clearer understanding of the affective and cognitive causes of delight.

In those rare instances where delight has been studied in a broader spectrum, the setting was not in the service environment (Arnold et al. 2005), or from the customer's point-of-view (Verma 2003). A second concern with previous delight research relates to methodological issues. For example, Finn (2005), states research has not explicitly compared how satisfaction and delight differ at the individual customer level. This represents an important omission as it is not clear how individual differences in customers may account for perceptions of customer delight.

In response to these significant gaps in the literature, the current research has three aims: (1) to develop a classification of affective and cognitive factors that cause delight in a service environment; (2) to evaluate the nature of individual customers' expectations relating to their delightful encounters; and (3) to explore how satisfactory and delightful encounters differ at the individual customer level.

Literature Review

What is Customer Delight?

Customer delight was originally conceptualized as a combination of joy and surprise (Oliver et al. 1997). Later conceptualizations of delight have revealed that surprise is not required for customers to experience delight (Keiningham and Vavra 2001; Kumar et al. 2001). Regardless of the conceptualization, customer delight has become an important area of study with the realization that satisfaction alone does not

necessarily ensure key customer behaviors such as loyalty (Jones and Sasser 1995; Keaveney 1995; Verma 2003).

In contrast to the findings relating to satisfaction, delight has been shown to have powerful effects on the customer. For example, firms that delight their customer have the capability of creating emotional bonds with their customers (Arnould and Price 1993; Berman 2005); stronger memories (Arnould and Price 1993; Berman 2005), higher levels of loyalty and word-of-mouth (Berman 2005; Gremler and Brown 1999), and long-term strategic advantages (i.e., Berman 2005; Keiningham and Vavra 2001).

What Leads to Customer Delight?

After acknowledging the importance of customer delight to the firm, it is necessary to evaluate what customers perceive to be delightful. From a review of both satisfaction and delight literature, it appears there are two main routes to creating delight for the customer: cognitive and affective (see Figure 3). The former path has been the most thoroughly investigated for both satisfaction and delight (Arnold et al. 2005; Oliver et al. 1997; Rust and Oliver 2000), but research makes compelling arguments why affective routes to delight are also an important aspect for firms to consider (i.e., Arnould and Price 1993; Schneider and Bowen 1999).

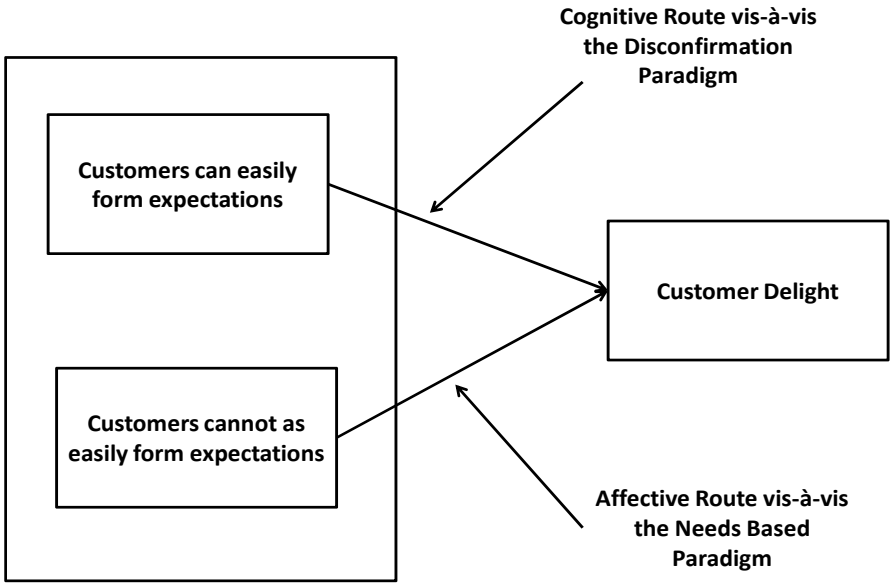

Figure 3

Cognitive and Affective Routes to Customer Delight

Cognitive Route to Delight

Within the marketing literature, the dominant paradigm that has been utilized to understand customer satisfaction and delight is the disconfirmation paradigm (Oliver 1980). Within this framework, expectations are compared to performance, and surprising disconfirmation is thought to lead to delight (Rust and Oliver 2000). Previous research has utilized this paradigm to develop the concept of customer delight (Oliver et al. 1997) as well as to explore delightful encounters (Arnold et al. 2005).

Inherent for the disconfirmation paradigm is the assumption that customers can formulate accurate expectations relating to a service, as well as having the ability to judge performance based on these expectations. As such, for delight to occur vis-à-vis

the disconfirmation paradigm, customers need to be able to predict what the service should entail, and then have the ability to judge the service in relations to these expectations. For example, it seems likely that customers will be able to formulate accurate expectations relating to the appropriate levels of levels of employee effort, skills, and the overall core product.

Employee effort, which is akin to "the amount of energy put into a behavior" is likely to represent a cognitive route to delight because it is usually observable (Mohr and Bitner 1995, p . 240). The impact of employee effort has been empirically illustrated in several studies. Not only does it have a positive impact on customer satisfaction, but it also remains significant when the perceived success of the service encounter is controlled (Mohr and Bitner 1995). Furthermore, research has shown that employee effort can be more important with regard to satisfaction judgments in comparison with perceived employee abilities (Specht et al. 2007). In delight research, Arnold et al. (2005) found that 32% of delight critical factors could be attributed to effort, helpfulness, and time commitment. As such, it seems there is clear evidence that employee effort positively impacts customer satisfaction, as well as customer delight.

The next variable likely to cognitively illicit delight is termed employee skills. This encompasses the actual or functional process the employee utilizes in service provision. The literature is replete with examples of how specific employee skills can lead to elevated levels of satisfaction and possibly delight. For example, employee skills such as learning names (Beatty et al. 1996), speed, knowledge of policies, adaptability (Jong et al. 2004), anticipation (Bitner et al. 1990), giving advice (Gremler

and Gwinner 2008), customization or personalization (Winsted 2000) and quality of explanation (Kumar and Iyer 2001) have all been linked to positive service evaluation.

The third avenue to cognitive delight is centered around the core product. In these instances, customer delight occurs because of value inherent in the product itself, or the value in acquisition of the product (Arnold et al. 2005). Examples include finding a rare product or getting unanticipated value, such as an item on sale. Arnold et al. (2005) found 33% percent of delightful critical factors in a retail setting were related to unanticipated value.

The final cognitive path to delight is through service recovery, which is a particularly important route to customer satisfaction (Bitner et al. 1990), and it may also lead to delight (Verma 2003). It is placed in the cognitive section because it is expected that customers can form accurate expectations as to the level of service failure recovery that is warranted.

Affective Route to Customer Delight

Research in the services marketing field has investigated the impact of customer affect on customer evaluation of service (Arnould and Price 1993; Price et al. 1995). Affect has a tremendous impact on performance evaluations, and this impact may not be properly accounted for within the cognitive dominant disconfirmation paradigm (Arnould and Price 1993; Schneider and Bowen 1999). For example, in certain situations, customers do not have clear, defined expectations, nor can they accurately predict the interplay between customers and employees (Arnould and Price 1993). As proof of this, research has shown that pre-service expectations may be based on specific

skills, whereas post-service evaluations are based on affectively driven themes (Arnould and Price 1993; McGill and Iaccobucci 1992).

In response, Schneider and Bowen (1999) propose a needs based model as more appropriate for investigating emotionally driven situations. Specifically, they state that firms should understand three key needs to avoid outrage and deliver delight - safety, justice, and self-esteem. Whereas the first two are related to the outrage emotion, enhancing feelings of the self-esteem need is what leads to delight (Schneider and Bowen 1999). Furthermore, esteem needs can be evaluated separate from the core service being provided. This phenomenon has been referred to as hedonic consumption (Hirschman and Holbrook 1982; Holbrook and Hirschman 1982).

A good example of hedonic benefits in practice arises from the interaction between the customer and the employee. In some cases, the actual interplay between the customer and the employee is valued on its own, regardless of the core service. Support for this finding is provided in previous research, where factors such as friendliness and courtesy are key drivers of satisfaction and delight (Arnold et al. 2005; Johnston 1995; Verma 2003; Winsted 2000). Employee factors like these have been referred to as humanic factors (Berry et al. 2006), that can allow the firm to "cultivate emotional connectivity" with the customer. Theoretical support for why these humanic factors may lead to delight center on the transference of emotions from the employee to the customer (i.e., emotional contagion). Based on emotional contagion, which states that emotions can transfer between communicating parties, it appears that employees who exhibit positive emotions can in turn influence customers to experience elevated positive affect (Barsade 2002; Pugh 2001).

A second and related manner in which the literature predicts customers will experience delight is through interactions with employees that attenuate the customer's self-esteem. Schneider and Bowen (1999) state that an important aspect of creating delight is "to enhance feelings of self-worth by acknowledging the customer's perspective, importance, and rights" (Schneider and Bowen 1999, p. 41). Customers experience increased affect when they receive individualized attention, are treated with personal interest, and feel unique, pampered, or important (Arnold et al. 2005; Bitner et al. 1990; Mohr and Bitner 1995; Verma 2003).

In summary, the literature suggests there are cognitive and affective routes to customer delight. The next step is a systematic evaluation of the specific attitudes and behaviors that lead to the aforementioned routes.

Method

The data were collected using the Critical Incident Technique (CIT) (Flanagan 1954) which relies on a set of "procedures to collect, content analyze, and classify observations of human behavior" (Gremler 2004, p. 66), and has been influential in services marketing literature (Bitner et al. 1994; Bitner et al. 1990; Grove and Fisk 1997; Keaveney 1995; Verma 2003, etc.). Gremler (2004) states advantages of this technique include: (1) the data collected are from the respondent's perspective and in his/her own words; (2) the research is inductive in nature; (3) it generates an accurate and in-depth record of events; and (4) it can provide a rich set of data. Further, this method is especially appropriate when there is little known about the phenomenon

being studied (Bitner et al. 1990; Grove and Fisk 1997), which is the case with customer delight.

Data Collection and Sample

To study the customer's perspective of delight, this research focused on these key objectives: (1) what are the cognitive and affective routes to delight from the customers' perspective; (2) what is the relationship of expectations to delight; and (3) what is the difference between delight and satisfaction. From these objectives a critical incident survey was developed and pre-tested on three experts and a convenience sample of 25 students to ensure the questions were clear, and the overall format of the instrument were appropriate. The judges were deemed expert because they possessed doctoral training, as well as experience with survey techniques, and the construct of customer delight. No problems or issues were identified with this pretest.

Data were collected using a snowballing procedure with student interviewers who had been exposed to the techniques of recruitment, screening, and survey administration in a senior level marketing research class at a large southeastern university. This sampling method follows in the footsteps of previous authors (i.e., Keaveney 1995).

Respondents were provided with a structured questionnaire to aid in the recall of a delightful incident (i.e., Gremler and Gwinner 2008). Questions related to the objectives identified earlier are located in Appendix D. Roughly half a page was provided for each of the three open-ended questions, and respondents were told to use

the back of the page if more space was required. Respondents were also asked for contact information and to answer basic demographic questions.

Similar to previous research, each instrument was completed by the respondents, thereby alleviating the possible variance associated with multiple interviewers (Jones 1999). Furthermore, collecting data in this manner allowed for a sample representative of a large cross-section of service firms, thus overcoming a deficiency in previous delight research (Finn 2005).

As is the case with previous CIT research (Bitner et al. 1990; 1994), criteria determined *a priori* had to be met in order for an incident to be included in analysis. Namely, an incident had to: (1) be a discrete episode, and (2) have sufficient detail to be visualized by the researchers. A total of 405 surveys were completed, with 12 deletions because the criteria set forth were not met. To ensure the authenticity of data, roughly 10% of the surveys were randomly selected and each of these respondents was contacted. All of the respondents contacted verified the information provided in the surveys. As such, the data was validated according to standards set forth in previous research (i.e., Gremler and Gwinner 2008). The average age of the sample was 30, and 52% were female.

Because of the large number of industries sampled, the incidents were divided according to Bowen's (1990) taxonomy of services. Because of its empirical basis, this taxonomy has been utilized repetitively in service research (i.e., Gwinner et al. 1998). In this taxonomy, three groupings of firms exist: Group One, services directed at people and characterized by high customer contact with individually customized service solutions (e.g., financial consulting, medical care, travel agencies, restaurants, hotels);

Group Two, services directed at an individual's property, in which moderate to low customer contact is the norm and the service can be customized only slightly (e.g., shoe repair, retail banking, pest control, photofinishing, and pool maintenance); and Group Three, services typically directed at people that provide standardized service solutions and have moderate customer contact (e.g., airlines, movie theaters, cafeterias, and grocery stores). After dividing the sample, there were 188 (48%) incidents for Group 1, 52 (13%) for Group 2, and 152 (39%) for Group 3.

Classification Schema Development

Similar to previous research content analysis was used to interpret the customer responses to the open-ended questions (Bitner et al. 1994; Bitner et al. 1990; Keaveney 1995). After the surveys were collected, two independent coders (A and B) with experience not only in qualitative research, but also in the domain of customer delight, independently read all of the responses. Using an iterative process, the coders read, sorted, and re-read the incidents with the goal of combining "similar incidents into distinct, meaningful categories" (Bitner et al. 1990, p. 97).

After independently evaluating the data set and coding all responses, the two coders met and discussed the classification for each incident. After coming to agreement on the entire data set, the two coders (A and B) then developed category names and definitions that would be given to a third coder. The categories were meant to be mutually exclusive and collectively exhaustive. To ensure that the category names reflected the data set, coder A then read the entire data set and classified each incident. Satisfied with the results, the categories and their definition were then

provided *a priori* to a third coder (C) who was instructed to read the entire data set. If coder C felt that any incidents in the data set did not fit with the categories provided, the coder was told to either set the incident aside, or to create a new category. After coding all of the incidents, the third coder did not find a case that did not fit with the categories.

The next step was to compare results between coder A and coder C. Based on previous research, two measures of interjudge agreement were calculated (interjudge agreement, Cohen's K, and Perreault and Leigh's index), which both exceeded the levels recommended by previous research. See Table 10 for a summary of these statistics. Although there were few, any coding disagreements were resolved by discussion.

Table 10

Reliability Statistics

	% Agreement[a]	Cohen's Kappa [a,b]	Perreault & Leigh (I_r) [a,c]
Question 1 – What represents customer delight	85	0.87	0.83
Question 2 – What are the relations of expectations to delight	91	0.91	0.90
Question 3 – How does satisfaction differ from delight	91	0.91	0.86

[a] Above 0.80 is considered significant
[b] corrects for the likelihood of chance agreement between judges
[c] accounts for the number of potential categories that responses can be classified.

Results

Q1: Customer Defined Customer Delight

Customer-generated examples of delightful incidents were grouped into seven major categories: (1) employee affect (29%), (2) employee effort (22%), employee skill (18%), (4) time issue (10%), (5) core product (9%), (6) bend rules/free stuff (7%), and (7) service failure recovery (6%). Each of the categories is discussed below, and presented in Table 11.

The three largest categories for this question account for 65% of the critical factors. As such, each of the major categories is broken down into sub-categories to provide a more accurate reflection of exact factors that lead to the perception of delight in the customer. Furthermore, to provide as clear a picture as possible, within the subcategory, the percent of the sub-category is given.

Table 11

What Customers Believe Leads to Customer Delight

Major Category	Sub Category	# of Factors	% of sub-category	Examples
Employee Affect	Caring	110 (17%)	57%	I was very pleased by the warm reception I was given by the nurse he had and the doctor himself. He listened and seemed to genuinely care …
	Friendly	82 (13%)	43%	The server at the restaurant was not only cheerful and helpful, she was fun to be around
Total for Sub-Category		192 (29%)	--	--
Employee Effort	Attentiveness/ Helpfulness	78 (11%)	72%	The ladies that worked in both of the stores that we visited were very helpful. They made us feel like we were important and that they wanted to do anything they could to help us. They did not make us feel rushed in making our decision. We were not given a limit on how many dresses we could try on. They did everything they could to help us.
	Extra Effort	68 (10%)	28%	I had an abscess tooth over a weekend and the dentist came into the office after hours to perform a root canal and relieve the severe pain that I had been experiencing for several days.
Total for Sub-Category		141 (22%)	--	--
Employee Skill	Employee Expertise	59 (9%)	50%	The attendant brought me other outfits that she thought I might enjoy based on things I was already trying on…
	Terrific Service Quality	58 (9%)	50%	I walked into Mia salon and was immediately greeted by Mrs. L… She asked me what I wanted and I briefly gave her a quick idea. After less than hour she was completely finished. She was very quick, easy to talk to and fixed my hair perfectly the way I wanted
Total for Sub-Category		117 (18%)	--	--

Table 11 continued

Time Issue	--	62 (10%)	--	We went to eat, walked in were almost immediately seated. The wait staff constantly checked on us. It didn't take long to receive drinks, they stayed full…
Core Product	--	59 (9%)	--	… dinner at Harvey's. We ordered the special and it was fantastic…
Bend Rules/Free Stuff	--	47 (7%)	--	We went to Greyhawk Country Club…at the shop they gave us a free cart & free range balls…
Service Failure Recovery	--	39 (6%)	--	…the food was served an hour after we ordered. When the server came to the table he only brought three orders because my husband's order had not been given to the kitchen. One plate was not at all what had been ordered and the other 2 plates were cold ...when the manager came to the table he apologized and said that their staff was short, but that Applebee's wanted to correct the situation. The manager gave us two free dinners at a later time...

The largest number of critical factors are related to the category referred to as employee affect (29%). This category contains two sub-categories: caring (57%) and friendly (43%). The former encompasses employee actions such as being cordial, polite, welcoming, etc. The latter, friendly, reflects employee actions such as smiling, joyful, excitement, cheerful.

The next largest number of categories is referred to as employee effort (22%). This category contains two sub-categories: attentiveness (72%) and extra effort (28%). Attentiveness is reflective of behaviors where the employee is conscientious, helpful, eager to serve, etc. The second sub-category, extra effort, is representative of instances when the employee goes above and beyond their job description, spends extra amounts of time, special orders a product, etc.

Following closely behind employee effort is employee skills (18%). This category contains two sub-categories: employee expertise (50%) and terrific service quality (50%). Employee expertise, and reflects instances where the employee makes suggestions, provides recommendations to the customer, knowing firm policies, etc. The second sub-category, terrific service quality, is related to the employees ability to provide excellent service as rated by the customer. This includes factors such as doing an excellent job, giving great service, good even when busy, etc.

The remaining categories account for 32% of the critical factors in the delightful critical incidents. At nearly 10% of the critical factors is the category referred to as the time component. This category reflects factors where customers explicitly talk about quickness, speed, promptness, etc. Followed closely behind speed at 9% is the category referred to as core product. In this category, what has led to delight is the core product of the service, such as the quality of the food, or the comfort of the servicescape. The next category is referred to as bend rules/free stuff, and is reflective of factors where the customer gets something for free, or where rules are bent for the benefit of the customer. The last category is called service recovery and reflects incidents where customers report delight after a service failure.

Q2: Relationship of Expectations to Delight

Question 2 investigates customer expectations in relation to the delightful encounter. This was an important question to ask, as there has been much debate on the relationship between expectations and delight (i.e., Rust and Oliver 2000). Four major categories of customer expectations were revealed: high (16%), moderate (32%), low

(44%), and none/uncertain (8%). Table 12 presents a summary of these results, followed by a description of each category.

Table 12

The Relationship between Expectations and Customer Delight

Major Category	Sub Category	# of Factors	% of sub-category	Examples
High	Previous Experience	26 (7%)	41%	I had been before so I knew that it would be a delightful experience…
	Gestalt	15 (4%)	24%	My expectations were to have high quality service using the very best products to achieve the best results.
	High – Without Specific Expectation	15 (4%)	24%	I had great expectations…
	Vicarious Reasons	7 (2%)	11%	I had high expectations because I always hear such great things about the airline…
Total for Sub-Category		63 (16%)	--	--
Moderate	Good Encounter	58 (15%)	48%	The usual, going in, giving my ticket to worker and waiting for clothes
	Moderate – Without Specific Expectation	30 (8%)	25%	Neutral; I was not expecting anything bad, but was certainly not expecting the experience I received.
	Professional Server	23 (6%)	19%	Just get a courteous server that performs the regular duties.
	Previous Experience	10 (3%)	8%	I've always had satisfactory service at Olive Garden. I go a good bit & it's usually pretty consistent.
Total for Sub-Category		121 (32%)	--	--
Low	Service Failure	50 (13%)	30%	…For something to go wrong…
	Negative Employee Behavior	48 (12%)	28%	I expected the workers to be quite moody and unconcerned about being helpful to customers.
	Low – Without Specific Expectation	33 (9%)	20%	--
	Previous Experience	25 (7%)	15%	Marginal at best. The attendants had been pretty poor on previous experiences…
	Nervous	13 (3%)	8%	I was nervous, thought it would be expensive and I would have future problems…
Total for Sub-Category		169 (44%)	--	--
None/ Uncertain	--	30 (8%)	--	Expectations were absent because we had never been there before.

The largest category of expectations fell under the umbrella term of low expectations, which accounted for 44% of the critical factors. This category could be broken down into five distinct sub-categories: service failure (30%), rude/indifferent employees (28%), low – without specific expectations (20%), previous experience (15%), and nervousness (8%). The largest sub-category, service failure, represented factors where the customer explicitly stated they thought there would be a core service failure. For example, customers stated they thought the food would be bad, or the hair cut wrong, etc. Related to service failure, the second sub-category contained factors where customers stated they expected negative employee behavior. Examples include employees who were more interested in conversing with their co-workers, hiding from customers, etc. The third subcategory reflected instances in which customers had low expectations, but did not specify why. The fourth category is related to expectations based on previous experience. Finally, the last category of low expectations was related to feelings of nervousness before the encounter. For example, customers reported being nervous before visiting the doctor/dentist, getting a tattoo, etc.

The next largest category of critical factors related to expectations was termed moderate, and accounted for 32% of the data. This category had four sub-categories: good encounter (48%), moderate without specific expectations (25%), professional server (19%), and previous experience (8%). Nearly half of all moderate expectations were classified as good encounter, which reflected instances where customers report wanting decent service, courteous service, basic needs met, etc. The next sub-category, moderate without specific expectations, reflected factors where the customer does not explicitly state what they base their expectations around. Instead, the customers report

expectations that were moderate, medium, not that high, not that low, etc. The third sub-category is referred to as professional server, and relates to the customer's expectation of having an employee with a certain level of skill and/or courtesy. In other words, they do not expect the server to specifically add to the service, but they also do not expect them to take away from the service.

The third major category, high expectations, accounted for 16% of the critical factors. This category could be broken down into the following sub-categories: previous experience (41%), gestalt (24%), high without specific expectations (24%), and finally from vicarious sources (11%). The largest sub-category, previous experience, reflects the fact that expectations track past performance (Boulding et al. 1993). The next sub-category, gestalt, was an expectation that all the attributes in a service encounter would be great. For example, an expectation that employees would be friendly, the service perfect, and the price low. The third sub-category, high without specific expectations, represents instances where customers report high expectations, without citing why these expectations were high, or what exactly they expected ("I expected everything to be great"). The difference between this category and gestalt is that specific references to attributes are not made. The final sub-category, vicarious reasons, represents high expectations formed because of the firm's reputation, or through exposure to word-of-mouth. For example, respondents report how a firm's reputation or marketing campaigns have convinced them to set very high expectations.

The final category for this question is referred to as none/uncertain and accounts for 8% of the critical factors for this question. For this classification, customers state

they either they do not have explicit expectations, or they are uncertain of what to expect.

Q3: Difference between Satisfaction and Delight

Previous delight researchers have suggested a major fault with previous delight research is that satisfaction and delight were not compared at the customer level (Finn 2005). To remedy this situation, this question asked respondents to explain what they believed the difference was between delight and satisfaction. Nine distinct categories were generated from the analysis of this question: customer response (26%), employee effort (20%), employee affect (15%), employee skill (9%), exceeding expectations (9%), core product (8%), time issue (6%), free stuff (4%), and no difference (4%). Comparing the results for this question with the results of Question 1, one notices tremendous overlap. As such, conceptualizations for employee effort, employee affect, employee skill, core product, exceeding expectations, time issue, and free stuff are identical to question 1. Thus, the percentages are simply reported below.

Table 13

The Difference between Delight and Satisfaction According to Customers

Major Category	Sub Category	# of Factors	% of sub-category	Examples
Customer Response	Felt Important	38 (8%)	31%	In delightful encounter I feel acknowledged and appreciated.
	Increased Positive Affect	38 (8%)	30%	The difference is that I am leaving with a smile…
	Felt Comfortable	22 (5%)	18%	The sales associate talked to me like I was her friend. She made me FEEL very welcome. She helped me and I did not even have to ask her.
	Advocacy	18 (4%)	15%	You tell others about the company and I'll use them again.
	More Confident	7 (1%)	6%	The delightful service encounter made me feel good about myself and satisfactory service encounters don't make me feel any different.
Total for Sub-Category		123 (26%)	--	--
Employee Effort	Extra Effort	70 (15%)	71%	A satisfactory service would just have been the trainer doing his job, helping me get going. But Mike went the extra mile, calling me during the day making sure I was eating right. And he steadily encouraged me during my first week. He cared.
	Attentiveness	28 (6%)	29%	The involvement and willingness of the staff.
Total for Sub-Category		98 (20%)	--	--
Employee Affect	Friendly	40 (8%)	55%	The employee helped me with a friendly attitude and a smile. He went out of his way to be nice to me …
	Caring	33 (7%)	45%	Just how understanding and caring the provider was.
Total for Sub-Category		73 (15)	--	--
Employee Skill	Employee Expertise	23 (5%)	55%	…it was delightful because they had the book plus gave me a lot more useful information…
	Terrific Service Quality	19 (4%)	45%	The level of skills of the workers the difference in satisfactory and delightful
Total for Sub-Category		41 (9%)	--	--

Table 13 continued

Exceeded Expectations	--	41 (9%)	--	The service went above and beyond my expectations.
Core Product	--	37 (8%)	--	…the golf course itself was like nothing I had ever experienced before…
Time Issue	--	29 (6%)	--	Satisfactory would have been slower service with food that was okay
Free Stuff	--	19 (4%)	--	The delightful experience differs because they didn't have to give me rooms and dinner
No Difference	--	19 (4%)	--	I think they are both the same.

The largest category of critical factors belonged to the category referred to as customer response (26%). This category reflects the emotional and behavioral responses the customer has after experiencing delight. The largest sub-category, felt important (31%), reflects critical factors where the customer reports feeling important, special, etc., after the encounter. The next sub-category is referred as increased positive affect (30%), and is reflective of critical factors in which respondents said the difference between delight and satisfaction is the increased positive affect they experience in delightful encounters. For example, customers report being happier, more excited, etc. in a delightful encounter. The third sub-category is referred to as felt comfortable (18%), and reflects factors where customers report the difference arising between satisfaction and delight is the customer felt more comfortable, relaxed, at ease, etc., in delightful encounters. The fourth sub-category, advocacy (6%), reflects factors where the respondent states the difference between satisfaction and delight is what the customer does post-service. When delighted, they are more likely to return, engage in word-of-mouth, etc. Finally, the last sub-category is termed more confident (15%),

reflects instances in which customers report increases in their confidence after a delightful encounter.

The next major category identified that distinguishes satisfaction from delight is termed employee effort (20%), and consists of two sub-categories: extra effort (71%) and attentiveness (29%). The third major category employee affect (15%) can be broken down into two sub-categories: friendly (55%) and caring (45%). The fourth major category, employee skill (8%), contains two sub-categories: employee expertise (55%) and terrific service quality (45%). The remaining categories are as follows exceeded expectations (8%), core product (8%), time issue (6%), and free stuff (4%). The only other category identified for this question not contained for Question 1 is the view that customer delight and satisfaction are in fact the same thing (4%)

Discussion

A main goal of this research was to create a deeper understanding of the construct of customer delight from the customer's perspective in the services environment. To achieve this goal, this research utilized the critical incident technique which allowed for the generation of a sample with not only a wider range of service industries in comparison with previous research (Arnold et al. 2005; Oliver et al. 1997), but also a larger sample (Verma 2003). Furthermore, this method allowed an iterative process whereby three important questions could be answered: what leads to delight; how expectations relate to delight; and how delight and satisfaction differ.

What Represents Customer Delight

In relation to the first major question, regarding what causes delight in the service environment, there are several fundamental themes. Perhaps the most significant is the influence of the employee on the customer experience. Although previous research has highlighted employee factors, the full power of the employee-customer interaction in the service environment has not been articulated. For example, in the retailing environment, 64% of encounters were caused by interpersonal factors, and 33% because of the core product (Arnold et al. 2005). In contrast, for the service environment, nearly 80% of all factors reported for Question 1 are a result of customer-employee interaction, with only about 16% related to the core product. This is very significant for service providers because it reinforces the importance of selecting and training the best employees. Unlike the retail environment, where the product can determine customer delight, in the service environment, it is the employee who is the cause of both affective and cognitive routes to delight.

In relation to specific employee variables that lead to customer delight, the most significant category identified is affect driven employee affect. In simple terms, the importance of employee affect to the perceptions of customer delight cannot be overstated. Customers repetitively cite friendly interactions, and cues such as smiling, caring, and other personality factors as antecedents to customer delight. Theoretical understanding for why employee emotions have such an influence on the customer may be explained by emotional contagion theories, which illustrate how the emotions of people involved in an interaction can "rub off" on one another. In a sense, employees who exhibit elevated positive affective states encourage a similar state in the customer.

A second employee variable that shows remarkable power in causing customer delight is employee effort. Although sparse, the literature on employee effort has shown that effort has a significant influence on customer evaluations of quality (Mohr and Bitner 1995). It appears that employee effort, on its own, has a direct path to perceptions of delight. This could be a result of employee effort being unexpected, or it could lead to delight because it makes the customer feel more important. The former route is categorized as a cognitive route to delight, as expectations are compared with performance, whereas the later represents an affective route by increasing customer self-esteem.

The last employee variable that exerts considerable influence on customer delight is employee skills. Surprisingly, this pivotal component is ranked behind personality and effort with regard to delight. It is possible that employee skills are expected, and therefore they are not noticed when present, only when absent. Alternatively, employee skills may be difficult to assess, and therefore is not a major contributor to customer delight in its own right. Instead, a certain level of skill is expected for satisfaction, but for delight it is the non-core service offerings that lead to delight.

Finally, *a priori* service failure recovery was expected to be a significant predictor of customer delight. This was based on previous services research that found 23% of satisfying encounters were a result of some form of recovery (Bitner et al. 1990). Furthermore, previous delight research speculated that this "ultimate recovery paradox" exists (Verma 2003). However, results in this study indicate that only 6% of the incidents reported as delight are a result of service recovery. This could be an

artifact of the data, in that respondents were asked to consider a single delightful encounter, and perhaps they did not think a service recovery incident was appropriate. However, it is also possible that service failure recovery has a ceiling on the level of positive affect that can be created in the customer (Andreassen 2001).

How Expectations Relate to Delight

The second goal of this research was to evaluate how expectations were related to customer delight. Although previous researchers have assessed expectations to delight (Rust and Oliver 2000), to the author's knowledge, this is the first study to evaluate expectations in a delightful encounter qualitatively at the customer level. Much of the literature in satisfaction is based on the disconfirmation paradigm, which has a fundamental assumption that customers can form accurate expectations to compare with service performance. Because of this fundamental premise, there have been calls in the literature to evaluate expectations and delight at the same time (Finn 2005). The main theme gleaned from analysis is that a majority of expectations were categorized as low (44%) or moderate (32%). The fact that customer report delight after forming these types of expectations points to the applicability of the disconfirmation paradigm for analyzing customer delight. That is, when expectations are surpassed, delight ensues by way of a cognitive route.

However, the remaining expectations indicate that customers may not always use the disconfirmation paradigm when experiencing delight. For example, in 24% of the critical factors relating to expectations, respondents reported that they either did not have specific expectations, or they had high expectations. In either case it seems likely

that a comparison of expectations to performance is not a cause of delight for these respondents. In the first case there are no expectations to compare, and in the latter case the disconfirmation paradigm would predict satisfaction, as expectations equal performance.

A last note on expectations reported in this study is worthy of discussion. Twenty-five percent of the time respondents reported that they expect service failure or rude/indifferent employees. Within the low expectations category, 60% of the critical factors are related to these sub-categories. There are several implications of this surprising number: (1) there is a tremendous opportunity for the service firm that can minimize service failures, and eliminate rude/indifferent employees; (2) more training is needed to enlighten employees on how customers evaluate their performance; (3) more research is required to understand why customers would patronize a store where they expect service failure. For example, what are the benefits that outweigh the risk for customers expecting service failure?

How Satisfaction and Delight Differ

The last major goal of this research was to evaluate how satisfaction and delight differ at the customer level. This is an important contribution to the delight literature as previous research has implied that omitting such an analysis renders delight results useless (Finn 2005). The most significant difference between delight and satisfaction as reported by the respondents is the reaction that they experience. Representing 25% of the critical factors, respondents report both psychological and behavioral differences between satisfaction and delight. For example, respondents report that they feel

increased importance in delightful encounters. This finding is explained by the needs based model of Schneider and Bowen (1999), which states that customers experience delight when self esteem needs are catered to. Within the model presented in this research, this represents an affective route to customer delight.

Limitations and Future Research

As pointed out in previous research utilizing the CIT method, there are certain limitations inherent with the technique. For example, there is an assumption that customers fully understand and can articulate what represents customer delight. Furthermore, in the recall of events, there is a possibility that incidents are remembered inaccurately or are biased. This research evaluates the service encounter from one side, with the appreciation that a more complete understanding of a phenomenon would exist if data was collected from both sides of the service encounter. Finally, the snowballing sampling procedure that generated the large cross section of service industries could be evaluated as a weakness. For example, the quality of the sample is based on the referring population.

Beyond these limitations, this research provides many fertile avenues for future research. First and foremost, an empirical investigation of the relationships forwarded in this research is warranted. An appropriate model would be able to evaluate and rank which factors contribute more to the perceptions of customer delight, and then to compare how those results match with this research. Another interesting opportunity for delight researchers would be to engage in cross cultural research. At the current time, there is sparse research related to elevated service quality in developing service

economies. Relevant questions arise as to the differences that exist for both employees and customers in different cultures. Understanding the connection between delightful encounters and relationship formation is yet another area fertile for research. Finally research could assess how delightful encounters affect future expectations, and how firms should then manage these potential dangerous expectations. Hopefully, this research serves as a starting point for future research in this exciting area of services marketing.

CHAPTER 5

FINDINGS OVERVIEW AND FINAL CONCLUSIONS

Management of the service encounter represents an important and ongoing area of research. A reason for this is the importance of service encounters to the success of the firm.

As competition has become ubiquitous and customer satisfaction has been shown to be an imperfect measure of customer attitudes, the concept of delight has taken on increased relevance. Unfortunately, the existing literature is replete with issues. In response, this dissertation extends delight research into the employee domain, as well as resolves some of the nagging questions that have remained in the customer area. As such, these have important theoretical and practical implications as highlighted below.

Essay 1: Investigating the Employee's Perspective of Customer Delight

To the author's knowledge, this essay is the first research to examine customer delight from the employee's perspective. As such, it is exploratory in nature, utilizing the critical incident technique. The most important theme that emerged from the analysis is that employees often note that an emotional contagion takes place after delighting a customer that ultimately influences job outlook and performance. For example, after providing customer delight, the employee is more satisfied with their job, experiences increased mood states, and is more likely to engage in customer

oriented behaviors. As such, there is evidence that customer emotions have a great impact on the employee. A second interesting finding deals with how employees conceptualize customer delight. Whereas previous research from the customer's point-of-view highlights the importance of truly out of the ordinary service to product delight, many of the incidents provided by employees seem representative of in-role behaviors. Certainly, if a firm has a policy of aiming for customer delight, equating these different perspectives is important. Finally, this research compares how employee provided satisfactory encounters related to the findings with regards to delightful encounters. Results indicate that the delight contagion and its associated benefits illustrated in satisfactory encounters are not as pronounced.

Essay 2: The Psychological and Behavioral Ramifications of Providing Customer Delight for the Service Employee

After qualitatively establishing the impact of customer delight on the employee in Essay 1, this essay empirically investigated the phenomenon. Results of the structural model indicate that employee emotions mirror positive emotions experienced by the customer, and that these emotions indirectly affect job satisfaction and affective commitment, as well as customer-orientation behaviors. Furthermore, this essay illustrates that certain customer-oriented boundary spanning behaviors are perceived by employees as extra-role, while others are seen as in-role. As such, there are different antecedent variables that affect each of the role behaviors. Not only does this finding contribute understanding as to the causes of important employee behaviors, but also helps to interpret previous research findings.

Essay 3: Investigating the Key Routes to Customer Delight in a Service Environment

The main contribution of this essay is a model that incorporates both affective and cognitive routes customers can experience in order to experience delight. Furthermore, the findings indicate specific employee behaviors and attitudes that lead to perceptions of customer delight. The most significant path to customer delight is employee affect followed by employee effort. This indicates the importance of the interpersonal aspect of the service encounter, and provides an impetus to researchers and practitioners to understand how firms can better train and educate their employees to not only exhibit certain affective cues, but also to show evidence of the effort they exhibit. This research also provides a conceptualization of the how both the disconfirmation paradigm and the less utilized needs based model are appropriate for evaluating customer delight. Namely, when customers can form accurate expectations, it is likely that the disconfirmation paradigm is best suited to evaluating delight. However, in affective driven environments, where expectations are more difficult to make, it seems likely that the needs based paradigm provides a more suitable theoretical understanding of customer delight. Lastly, this essay examines how satisfaction and delight differ at the customer level, and illustrated that the customer response to the encounter is often the delineating factor.

Final Remarks

The goal of this dissertation was to provide a greater understanding of the elusive construct of customer delight. To achieve this goal, three essays were completed that evaluate delight from several perspectives, utilizing multiple methods.

By examining the delight construct in this manner, this research not only provides a more accurate theoretical understanding of the delight phenomenon, but also identifies new benefits that can occur in firms who provide delight to customers. Furthermore, this research highlights the importance of evaluating service encounters from both the customer and employee points-of-view, and understanding that the affective content of service encounters has a dramatic impact on all parties involved in the service encounter. As such, this research extends the current knowledge on why customer delight may be a very important strategy in the future.

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APPENDIX A

SURVEY INSTRUMENT FOR ESSAY 1 STUDY 1

Appendix A: Survey Instrument for Essay 1 Study 1

1. Please provide a recent experience in which you feel you delighted a customer. Please provide a complete and detailed description.

2. How did delighting the customer make you feel?

APPENDIX B

SURVEY INSTRUMENT FOR ESSAY 1 STUDY 2

Appendix B: Survey Instrument for Essay 1 Study 2

1. Please provide a recent experience in which you feel you delighted a customer. Please provide a complete and detailed description

2. How did delighting the customer make you feel?

3. Did delighting the customer change your future behavior? How so?

4. Please provide a recent experience in which you feel you satisfied a customer.

5. How did satisfying the customer make you feel?

APPENDIX C

DIRECTIONS FOR STUDENT RECRUITERS ESSAY 2

Appendix C: Directions for Student Recruiters Essay 2

This research project is interested in getting employee perceptions of customer delight and customer satisfaction.

As a recruiter, your job is to find service employees from each of the three categories below.

Try to get a variety of service employees. As a rough goal, try to get four or five from each category. The respondent (service employee) should be given the cover sheet with the html address for the survey on it. As a recruiter you should not answer any questions regarding this survey, and should provide contact information for either Donald Barnes or Nicole Ponder (contact information below) if the subject has a question.

Group 1

- Cafeteria
- Airlines
- Movie theater
- Theme park
- Express mail services
- Long distance telephone services
- Health club
- Budget hotel
- Library
- Grocery store
- Copying/printing services
- Retail clothing store

Group 2

- Photofinishing services
- Shoe repair
- Computer repair
- Carpet cleaning
- Lawn maintenance
- Full service gas station
- House cleaning
- Banking services
- Appliance repair
- Laundry and dry-cleaning services
- Pest control
- Auto repair
- Plumbing services
- Veterinarian care
- Pool maintenance

Group 3

- Restaurants
- Fine hotels
- Medical care services
- Hospitals
- Counseling services
- Travel agents
- Insurance brokerage firms
- Body massage services
- Beauty salon
- Barber
- Dental care
- Legal services
- Accountants
- Financial consulting service

APPENDIX D

SURVEY INSTRUMENT FOR ESSAY 3

Appendix D: Survey Instrument for Essay 3

Dear Participant,

We are interested in your impression of a delightful customer experience in a services setting.

Some common types of service settings are provided below. This list does not include all examples, so please do not hesitate to use your example if it is not listed below.

When you come up with your delightful experience, please answer the questions on the following pages with the experience in mind.

Thank you.

Donald Barnes
Nicole Ponder

Some examples of services

- beauty salons/ hairdresser
- sports instructor
- auto mechanic
- insurance agent
- dry cleaner
- sit-down restaurant
- doctors/ medical service
- dentist
- travel agent
- telephone operator
- bank
- phone service provider
- fast-food restaurant
- housekeeper
- day care service
- real estate agent
- clothing store
- health club
- lawn care service
- airline
- hotel
- adventure sports
- plumber
- cable/internet service
- bookstore
- coffee house

1. Please provide a detailed description of the service encounter

2. What were your expectations prior to having this service?

3. How was this delightful service encounter different from a satisfactory service encounter?