The Dyadic Influence of Emotions in the Service Encounter:  
Toward a Model of Service Encounter Emotional Value

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ABSTRACT

A model is developed that identifies individual and dyadic antecedents and outcomes for a construct we have named service encounter emotional value (SEEVal). Individual cognitive and affective antecedents are identified. Emotional dyadic antecedents include rapport, emotional contagion, co-production of emotional labor, and relationship quality. The customer outcomes associated with SEEVal broadly include satisfaction, loyalty, and customer voluntary performance. Service employee outcomes include satisfaction, organizational loyalty, and organizational citizenship behaviors. We use existing research to logically support the model and the relationships therein. Fourteen propositions are developed and additional suggestions for future research are provided.
INTRODUCTION

Service experiences are often “charged” with emotion. Anyone who has worked in a service organization will quickly acknowledge this. In fact, people who work as customer contact employees for any service organization will likely agree that emotions seem to have some degree of influence on, and role in, daily routines as well as unexpected events and situations. The jobs of service employees entail interactions with customers and, consequently, tend to involve emotions to a greater extent than many other jobs. Furthermore, just as the service employee acknowledges a degree of “emotional” content to a service encounter, customers also experience and acknowledge emotions associated with service encounters. Emotions also play a central role in many other facets of organizational life. Emotions interweave with cognition and behavior and are influential in shaping the outcomes of numerous organizational phenomena. Emotions influence customer satisfaction and service quality (Youngdahl & Kellogg, 1997; Freemantle, 1998), job satisfaction (Landy, 1986; Pekrun & Frese, 1992), an organization’s culture (Fineman, 1993, 1996), organizational power and politics (Hill, 1994), performance appraisal (Longenecker, Sims, & Gioia, 1987), leadership and organizational change (Gibson, 1995), and others (e.g., Arora, 1996; Grandey, 1998; Kluger, Rafaeli, Wasserman, Moldovan, & Ben-Dor, 1998). Liljander and Strandvik (1997) suggest that affect (emotions and moods) has emerged as an important consideration in customer satisfaction but its importance has not been fully recognized in service quality models. They conclude with “an interesting question for further research is how emotions are formed in a dynamic perspective” (p.167). The model that is developed and presented here is a step in that direction.

While it is clear that emotions influence customer satisfaction and the quality of a service encounter (c.f., Liljander & Strandvik, 1977; Youngdahl & Kellogg, 1994; Youngdahl & Kellogg, 1997), understanding the nature of emotions is no easy task. As Shweder (1994) and others (e.g. Ekman, 1994; Panksepp, 1994; Averill, 1994) explain, the very nature and logical form of emotions is highly debated and not directly well understood. However, we can look to functional explanations of emotions because the consequences of emotions are empirically verifiable even if the causal inference is obscure (Averill, 1994). A conclusion that can be drawn about the functions of emotions, in general, is that they serve to provide information to others and to the one experiencing the emotions (e.g. Clore, 1994; Schwarz & Clore, 1983;
The information provided through emotions serves adaptive purposes such as what to attend to in the environment (Frijda, 1994). Thus, emotions serve the purpose of assisting persons in monitoring, understanding, and adapting to the environment. Emotions function as coping mechanisms.

The functional perspective to defining emotions suggests that emotional influences can be quite important in interacting with others, such as happens in service encounters. When viewed this way it can help us understand the extent to which emotions influence behavior in organizations and between employees and customers. Emotions function to help people cope and deal with the problems of 1) managing multiple and ambiguously defined goals, 2) addressing the problems associated with acting with imperfect knowledge and limited resources, and 3) addressing the problems of coordinating joint action among several agents (Oately, 1992, p. 36). These conditions are highly representative of what is so often found in organizational settings and particularly in trying to manage service operations. The point is that emotions are integral, crucial, and significant in, and for, organizational functioning. Thus it is reasonable to assert that emotions exert influence on a great deal of what happens in organizations and, in particular, in service encounters.

Additionally, an important characteristic of emotions is that they are “experienced.” While this, alone, does not define “what” an emotion is, it is useful for, among other purposes, addressing issues concerning the emotional experiences associated with a customer and a service provider encounter. Service delivery is “experienced” (Zeithaml & Bitner, 2000). Emotions provide a critical component to what is “experienced” as well as how the experience is subsequently evaluated.

The focus of this paper is on the emotional elements of the interaction between the customer and the service provider. These dimensions of the interaction result in important consequences with implications for service design and operations (Youngdahl & Kellogg, 1997). In particular, we introduce the concept service encounter emotional value, present a theory in the form of a model of the antecedents and consequences, and briefly discuss related implications in the form of 14 propositions. We employ what Wacker (1998) called an “analytical conceptual research” approach to theory building. The purpose of this type of theory building is “to add new insights into traditional problems through logical relationship-building” (Wacker, 1998, p.373). Basically, it involves integrating research, often from a
diverse background of literatures, and suggestions relationships between variables based on these existing findings.

**THE SERVICE ENCOUNTER EMOTIONAL VALUE (SEEVal) CONCEPT**

Service encounter emotional value (SEEVal) is defined as the net emotional value the customer experiences (EVcustomer) added to the net emotional value the service provider employee experiences (EVemployee) (See Figure 1). Net emotional value is the experienced emotional benefits minus the experienced emotional costs. Emotional benefits are generally associated with positive affective experiences while emotional costs are generally associated with negative affective experiences. An emotional cost can also include the amount of labor one must exert to display an emotion as deemed appropriate for the situation. In each case, emotional value is a net emotional outcome comprised of the difference between the emotional benefits (broadly construed as positive emotions experienced, meeting of emotional needs, meeting of emotion-related expectations of the encounter) and emotional costs (broadly construed as negative emotions, emotional labor exerted, unmet emotional needs, unmet emotion-related expectations of the encounter). Greater SEEVals are associated with several desirable outcomes as will be discussed below. There are several concepts that can contribute to and otherwise influence the emotional value experienced by both the customer and the service provider.

The SEEVal construct is valuable in part because it provides a framework for stimulating new research directions, especially questions concerning many outcomes of interest to organizations such as customer satisfaction and employee satisfaction. SEEVal also extends the research by examining service encounters as emotionally dyadic interactions compared with focusing on behavioral and cognitive aspects of dyadic interactions (c.f., Solomon, Surprenant, Czepiel, & Gutman, 1985). Dyadic interaction research suggests that “the fusion of two people in a service setting is greater than the sum of its parts” (Solomon, et. al., 1985, p.100-101). However, this research usually takes a cognitive perspective such that the focus is on alignment or misalignment of cognitive scripts and the resultant role expectations. We are in no way intending to discount the role played by cognitive scripts, and other dyadic phenomena, in such important outcomes as customer satisfaction. We are proposing the additional consideration of the dyadic emotional
value experienced in the interaction and are recognizing the jointly experienced emotional value as SEEVal.

While the purpose of this paper is to present a model that suggests the role of the SEEVal construct and identifies possible antecedents and consequences, the introduction of the SEEVal construct raises research questions regarding discriminant validity. SEEVal is distinct from customer satisfaction. Customer satisfaction involves a global evaluation of performance and a comparison with expectations. In this way, it is very similar to what can be called an attitude. These attitudes are based on both affective and belief components but the evaluation is cognitive in nature. There are good reasons to distinguish among the global evaluations of service encounters, the affective reactions to service encounters, and beliefs about service encounters; see Weiss (2001) for a full and detailed explanation. Here we are suggesting that the affective aspects of the service encounter contribute to higher or lower levels of customer satisfaction by influencing a customer’s evaluation of the service encounter. Thus, SEEVal is related to customer satisfaction but is conceptually distinct.

The components that encompass net emotional value are the emotional costs and emotional benefits experienced. This holds independently for the service employee and the service customer. Emotional costs and benefits are intentionally “general” and not specifically defined. This is because what constitutes an emotional benefit may vary greatly among types of services consumed or even across various consumers. For example, one type of service we can consider is a thrill ride on a roller coaster. The emotion of fear is a negative emotion and would typically be associated with an emotional cost. It may be, at least for some consumers, an emotional benefit of this non-typical service. So while emotional benefits can generally be said to be associated with positive affective experiences, the routes to the positive affective experiences may vary. Thus, the emotional value to the customer (and employee) is simply defined as the emotional benefits minus the emotional costs.
The contribution this concept makes is primarily evident in four ways. First, SEEVal provides a tacit acknowledgment that emotions can play a central role in a service encounter. There is more than just time, money, and physical effort involved in such services - there is also emotional involvement. Second, viewing SEEVal as co-produced indicates the emotional contribution the customer makes to a service transaction is as important as the emotional contribution of the service employee. Both the service employee and the customer contribute to the emotional aspects of the service encounter. There are appropriate roles and responsibilities associated with being a service employee and with being a customer. This implies that, just as it is possible to have poorly performing service employees, it is possible to have poor customers. Poor customers who do not adequately engage in their part of the interaction will negatively affect SEEVal. Third, because of the emotionally dyadic nature of SEEVal, focusing on both the employee’s and the customer’s emotional value, rather than just one or the other, is a better way for an organization to try to maximize SEEVal. Maximizing SEEVal results in better outcomes for both the customers and the service employees and thus for the organization. Finally, this model explicitly places emotional (affective) states prior to customer satisfaction, loyalty, and customer voluntary performance as well as employee satisfaction, loyalty, and organizational citizenship behaviors.

INDIVIDUAL ANTECEDENTS

The service employee and the service customer each, independently, bring cognitive and affective antecedents to the service encounter. These exist prior to the beginning of the service encounter. This is what each person in the service dyad brings to the encounter. These antecedents are identified and described in this model, but it is beyond the intent of this paper to address what brings about the given components of these individual antecedents. Rather, the model begins with an individual’s cognitive and affective characteristics, proposing that these contribute to the dyadic antecedents of SEEVal as explained below.

Cognitive Antecedents

Cognitive antecedents include an individual’s beliefs and expectations, goals, and attitudes and values. An individual’s beliefs and expectations may be directed about a very wide range of objects or
events. We will not attempt to address all of them here. However, one type of belief and expectation
cognitive structure that is particularly relevant to service encounters is that of a script. Scripts are
cognitive structures that indicate and describe appropriate sequences of role behaviors (Schank & Abelson,
1977). Much of the work on scripts was developed around, and has dealt with, service encounters. One
probable reason for this is that people do tend to hold well-developed scripts concerning particular service
encounters (Alford, 1998). Relevant to our SEEVal concept, scripts appear to have important emotional
components to them (Gibson, 1995). Furthermore, role and script theory suggests that in routine service
encounters we can expect the customer and the service employee to share common perspectives (Bitner,
Booms, & Mohr, 1994). In less routine roles the customer and the service employee may have different
scripts or may not have developed scripts for the situation. Alford (1998) found that deviation from a
customer’s expected cognitive script yielded negative affective reactions towards the service provider. To
the degree that cognitive scripts motivate particular sequences of behavior in the service encounter, they
will influence the various aspects of the interactive, or dyadic, antecedents of SEEVal such as rapport and
co-production of emotional labor as discussed below.

Goals constitute another cognitive antecedent to SEEVal. Goals provide direction, duration, and
intensity of effort that one puts forth towards the purpose of achieving what has been deemed important.
The goals of the particular customer and the particular service employee will directly influence the
interaction. For example, if the service employee has the goal of getting the store closed quickly - the
interaction may appear curt, blunt, or otherwise rude to the customer. This may be exacerbated if the
customer has the goal of experiencing a leisurely shopping, purchasing, or other service consumption
experience. When things happen that interfere with goal attainment it tends to bring about rather strong
emotions (e.g., Lavallee & Campbell, 1995). In as much as the customer and the service employee are goal
directed those goals will affect the dyadic antecedents to the SEEVal.

Customer and service employee attitudes and values towards companies, products, stores,
customers, and a host of other potential experiences, people, and objects will combine with situational
factors to affect SEEVal. There are far more specific attitudes than we can discuss here that would
influence the relationship between the customer and the employee, but a pertinent example should make it
clear how attitudes might operate to ultimately affect the SEEVal. A service employee may have a
negative attitude toward one of the several products that may go along with the service. Consider a lawn care company. An employee may have a negative attitude towards one type of bush but must, as part of his job, plant it when purchased by a customer. If a customer states how much he just really likes that kind of bush and that he wants it planted all over, the encounter likely will entail additional emotional labor for the service provider and the SEEVal will likely be lower. Consider a second example in the same context. If the service provider has a poor attitude about residential lawn care as compared to commercial lawn care, his poor attitude will likely decrease the level of rapport, increase the emotional labor, decrease relationship quality and ultimately decrease the SEEVal of the residential customer interaction. An individual’s attitudes and values will influence the interpersonal interaction between the customer and the employee and will in turn affect the SEEVal.

Proposition 1: For a given service encounter, the greater the degree of accordance in cognitive components between the service employee and the customer, the greater will be the service encounter emotional value.

Affective Antecedents

Affective antecedents are comprised of one’s emotions and moods. Emotions are discrete affective states directed at someone or something while moods are more general affective states that have more ambiguous causes and are not directed at particular objects. Mood is a central element to much of daily human behavior and experience (Thayer, Newman, & McClain, 1994). Whereas emotions tend to be provoked by particular incentives, moods have more ambiguous causes and transcend contexts (Kagan, 1994) and tend to have longer duration. Thus, anger as an emotion may last only minutes while an annoyed, irritable mood may last for several hours or even for a few days (Watson & Clark, 1994). A considerable amount of research effort has been directed towards understanding how mood can influence consumer behavior as well as how companies can attempt to positively influence the mood of customers (e.g., Manrai, 1993). Mood states will influence how an individual interacts with another during the service encounter (Bless, Clore, Schwarz, Golisano, Rabe, & Wolk, 1996) and thus will affect the dyadic antecedents of SEEVal.
Emotions serve to assist us in the evaluation, regulation, augmentation, and prioritization of goals and plans (Oately, 1992). Thompson (1998) reports that relationships and emotions greatly influence interactions. She explains that interactions such as negotiations unfold through a process of events and reactions. The task of a person involved in such an interaction is to understand how his emotional reactions are shaped by others and how his own emotions influence the behavior of others. Adeptness in this task depends on one’s ability to detect emotions in others as well as the ability to adapt, regulate, and manage them. During this process, emotional imitation can lead to greater feelings of emotional rapport (Bernieri, Davis, Knee, & Rosenthal, 1991, as cited in Thompson, 1998). Understanding the emotional aspects of an ongoing interaction is related to the concept of emotional intelligence (Goleman, 1995; Salovey & Mayer, 1990), especially the dimensions of empathy and self-regulation. One’s emotional experiences during an interaction will influence one’s level of propensity for emotional contagion, experience of rapport, willingness to perform emotional labor, and relationship quality.

Proposition 2: For a given service encounter, the greater the degree of accordance in affective components between the service employee and the customer, the greater will be the service encounter emotional value.

DYADIC ANTECEDENTS

Dyadic, interactional antecedents refer to the antecedents that are relational and specific to the particular service encounter. The dyadic antecedents include rapport, emotional contagion, co-production of emotional labor, and relationship quality. These are the most directly related antecedents to the emotional value that the participants will experience. They relate most directly to the SEEVal for a given service experience.

Rapport

The concept of rapport focuses in on the relationship between businesses and their customers. Gremler and Gwinner’s (2000) analysis of the rapport construct suggests key roles of “feelings of connectedness” and “interpreting interactions as enjoyable” are important in defining rapport. The importance of “connectedness” serves to highlight the influential nature of personal relationships in
developing rapport and customer loyalty (e.g. Crosby, Evans, & Cowles, 1990; File & Prince, 1993, Gremler & Brown, 1998). Rapport is viewed as different from personality perception because the construct does not reside within a single individual but rather involves the relationship between individuals (Bernieri, Gillis, Davis, & Grahe, 1996). Similar to the SEEVal, the “relationship” concept is pivotal to the understanding of rapport. The positive affective reaction resulting from feelings of connectedness will be reflected in the SEEVal.

The marketing literature examines the relationship between a service provider and the customer through the lens of relationship marketing. Relationship marketing (Berry, 1983), as a practical concept, is meeting with great success in service organizations as well as being a dominant topic of research in the services marketing literature. McKenna (1991) and Vavra (1992) suggest that relationship marketing is a way for firms to gain competitive advantage. The relationship aspect of marketing services is especially relevant, in part, because of their intangible nature (Czepiel, 1990) and partly because of the importance of continuity in relating to each other over time (Weisinger, 1998: p.154). Consequently, social benefits are a highly valued outcome of engaging in relational exchanges with service firms (Gwinner, Gremler, & Bitner, 1998).

Proposition 3: The feeling of connectedness that comes with higher levels of rapport results in greater emotional benefits and thus in greater levels of service encounter emotional value.

Emotional Contagion

Emotional contagion is the process whereby emotional states are transmitted, conveyed, and experienced between people (Howes, Hockanson, & Loewenstein, 1985; Hatfield, Caccioppo, & Rapson, 1992). Emotional contagion occurs through the three processes of mimicry, feedback, and contagion. Mimicry involves the imitation of facial expressions, vocal tones, movements, and the body postures of others (Hatfield, Caccioppo, & Rapson, 1992; Vaughn & Lanzetta, 1980). Facial feedback research has demonstrated the functional and interactional qualities of expressions on the internal feeling states of emotions. A person’s physical facial expressions will enhance his/her emotional feeling of those emotions corresponding to the facial expression. Contagion refers both to the “contagious” quality of emotional expression and an individual’s willingness to be influenced by another’s emotions. Generally, when
someone around us is cheerful it tends to make us more cheerful. Thus, to the extent that a service employee/customer is experiencing and demonstrating a positive emotional state, the customer/service employee will be influenced towards a more positive feeling.

Proposition 4: The greater the willingness of both the customer and the service provider to be influenced by the positive affect of the other, the greater the level of emotional contagion and the greater will be the service encounter emotional value.

Co-production of Emotional Labor

Co-production of emotional labor refers to the extent to which both the employee and the customer engage in emotional labor. Before directly discussing the co-production of emotional labor, a few comments are in order about the management of emotions in service work. Working to manage emotional presentations has been commonly researched under the label of “emotional labor.” Emotional labor involves the job-related task of portraying oneself as a person of positive, cheerful, or friendly emotional disposition to customers, including even the most unfriendly of customers (Bailey & McCollough, 2000). Emotional labor is pervasive in services. Employers expect certain displays of emotion in the belief that they further organizational goals, regardless of the particular type of emotional labor (Sutton, 1991). Past studies have examined emotional labor in several service-related occupations such as flight attendants (Hochschild, 1983), cashiers (Rafaeli, 1989), convenience store clerks (Sutton & Rafaeli, 1988), and amusement park employees (Van Maanen & Kunda, 1989).

The vast majority of published empirical studies on emotional labor involve service jobs. Service jobs engender emotional labor. The distinguishing characteristics of services, as compared with manufacturing, include intangibility, heterogeneity, perishability, and co-production. This involvement with customers, especially the simultaneous production and consumption of the service, results in the need to display appropriate emotions and, thus, for emotional labor. Co-production means that the service itself can not be produced separate from the customer. Moreover, the production of the service is assisted by the customer’s participation. For a variety of reasons, many service industries are working to involve the customer even more in the production of the service.
Research on emotional labor has mostly focused on negative outcomes for employees (e.g., Hochschild, 1983) with a few exceptions (e.g., Wharton, 1993). Emotional labor has been characterized as more likely to involve an emotional cost than an emotional benefit. If there is co-production of the emotional labor of the service encounter it implies that there may be emotional costs to the customer associated with the interaction. Customers experience costs associated with a purchase, such as money, time, and effort. The co-production of emotional labor extends this to include emotional effort. This being the case, it is possible that customers may, at times, desire to avoid any emotional effort for a variety of reasons (e.g. they are exhausted or don’t feel well). There is emotional labor involved with particular types of purchases, especially those products that are embarrassing to buy (Petrosky, 1998). Customers may prefer to minimize the amount of emotional labor they perform and thus may prefer to eliminate or minimize interaction with a service employee. The proliferation of automated services, while primarily driven by convenience, are also a result of a desire to avoid the “work” involved with more extensive interaction with another person. Products that are embarrassing to purchase often do much better when sold through mail order or the internet. Similarly, delivery services for food make convenient meals for people who are not “up” to going out.

While emotional labor has usually been examined in reference to an employee’s emotional labor, there is good reason to believe that customers also engage in forms of emotional labor. An example of this comes from studies reported by James (1993). James (1993) reports on how medical patients, their families, and healthcare professionals deal with the negatively charged situations such as informing patients of a diagnosis of cancer. There is a great amount of emotional labor, or management, when an individual is diagnosed with cancer and the need to communicate this with them arises. The provision of this “service,” however, clearly elicits a co-production of emotional labor involved. “The reports illustrate how people with cancer, the unwaged care-givers, the doctors and the nurses are all active and reflective as the process of disclosure unfolds. All are more or less logical and skilled in the management of their own and others’ emotions, … The process of disclosure depends not just on lay and professional staff knowing the rules of what is required of them, but also on being prepared to comply with those rules - and with the division of labour they imply” (James, 1993, 98, 109). Although the context is set by the consulting surgeon, it is the patient, his or her relatives, nurses, and the junior doctors who were doing the ongoing
work of managing emotions. Again, this suggests that the customer, in addition to the service provider, has a role in the formation and evolution of the emotional aspects of the encounter that forms the basis for the SEEVal.

To the extent the service employee and the customer are each able and motivated to perform emotional labor, the service encounter will take on an acceptable emotional quality and lead to a greater SEEVal. Also, assuming the customer and the service employee desire a pleasurable interaction and consider adjustments in emotional presentation (a form of emotional labor) a good thing to improve the overall quality of the interaction, they will experience positive affect associated with reaching the goal.

Proposition 5: To the extent that customer and the service employee are actually experiencing the expected emotions for the interaction, neither will be performing emotional labor yet the display and experiencing of the expected emotions for the interaction will result in greater levels of service encounter emotional value.

Proposition 6: When a service encounter necessitates emotional labor, the greater the extent to which the emotional labor is co-produced, the more positive will be the influence of that emotional labor on the service encounter emotional value.

Proposition 7: When only the service provider or the customer performs the emotional labor needed to make the experience meet with expected emotional characteristics, the greater the extent of that emotional labor, the greater the negative influence it will have on the service encounter emotional value.

Relationship Quality

Relationship quality (Crosby, 1989) from the customer’s perspective refers to the employee’s ability to reduce perceived uncertainty (Crosby, Evans, & Cowles, 1990). High relationship quality means that the customer is able to rely on the service employee’s integrity, thus reducing uncertainty, and that the customer has confidence in the service employee’s future performance (Crosby, Evans, & Cowles, 1990). Relationship quality is seen as two-dimensional, involving both trust and satisfaction. The relationship
quality will influence both the emotional benefits and the emotional costs for the service employee and the
customer and as such will affect the SEEVal.

*Proposition 8: The greater the relationship quality the greater the emotional benefits for both the
customer and the service provider, and thus the greater the level of service encounter emotional
value.*

**OUTCOMES OF SERVICE ENCOUNTER EMOTIONAL VALUE**

**Customer Satisfaction**

*Customer satisfaction* can be influenced by the emotional value of the service encounter. When a
customer has experienced a positive emotional encounter he or she will be more satisfied with the
encounter (Oliver, 1997). Goodman, Fichman, Lerch, and Snyder (1995) found that the more involved
customers were with the service provider, the greater the influence of dissatisfaction about some particular
element of the service has on overall customer dissatisfaction. They suggest that customers who have
invested time and energy into a relationship are more dissatisfied overall when a particular element is
dissatisfactory, possibly because they feel the efforts are not yielding results. Furthermore, Solomon,
Surprenant, Czepiel, and Gutman (1985) identified the dyadic interaction between a service provider and a
customer as an important determinant of the customer’s global satisfaction. Menon and Dube (2000)
investigated salespersons’ responses to customers’ emotions and concluded that the responses were of such
great importance to customer satisfaction that there is “an urgent need for a better engineering of
salesperson response to customer emotions…” Finally, in a recent meta-analysis, Szymanski and Henard
(2001) found customers’ affective, or emotional, reactions were significantly related to customer
satisfaction in service industries. The empirical evidence briefly noted above suggests a strong relationship
between a customer’s emotions, the service provider’s reactions, and customer satisfaction.

*Proposition 9: Greater levels of service encounter emotional value will be associated with greater
levels of customer satisfaction.*
Customer Loyalty

*Customer loyalty* is a commitment to repurchase (Ryan & Rayner, 1999). Loyalty derives from a customer’s satisfaction, the reputation of the company, and the value of the service. “Value, or worth received for money spent” is believed to be a “direct antecedent of loyalty” (Ryan & Rayner, 1999). Taking into consideration Oliver’s (1997) view that customer loyalty involves a cognitive, affective, and a behavioral intention level, it is reasonable to suggest that higher service encounter emotional values are also direct antecedents of loyalty. Customer loyalty is influenced by the “exchange relationship” (c.f., Dwyer, Schurr, & Oh, 1987). In particular, switchers commonly have had emotionally taxing experiences with service providers (Ganesh, Arnold, & Reynolds, 2000). Emotions related to, or contributing to, trust and commitment are particularly important antecedents to loyalty for relational customers (Garbarino & Johnson, 1999). Thus, to the extent that a service encounter is emotionally rewarding (or at least not emotionally taxing) there is reason to believe that customers will exhibit more loyalty.

*Proposition 10: Greater levels of service encounter emotional value will be associated with greater levels of customer loyalty.*

Customer Voluntary Performance

*Customer voluntary performance* (CVP) refers to “helpful, discretionary customer behaviors that support the ability of the firm to deliver service quality” (Bettencourt, 1997). Loyalty is sometimes considered one form of CVP but here we chose to focus on loyalty separately as a commitment towards repurchasing. However, Bettencourt (1997) found that perceived support for customers explained variance in customer commitment (loyalty) *unique* from satisfaction. Thus, CVP includes additional discretionary behaviors such as positive word-of-mouth communication about the company, constructive involvement in suggesting service improvements, and other polite and courteous behaviors exhibited towards the service employees and other customers. Service encounter emotional values that are quite high or quite low are particularly likely to lead to word-of-mouth communications. This is because the emotional experience component of service consumption appears to motivate consumers to speak to others about their experiences (Westbrook, 1987). Also, since customers who are satisfied with services engage in positive word-of-mouth communication and customers who are not satisfied engage in negative word-of-mouth
communication (Swan & Oliver, 1989), there may be additional co-variation effects to the extent that SEEVal is an antecedent of customer satisfaction. The main point here, though, is that SEEVal is a direct antecedent of CVP.

Hypothesis 11: Greater levels of service encounter emotional value will be associated with greater levels of customer voluntary performance.

Employee Job Satisfaction

A service employee’s job satisfaction is composed of evaluative judgments made about his/her job. It is greatly influenced by the affective experiences one has at work (Weiss, 2001). When an employee has a positive experience with a customer, that experience will increase one’s satisfaction and loyalty. A job that involves enjoyable, pleasant, and rewarding interactions with customers should lead to a greater degree of satisfaction. Also, satisfaction and commitment are positively associated with job performance. Thus, since customer service employees who are experiencing enjoyable customer interactions, and greater levels of service encounter emotional value, will perceive themselves as exhibiting good job performance, they should find more satisfaction with their work. In a study of waitresses, Paules (1996) concludes that waitresses’ satisfaction and performance depend on an ability to control the behavior of those within whom the waitresses enter into business transactions (customers). The emotional interaction with customers is directly tied to job satisfaction. Emotions associated with pleasure, arousal, and dominance have also been shown to be positively associated with work satisfaction (Mehrabian, 1998).

Proposition 12: Greater levels of service encounter emotional value will be associated with greater levels of employee job satisfaction.

Employee Loyalty

Employee loyalty refers to an employee’s commitment, or attachment, to an organization and consists of affective, continuance, and normative components (Allen & Meyer, 1990). The affective component refers to an employee’s emotional attachment and identification with the organization such that the employee enjoys membership in it. It is the most prevalent approach to addressing organizational commitment in the literature (Allen & Meyer, 1990) and has developed from some of the earlier work on
organizational commitment (c.f., Kanter, 1968; Mowday, Steers, & Porter, 1979; Porter, Steers, Mowday, & Boulian, 1974). The continuance component is based on costs that employees associate with leaving and the normative component is based on felt obligations (Allen & Meyer, 1990) and as such these components are of less concern for the present model. Antecedents of affective attachment have been suggested to fall into the four categories of personal characteristics, job characteristics, work experiences, and structural characteristics (Mowday, Porter, & Steers, 1982). The strongest evidence has been provided for work experiences that fulfill employees’ psychological needs to feel comfortable and competent in the work-role (Meyer & Allen, 1987, as cited in Allen & Meyer, 1990). Furthermore, satisfying customer needs was found to be one of the major antecedents to employee loyalty in a study of 1,800 employees (Wah, 1999). Taking into consideration the strong affective component to loyalty and the other findings listed above, it is reasonable to propose that SEEVal will be associated with employee loyalty.

Proposition 13: Greater levels of service encounter emotional value will be associated with greater levels of employee loyalty.

Employee Organizational Citizenship Behaviors

Organizational citizenship behaviors (OCBs) are behaviors that go beyond the job descriptions of the employees, are not formally recognized in the reward system, and are discretionary (Smith, Organ, & Near, 1983). Organizational citizenship behaviors serve important roles for organizations (c.f., Netemeyer & Boles, 1997). Similarly, most “emotional work” is not explicitly recognized as part of the job, is often discretionary, and is not commonly a formal part of the employer’s reward system. Therefore, exhibiting the appropriate emotional expressions when engaging customers may, itself, involve some level of organizational citizenship behavior. Past OCB research has not focused on emotion work. Much of the literature on organizational citizenship behaviors has, however, focused on identifying organizational factors that serve as antecedents to these behaviors (c.f., Podsakoff, Ahearne, & MacKenzie, 1997). For example, Netemeyer and Boles (1997) empirically demonstrate the importance of job satisfaction, perceived person-organization fit, perceived leadership support, and fairness in reward allocation on organizational citizenship behaviors. In another example, Van Dyne, Graham, and Dienesch (1994) found that an individual’s attitudes, values, and characteristics associated with the job were antecedents of OCBs.
Many of the characteristics or antecedents studied would be included in our model of service encounter emotional value as *individual antecedents*. However, the antecedents are predictive of OCBs only through the mediator variable of *covenant relationship* (Van Dyne, Graham, & Dienesch, 1994). These scholars describe a covenant relationship between an employee and the organization as one based on a commitment to the welfare of both parties and based on values. Thus, these relationships are more complex than simple exchange relationships, due in part to the “normative-affective foundation” of covenant relationships (Van Dyne, Graham, & Dienesch, 1994). In light of these, and other, OCB research results it is reasonable to suggest that service encounter emotional value will have a direct positive relationship with a service employee’s engagement in organizational citizenship behaviors.

*Proposition 14: Greater levels of service encounter emotional value will be associated with greater levels of employee displays of organizational citizenship behaviors.*

**CONCLUSION**

In this paper we have developed a model of service encounter emotional value. In this model there are both customer and service employee, cognitive and affective, individual antecedents that lead to emotional dyadic antecedents of SEEVal. These emotional dyadic antecedents include rapport, emotional contagion, co-production of emotional labor, and relationship quality. These contribute directly to the emotional value experienced by the customer and the service employee that together constitute the service encounter emotional value. The consequences of SEEVal are customer satisfaction, loyalty, and customer voluntary performance as well as service employee job satisfaction, loyalty, and organizational citizenship behaviors. The SEEVal is important to the extent that it influences outcomes that are considered important to an organization. Since most of the outcomes are directly related to customer service and employee satisfaction, we believe the concept to be of value.

The contribution this concept makes is primarily evident in four ways. First, SEEVal provides a tacit acknowledgment that emotions play a central role in a service encounter. There is more than just time, money, and physical effort involved in such services - there is also emotional involvement. Second, viewing SEEVal as co-produced indicates the emotional contribution the customer makes to a service
transaction is as important as the emotional contribution of the service employee. Both the service employee and the customer have appropriate roles and responsibilities. This implies that, just as it is possible to have poorly performing service employees, it is possible to have poor customers. Poor customers do not adequately engage in their part of the interaction and thus negatively affect SEEVal. Third, because of the whole-is-greater-than-the-sum-of-the-parts nature of SEEVal, focusing on both the employee’s and the customer’s emotional value, rather than just one or the other, is a better way for an organization to try to maximize SEEVal. Fourth, the SEEVal model explicitly places affective states of the consumer and the service employee as antecedents to customer satisfaction, loyalty, and CVP as well as employee job satisfaction, loyalty, and OCBs.

The expenditure of emotional resources is not the same as the expenditure of financial resources. Customers and employees are aware that it is often necessary to expend emotional resources to enjoy the benefits of emotional value. Customers seeking a high involvement, highly affective experiences, generally need to expend the emotional resources to achieve this. For example, a customer wishing to maximize his or her emotional value from a night out on the town must “get in the spirit.” It is difficult to purchase “getting into the spirit.” Furthermore, service employees must get into the spirit to appropriately engage the customers. How do employees do this? Future research is needed to address how individuals and organizations might attempt to manage the extent to which there are high SEEVals experienced during their service interactions. Future research is also needed to address issues of model validation, measurement of SEEVal, and related emotional expectations of customers and employees. Finally, future research is needed to address the propositions set forth in this paper.

It has become increasing evident that affect is an important consideration in customer satisfaction but its importance has not been fully recognized in service quality models (Liljander & Strandvik, 1997). Likewise, emotions play a central role in job satisfaction of service employees while also not being fully recognized in existing models of satisfaction. Towards the goal of more explicitly recognizing the important role of emotions for both customers and employees in service encounters, we have introduced and developed a model of service encounter emotional value including associated antecedents and consequences.
REFERENCES


FIGURE 1

THE SERVICE ENCOUNTER EMOTIONAL VALUE MODEL

<table>
<thead>
<tr>
<th>Individual Antecedents</th>
<th>Emotional Dyadic Antecedents</th>
<th>SEEVal</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Together</td>
<td></td>
<td>Customer</td>
</tr>
<tr>
<td>- Cognitive</td>
<td>Rapport</td>
<td></td>
<td>- Satisfaction</td>
</tr>
<tr>
<td>- Affective</td>
<td>Emotional Contagion</td>
<td></td>
<td>- Loyalty</td>
</tr>
<tr>
<td>Service Employee</td>
<td>Co-production of Emotional Labor</td>
<td>SEEVal = EVcustomer + EVemployee</td>
<td>- Customer Voluntary Performance</td>
</tr>
<tr>
<td>- Cognitive</td>
<td>Relationship Quality</td>
<td></td>
<td>Service Employee</td>
</tr>
<tr>
<td>- Affective</td>
<td></td>
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<td>- Satisfaction</td>
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