

# Customer Reactions to Frontline Employee Emotion Authenticity: An Empirical Investigation of Boundary Conditions

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## List of Abbreviations

ANOVA	Analysis of Variance
AU	Action Unit
AVE	Average Variance Extracted
CFI	Comparative Fit Index
CI	Confidence Interval
DV	Dependent Variable
FACS	Facial Action Coding System
Н	Hypothesis
Μ	Mean
MLR	Maximum Likelihood Estimation
ns	not significant
OLS	Ordinary Least Squares
PRL	Proportional Reduction in Loss
RMSEA	Root Mean Square Error of Approximation
SD	Standard Deviation
SE	Standard Error
SRMR	Standardized Root Mean Square Residual
TLI	Tucker-Lewis Index
VHB-JQ	Verband der Hochschullehrer für Betriebswirtschaft – JOURQUAL 3

#### 1 Introduction

#### 1.1 Relevance

Services as "deeds, processes, and performances provided or coproduced by one entity or person for another entity or person" are of great importance (Zeithaml, Bitner, and Gremler 2013, p. 3). The service sector constitutes a major share of the gross domestic product of developed nations (e.g., in 2017, United States of America 77%, Germany 69%; Central Intelligence Agency 2018) and offers employment to the greater part of the countries' workforce (employment share in 2017: United States of America 77%, Germany 74%; Central Intelligence Agency 2018). The importance of services is furthermore highlighted by the transition of many manufacturing firms into services (Zeithaml, Bitner, and Gremler 2013). Firms thereby often gain a competitive advantage and benefit from increasing customer loyalty and firm value (Fang, Palmatier, and Steenkamp 2008).

In many service industries, services are delivered by frontline employees (Solomon et al. 1985). Frontline employees commonly "are the service" as they single-handedly perform the required deeds (e.g., child care, haircutting; Zeithaml, Bitner, and Gremler 2013, p. 316). Frontline employees are often the only contact point between organizations and customers and represent the firm to the customer (Fisk, Grove, and John 2014). Accordingly, the employees' appearance and behavior, which are observable by customers, inform customers' judgements about the organization and the brand and are thus of great importance (Zeithaml, Bitner, and Gremler 2013).

Many service firms therefore define specific frontline employee behaviors to ensure service success (Paul, Hennig-Thurau, and Groth 2015). Specifically, service companies formally or informally prescribe employees to display positive emotions in service delivery (Gosserand and Diefendorff 2005), which has positive effects on customers (Pugh 2001). The authenticity of employees' positive emotion displays has become the focus of attention in recent years (e.g., Gountas, Ewing, and Gountas 2007; Grandey et al. 2005). Positive emotion authenticity denotes the alignment of experienced and expressed emotions (Hennig-Thurau et al. 2006).<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Authenticity is commonly understood as denoting what is "real" and "genuine" (Grandey et al. 2005). In the literature, authenticity is studied as (1) the alignment of external expressions and internal states, values, and beliefs (i.e., consistency), (2) the conformity of an entity to a (self-)assigned social category (i.e., conformity), or (3) an entity's connection to a particular place, time, or person (i.e., connection; Lehman et al. 2018). The study of positive emotion authenticity takes the consistency perspective of authenticity (Lehman et al. 2019).

Employees' authentic and inauthentic positive emotion displays evoke distinct customer reactions in that authentic displays affect customer outcomes more positively than inauthentic displays (Hülsheger and Schewe 2011).

In various service industries, a major focus is placed on positive emotion authenticity as it is considered a key strategic goal and competitive advantage (e.g., The Kroger Company; Schuster 2012; The Ritz-Carlton; Solomon 2015). Service firms provide frontline employees with norms for service interactions by embedding authenticity in their organizational culture (e.g., Best Buy; Best Buy 2018). Service firms also consider the employees' disposition to display authentic positive emotions important in recruitment (e.g., Hard Rock Café; Hard Rock Café International 2017; Walt Disney amusement parks; Reyers 2011). Furthermore, investments in positive emotion authenticity training are common in various service industries such as retailing (e.g., Zappos; Kepes 2010), hotels (e.g., The Ritz-Carlton; Solomon 2015), and airlines (e.g., Delta Air Lines; Hochschild 1983).

The scientific study of the effects of frontline employee positive emotion authenticity on customers is rooted in emotional labor theory (Hochschild 1983). Emotional labor has been defined as the "expression of work-role specified emotions that may or may not require conscious effort" (Grandey, Diefendorff, and Rupp 2013, p. 6). The definition contains three important components of emotional labor, which are causally related: Organizationally prescribed positive emotions may necessitate employees' emotion regulation, which results in high or low positive emotion authenticity, respectively (Grandey and Gabriel 2015). An understanding of customer reactions to employees' positive emotion authenticity is an integral part of emotional labor theory and of great interest to practitioners to ensure service success (Grandey 2000).

Emotional labor theory is now approximately 35 years of age (Hochschild 1983). In order to understand the current developmental state of emotional labor theory, four central elements of theory development have to be considered (Busse, Kach, and Wagner 2017; Whetten 1989). Theories represent a simplification of an empirical reality and consist of theoretical constructs (the What), causal relationships between constructs (the How) that are based on defendable rationales (the Why), and boundary conditions (the When, Who, and Where), which the can only be studied once the What, the How, and the Why are established (Busse, Kach, and Wagner 2017).

Scholars have extensively debated the nature and operationalization of emotional labor in the last decades (the What; e.g., Blau et al. 2010; Brotheridge and Lee 2003; Glomb and Tews 2004), which has culminated in the recent refinement of emotional labor as the aforementioned integral three-component process (Grandey and Gabriel 2015). After the construct of emotional labor has been introduced and legitimized in the domains of organizational behavior (e.g., Grandey 2000) and marketing (e.g., Grandey et al. 2005), scholars have devoted considerable attention to the study of employee-related and work-related antecedents of employees' positive emotion authenticity and the consequences for employees, organizations, and customers (the What, the How, and the Why; see for meta-analyses Hülsheger and Schewe 2011; Mesmer-Magnus, DeChurch, and Wax 2012; Wang, Seibert, and Boles 2011).

However, the study of boundary conditions of the effects of positive emotion authenticity on customers is in an early stage, which is evidenced by recent calls for research to "[i]dentify the boundary conditions of emotional labor on performance" as a key research priority for emotional labor researchers (Grandey and Gabriel 2015, p. 340). Considering the state of emotional labor theory (Grandey, Diefendorff, and Rupp 2013; Grandey and Gabriel 2015), the study of boundary conditions is important for emotional labor theory development as it indicates the theory range and limitations with respect to its generalizability (Busse, Kach, and Wagner 2017; Whetten 1989). Furthermore, the study of boundary conditions is of great interest for practitioners to provide guidance on when employees' positive display authenticity matters most.

#### 1.2 Contributions

#### 1.2.1 Overview of Research Program

This dissertation follows extant calls for research to study boundary conditions of the effects of employees' positive emotion authenticity on customers to advance emotional labor theory development (Grandey and Gabriel 2015). Specifically, this dissertation addresses two guiding questions, which constitute the research program of this dissertation.

1. What factors influence customer perceptions of frontline employee positive emotion authenticity?

This dissertation brings customer authenticity perceptions and factors influencing customer perceptions of frontline employee positive emotion authenticity into focus. Customer perceptions of authenticity are important as they are the prerequisite for authenticity effects to occur (Brach et al. 2015). Studies show that authenticity only affects customers when customers perceive the authenticity of employees' positive emotion displays (Drach-Zahavy, Yagil, and Cohen 2017; Groth, Hennig-Thurau, and Walsh 2009). Interestingly, emotional labor research largely builds on the assumption that customers perceive authenticity (e.g., Grandey et al. 2005; Hennig-Thurau et al. 2006). Yet, empirical evidence in marketing (Groth, Hennig-Thurau, and Walsh 2009) and psychology (e.g., Ekman and O'Sullivan 1991; Ekman, O'Sullivan, and Frank 1999) indicates that customers vary in their ability to detect authenticity.

In marketing, little is known about the factors that influence customer perceptions of frontline employee positive emotion authenticity (Groth, Hennig-Thurau, and Walsh 2009). Studying the factors that influence authenticity perceptions is, however, important to advance emotional labor theory towards a more complete understanding of the particularities of positive emotion authenticity effects on customers. Scholars have therefore called for research on factors that "explain why some customers are better able to read employees' emotional labor strategies" (Groth, Hennig-Thurau, and Walsh 2009, p. 970). This dissertation follows this call for research and investigates factors that influence customer perceptions of frontline employee positive emotion authenticity.

2. What factors moderate the effects of frontline employee positive emotion authenticity on customers?

This dissertation furthermore addresses heterogeneity in the main effects of frontline employee positive emotion authenticity on customers reported in recent meta-analyses (e.g., Mesmer-Magnus, DeChurch, and Wax 2012; Wang, Seibert, and Boles 2011). These mixed findings regarding the main effects of authenticity indicate the presence of moderating factors (Wang and Groth 2014). However, research on moderating factors is still in an early stage as extant emotional labor research has mostly been concerned with the refinement of the emotional labor construct and the study of its antecedents and consequences (Grandey and Gabriel 2015). Scholars state that the effects of positive emotion authenticity on customers "can be neutralized and reversed under certain conditions. Identifying those moderators would provide important insights about the theoretical processes of emotional labor" (Grandey and Gabriel 2015, p. 342). Following this call for research, this dissertation seeks to advance emotional labor theory by

investigating novel moderating factors of the effects of frontline employee positive emotion authenticity on customers.

To answer the two guiding questions, this dissertation presents a series of studies in three research papers, which use experimentation and field data. For the experiments, this dissertation develops novel video and photographic stimuli for an ecologically valid manipulation of employees' positive display authenticity. The experimental stimuli are validated across multiple studies and present researchers with a reliable resource to manipulate frontline employee positive emotion authenticity. The stimuli are available upon request.

The contributions of this dissertation to the emotional labor literature are detailed in the next sections. First, the contributions to research on customer perceptions of frontline employee positive emotion authenticity are presented (guiding question 1). Second, the author elaborates on the contributions to the literature on moderators of the effects of frontline employee positive emotion authenticity on customers (guiding question 2).

### 1.2.2 Contributions to Research on Customer Perceptions of Positive Emotion Authenticity

In marketing, three studies have investigated customer perceptions of frontline employee positive emotion authenticity (Brach et al. 2015; Drach-Zahavy, Yagil, and Cohen 2017; Groth, Hennig-Thurau, and Walsh 2009). All three studies show that customer reactions to authenticity are bound to the customers' ability to detect emotion authenticity. However, the studies do not provide insights into the factors that explain variability in customer authenticity perceptions.

Research in psychology yields first insights into factors that influence authenticity perceptions. As Table 1-1 shows, studies have investigated the influence of employees' smile characteristics on perceived authenticity (Frank, Ekman, and Friesen 1993; Korb et al. 2014). Customer-related factors such as demographics (Del Giudice and Colle 2007; Thibault et al. 2009) and mimicry have also been studied (e.g., Rychlowska et al. 2014). Our understanding of authenticity perceptions is thus limited as research on customer perceptions of authenticity is still in its infancy (Groth, Hennig-Thurau, and Walsh 2009).

Construct	Domain	Study				
Employee/ sender						
Smile intensity	Psychology	Frank, Ekman, and Friesen (1993); Korb et al. (2014)				
Duchenne marker	Psychology	Frank, Ekman, and Friesen (1993); Korb et al (2014)				
Mouth opening	Psychology	Korb et al. (2014)				
Customer/ receiver						
Age	Psychology	Thibault et al. (2009)				
Gender	Psychology	Del Giudice and Colle (2007)				
Mimicry	Psychology	Rychlowska et al. (2014); Wood et al. (2016)				
Detection accuracy	Marketing	Brach et al. (2015); Drach-Zahavy, Yagil, and Cohen (2017); Groth, Hennig-Thurau, and Walsh (2009)				
Affect Thinking style	Marketing	This dissertation: Lechner and Paul (2019)				

Table 1-1: Research on the Perceptions of Positive Emotion Authenticity

*Note:* All studies published in marketing and management journals ranked B or better according to the JOURQUAL 3 ranking are reported. Not ranked psychology journals are included in the table when the Thomson Reuters impact factor of the journal was greater 2.5.

Source: Own depiction.

As shown in Figure 1-1, this dissertation presents an empirical investigation of two basic factors that influence customer authenticity perceptions, customer affect and thinking style, and demonstrates perceived authenticity as a key mediator of the authenticity-satisfaction relationship. Affect and thinking style represent feeling and thinking, which are two key human capacities that constantly operate and significantly influence customer behavior (e.g., Epstein 2003; Forgas 1995). Affect denotes the momentary emotional experience of customers, which ranges from positive to negative (Gross 1998). Thinking style refers to stable individual differences in the reliance on rational or experiential information processing, or a combination of both (Epstein 2003). Because research on customer authenticity perceptions is in an early stage, the study of the two basic factors, affect and thinking style, advances our understanding of customer authenticity perceptions.

Following established conventions in emotional labor research (e.g., Diefendorff, Croyle, and Gosserand 2005; Grandey 2003; Totterdell and Holman 2003), the influence of affect and thinking style on authenticity perceptions is jointly investigated within one research paper (Lechner and Paul 2019). A joint investigation allows to test the influence of affect above and beyond the influence of thinking style (and vice versa) by means of statistical control and unveils potential dependencies among the two factors (Hayes 2013).





Source: Own depiction.

In two experiments, Lechner and Paul (2019) demonstrate an upward bias on authenticity perceptions introduced by positive customer affect. Customers perceive both different inauthentic and authentic displays as more authentic when they experience positive affect before service delivery. Negative affect does not alter customer authenticity perceptions. Customer thinking style of combined processing (highly rational and highly experiential) is also found to create an upward bias on authenticity perceptions compared to other thinking styles. Lechner and Paul (2019) furthermore demonstrate the mediating role of authenticity perceptions in the effect of positive emotion authenticity on customer satisfaction, which underscores the importance of perceived authenticity.

The findings of the first research paper contribute to the emotional labor literature in two important ways. First, Lechner and Paul (2019) identify affect and thinking style as biasing

factors in customer authenticity perceptions, which are independent from frontline employee positive emotion authenticity. Previous studies have identified factors that influence the detection accuracy of positive emotion authenticity. For example, studies find that women and adults (vs. children) have a higher authenticity detection accuracy (Del Giudice and Colle 2007) and that certain smile characteristics foster detection accuracy (e.g., smile intensity; Korb et al. 2014). However, biasing factors have not been reported in the literature. Lechner and Paul (2019) thus advance emotional labor theory by showing perceptual biases in customer authenticity perceptions introduced by positive affect and combined processing.

Second, Lechner and Paul (2019) identify perceived authenticity as an important mediator of the authenticity-satisfaction relationship. This finding adds to the study of the processes by which employees' positive display authenticity affects customers (Grandey et al. 2005; Hennig-Thurau et al. 2006; Houston, Grandey, and Sawyer 2018). Specifically, as authenticity is mostly perceived automatically (Niedenthal et al. 2010), perceived authenticity is a basic yet essential mediator, which should be antecedent to other mediators that require elaboration, such as expectation disconfirmation (Houston, Grandey, and Sawyer 2018).

The findings of Lechner and Paul (2019) also offer actionable implications for service managers. Managers are advised to foster customer positive affect by, for example, pleasant background music, pleasant ambient scent, and calming and warm colors. Managers should also measure the thinking style of their customers and use this information for servicescape design and customer-specific employee display behavior.

**1.2.3** Contributions to Research on Moderators of Positive Emotion Authenticity Effects Little scholarly attention has been devoted to moderators of the effects of frontline employee positive emotion authenticity on customers. This is because emotional labor theory has been concerned with construct definition and refinement and the study of antecedents and consequences of positive emotion authenticity (Grandey and Gabriel 2015; Mesmer-Magnus, DeChurch, and Wax 2012). Only recently, studies increasingly investigate moderators (Chi and Chen 2019; Grandey, Houston, and Avery 2018; Houston, Grandey, and Sawyer 2018). Table 1-2 summarizes the extant research on moderators of the effects of employees' positive emotion authenticity on customers.

Construct	Study			
Employee				
Race	Grandey, Houston, and Avery (2018)			
Extraversion	Chi et al. (2011); Chi and Grandey (2016)			
Openness	Chi and Grandey (2016)			
Task performance	Grandey et al. (2005)			
Dyad				
Relationship strength	Chi and Chen (2018); Wang and Groth (2014)			
Personalization	Wang and Groth (2014)			
Social servicescape				
Store busyness	Grandey et al. (2005)			
Customer				
Race	Houston, Grandey, and Sawyer (2018)			
Detection accuracy	Brach et al. (2015); Groth, Hennig-Thurau, and Walsh (2009)			
Prevention focus	This dissertation: Lechner and Mathmann (2018)			
Choice confidence	This dissertation: Lechner (2018)			

# Table 1-2: Research on Moderators of the Effects of Positive Emotion Authenticity on Customers

*Note:* All studies published in marketing and management journals ranked B or better according to the JOURQUAL 3 ranking are reported.

Source: Own depiction.

Extant studies largely focus on employee-related factors, such as race (Grandey, Houston, and Avery 2018), personality (Chi et al. 2011; Chi and Grandey 2019), and task performance (Grandey et al. 2005). Furthermore, dyadic factors, such as service personalization (Wang and Groth 2014), and social servicescape factors like store busyness (Grandey et al. 2005) have received attention. Few studies, however, have investigated customer-related moderators. Studies find that race (Houston, Grandey, and Sawyer 2018) and detection accuracy (e.g., Groth, Hennig-Thurau, and Walsh 2009) moderate the effects of employees' positive emotion authenticity on customers.

Especially the scarcity of research on customer-related moderators is surprising considering that the customer is at the heart of service delivery (Solomon et al. 1985). Understanding why customers react differently to frontline employee positive emotion authenticity based on

customer individual differences beyond detection accuracy as well as situational states is an important yet understudied part of emotional labor theory (Groth, Hennig-Thurau, and Walsh 2009). Following extant calls for research on moderating factors (Grandey and Gabriel 2015; Yagil and Shnapper-Cohen 2016), this dissertation seeks to advance our understanding of customer-related moderators by bringing prevention focus (research paper 2; Lechner and Mathmann 2018) and choice confidence (research paper 3; Lechner 2018) into focus (see Figure 1-2). Following established conventions in the study of moderators in emotional labor theory (e.g., Chi et al. 2011; Groth, Hennig-Thurau, and Walsh 2009; Houston, Grandey, and Sawyer 2018), each moderator is investigated individually to prevent potential confounding and suppression effects due to the simultaneous manipulation of multiple moderators (Smith and Albaum 2005).

Figure 1-2: Conceptual Framework for the Study of Moderators of Positive Emotion Authenticity Effects



Source: Own depiction.

*Prevention focus (research paper 2).* Lechner and Mathmann (2018) investigate the moderating role of customers' prevention focus in customer reactions to frontline employee positive emotion authenticity. Prevention focus refers to the customers' motivation to avoid making mistakes and negative experiences (Higgins et al. 1994). While personality and self-concept are

important personal characteristics in addition to motivation (Gamache et al. 2013), extant studies show that prevention focus affects customer behavior more directly and more powerfully than other personal characteristics (Gamache et al. 2013; Lanaj, Daisy Chang, and Johnson 2012). This also explains the renewed interest in customers' prevention focus in recent years (Conley and Higgins 2018; Das, Mukherjee, and Smith 2018; Katsikeas et al. 2018), which, however, has not been considered in the study of the effects of frontline employee positive emotion authenticity on customers.

In one dyadic field study and three experiments, Lechner and Mathmann (2018) present evidence for the moderating role of customers' prevention focus. Specifically, employees' positive emotion authenticity only affects customers with a high prevention focus. Lechner and Mathmann (2018) first establish this effect in a field setting using tipping as a consequential dependent variable, highlighting the real-world relevance of prevention focus in customer reactions to positive emotion authenticity (Inman et al. 2018). The effect is then replicated in three experiments, in which prevention is operationalized both as a stable individual difference and as a situational state. Lechner and Mathmann (2018) also present evidence of the underlying psychological process of the moderation. Customer-employee rapport is found to fully mediate the interaction effect of prevention focus and positive emotion authenticity.

The findings of the second research paper contribute to the emotional labor literature in two important ways. First, Lechner and Mathmann (2018) identify customers' prevention focus as a moderator of the effects of employees' positive emotion authenticity on customers. Prevention focus as an important motivational construct helps explain the heterogeneous findings regarding the main effects of positive emotion authenticity on customers (Andrzejewski and Mooney 2016; Grandey et al. 2005; Wang, Seibert, and Boles 2011). Lechner and Mathmann (2018) thus demonstrate limits of the generalizability of customer effects of frontline employee emotion authenticity in that positive emotion authenticity has effects on some but not all customers.

Second, Lechner and Mathmann (2018) demonstrate that rapport explains the conditional effect of positive emotion authenticity on customers and thus provide a detailed account of the underlying psychological process of the moderating effect. In doing so, prevention is also shown as an important contingency of the effects of authenticity on rapport. Lechner and Mathmann (2018) therefore also contribute to research on the authenticity-rapport relationship (Hennig-Thurau et al. 2006) by identifying prevention focus as an important contingency.

The findings of Lechner and Mathmann (2018) also offer actionable implications for service managers. Managers may want to collect data on their customers' prevention focus in order to consider scheduling employees with high authenticity capabilities to high prevention customer segments or individual customers (e.g., in reservation-based services). Depending on the workforce's authenticity capabilities, managers should also consider priming a high prevention focus in their customers before or during service delivery using advertisements, product descriptions, slogans, or sales presentations with a strong prevention emphasis. Service firms can thus ensure that frontline employee positive emotion authenticity yields positive customer reactions.

*Choice confidence (research paper 3).* Lechner (2018) investigates the moderating role of choice confidence in customer reactions to frontline employee positive emotion authenticity. Choice confidence reflects the degree of certainty customers hold about the optimality of their service provider choice before service delivery (Parker, Lehmann, and Xie 2016). Choice confidence is a universal phenomenon, as service delivery is almost always bound to a decision by customers (Botti and McGill 2011), regardless of the number of alternatives considered (Lapersonne, Laurent, and Le Goff 1995) or familiarity with the service provider (Muthukrishnan 1995). Choice confidence therefore exhibits strong influences on customer attitudes, service evaluations, and spending behavior (e.g., Heitmann, Lehmann, and Herrmann 2007; Simmons and Nelson 2006).

In two experiments and one dyadic field study, Lechner (2018) presents evidence for the moderating role of choice confidence. Specifically, this study finds that customers react less negatively to inauthentic emotion displays when choice confidence is high (vs. low). This effect is shown in controlled environments and in the field with actual spending behavior, which demonstrates the real-world relevance of choice confidence in customer reactions to inauthentic emotion displays. Customer reactions to authentic displays, however, are not affected by choice confidence. Lechner (2018) also presents evidence of the underlying psychological process of the moderation. Decision regret is found to fully mediate the moderating effect of choice confidence.

The findings of the third research paper contribute to the emotional labor literature in two important ways. First, Lechner (2018) identifies choice confidence as a situational moderator of the effects of display authenticity on customers. As choice confidence exclusively affects customer reactions to inauthentic displays, this study helps explain mixed findings regarding the effects of inauthentic emotion displays on customers reported in the literature (e.g., Chi et al. 2011; Hennig-Thurau et al. 2006).

Second, this study demonstrates the key mediating role of decision regret in customer reactions to positive emotion authenticity. This finding not only explains the interaction of choice confidence and positive emotion authenticity but also fosters our understanding of mediators of positive emotion (in)authenticity effects (Grandey et al. 2005; Houston, Grandey, and Sawyer 2018). Specifically, this study adds to literature on the role of affective mediators (Hennig-Thurau et al. 2006) in advancing our understanding towards the mediating role of negative affective states such as decision regret.

The findings of Lechner (2018) also offer actionable implications for service managers. Managers are advised to foster choice confidence by, for example, designing and communicating their service offering in ways that clearly differentiate the service firm from competitors.

#### 1.3 Procedure

Two guiding questions constitute the research program of this dissertation. First, what factors influence customer perceptions of frontline employee positive emotion authenticity? Second, what factors moderate the effects of frontline employee positive emotion authenticity on customers?

To answer the first guiding question, this dissertation presents an empirical investigation of two factors that influence customer authenticity perceptions. Research paper 1 (Lechner and Paul 2019) studies the role of affect and thinking style in customer perceptions of emotion authenticity. The paper is presented in chapter 2.

To answer the second guiding question, research papers 2 and 3 are presented. Specifically, chapter 3 presents research paper 2, which investigates the moderating role of customers' prevention focus in the effects of frontline employee positive emotion authenticity on customers

(Lechner and Mathmann 2018). In chapter 4, research paper 3 is presented. Research paper 3 studies the moderating role of choice confidence in customer reactions to frontline employee positive display authenticity (Lechner 2018).

Chapter 5 discusses the results and contributions of this dissertation holistically. Chapter 5 also provides directions for future research, which conclude this dissertation.

# 2 Research Paper 1: Is This Smile for Real? The Role of Affect and Thinking Style in Customer Perceptions of Frontline Employee Emotion Authenticity

Lechner, Andreas T. and Michael Paul (2019): Is this Smile for Real? The Role of Affect and Thinking Style in Customer Perceptions of Frontline Employee Emotion Authenticity, in: *Journal of Business Research*, 94 (1), 195-208. <u>https://doi.org/10.1016/j.jbusres.2017.06.009</u>

## 3 Research Paper 2: Customers' Prevention Focus Strengthens Effects of Frontline Employee Positive Display Authenticity

By

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#### Abstract

Delivering services with an authentic smile is gaining importance in many service industries evidenced by increasing investments in recruiting authentic employees and authenticity training. Yet, despite growing managerial interest in frontline employee positive display authenticity, customer heterogeneity in reactions to authentic displays has received little scholarly attention. Drawing on regulatory focus theory, the present research contributes to the literature by demonstrating that positive display authenticity has a stronger effect on service performance for customers high in prevention. No such effect is found for customers low in prevention. Evidence from a dyadic field study demonstrates the effect on service performance in terms of tipping and three experiments provide further evidence by manipulating authenticity on service performance is mediated by rapport in that preventers develop stronger rapport with service providers when displays are authentic. Managers are advised to collect data on customers' prevention focus and use this information in allocating authentic employees to high prevention customers. Additionally, managers may prime prevention by means of marketing communications before or during service delivery.

#### 3.1 Introduction

In numerous service industries, frontline employees are key to service success as they often are the only point of contact between customers and organizations (Solomon et al. 1985). Consequently, many service firms define specific frontline employee behaviors to ensure high service performance (Paul, Hennig-Thurau, and Groth 2015), as indicated in customer reactions such as tips (Chi et al. 2011). In various industries, a major focus is placed on frontline employee positive display authenticity as it is considered a key strategic goal and competitive advantage (e.g., The Kroger Company; Schuster 2012; The Ritz-Carlton; Solomon 2015). Hard Rock Café, for example, considers the ability to display authentic positive emotions an important criterion in recruitment (Hard Rock Café International 2017). Similarly, Best Buy provides frontline employees with norms for service interactions by embedding authenticity in their organizational culture (Best Buy 2018). Furthermore, investments in authenticity training are common in many service industries (e.g., airlines; Hochschild 1983; hotels; Solomon 2015). However, the current state of knowledge on customer reactions to positive display authenticity and how this affects service performance is limited (Grandey and Gabriel 2015).

Research on frontline employee positive display authenticity is mostly concerned with the antecedents of authenticity and effects for employees (for recent meta-analyses see Hülsheger and Schewe 2011; Kammeyer-Mueller et al. 2013; Mesmer-Magnus, DeChurch, and Wax 2012; Wang, Seibert, and Boles 2011). However, effects of display authenticity on customers have been rarely investigated (Hennig-Thurau et al. 2006). Initial studies report positive effects on service performance (Gountas, Ewing, and Gountas 2007), but reveal also considerable heterogeneity in the effect of authenticity on customer outcomes (Andrzejewski and Mooney 2016; Grandey et al. 2005; Wang, Seibert, and Boles 2011). To date, insights on contingencies of authenticity are largely limited to the influence of employee task performance (Grandey et al. 2005), individual differences among employees (Chi and Grandey 2019; Grandey, Houston, and Avery 2018), and service environment-related factors (Grandey et al. 2005). However, studies do not address individual differences among the customer, who is at the heart of service delivery (for an exceptions see Groth, Hennig-Thurau, and Walsh 2009), and also rarely investigate the underlying processes of boundary conditions (Chi et al. 2011; Grandey et al. 2005). Accordingly, several scholars have called for research on customer-factors that explain heterogeneity in the positive effects of frontline employee positive display authenticity (Grandey and Gabriel 2015; Yagil and Shnapper-Cohen 2016). To answer these calls, we adopt a novel theoretical perspective on authenticity-related questions by considering customers'

prevention focus. Prevention is a central motivational personal characteristics, which received renewed interest in the marketing literature (Chi and Grandey 2019; Katsikeas et al. 2018) and has not yet been considered by authenticity researchers.

Considering the significance of frontline employee positive display authenticity for both practice and research, our study contributes to the emotional labor literature in three ways. First, we demonstrate that authentic displays in service delivery have performance consequences (e.g., in terms of actual tipping) for some, but not all, customers. For high preventers, frontline employees should display positive authentic emotions, whereas for customers low in prevention, display authenticity yields a lower return in terms of service performance. Managers can thus affect service success positively by allocating employees with high (vs. low) authenticity skill to times and locations that match preventers' consumption habits. Similarly, service employees with limited emotion regulation resources (Liu et al. 2008; Prati et al. 2009) can save these for interactions with high prevention customers. Our research shows that this customer-focused approach to frontline employee management leverages the effects of frontline employee display authenticity and improves service performance in terms of actual customer spending. Considering customers' prevention focus in service delivery also helps to explain the heterogeneous findings regarding the effects of authenticity on customers reported in literature (Andrzejewski and Mooney 2016; Grandey et al. 2005; Wang, Seibert, and Boles 2011).

Second, prevention is not solely a stable individual difference. State prevention can be operationalized by managers in different ways (established methods include primes based on marketing communications, slogans and word completion tasks, as well as revealing prevention states in customer-generated content; Motyka et al. 2014). We show that priming prevention before or during service delivery strengthens the effect of authenticity on service performance. In making customers think like preventers, service firms can ensure that authenticity yields positive effects on service performance.

Finally, we elaborate on the process by which display authenticity affects service performance for high prevention (but not low prevention) customers, by demonstrating that rapport explains a significant share of the variance in service performance. Reflecting the quality of the interaction of customers and employees (Delcourt et al. 2013), rapport is of great interest for managers to ensure positive experiences for customers.

#### 3.2 Conceptual Background and Hypotheses

#### 3.2.1 Positive Display Authenticity

Authenticity denotes whether an emotion display is in alignment with the experienced emotions (Lechner and Paul 2019). It is rooted in emotional labor theory (Hochschild 1983), which is concerned with the employees' regulation of emotions in the face of positive organizational display rules (Grandey 2000).

Positive emotion displays are authentic when experienced and expressed emotions are in alignment (Hennig-Thurau et al. 2006). To achieve this, frontline employees use deep acting, a strategy which reconciles experienced and expressed emotions (Grandey 2003). For example, employees commonly visualize a past event which made them feel good (Gross 1998). When experienced and expressed emotions are not in alignment the emotion display is inauthentic (Hennig-Thurau et al. 2006). Frontline employees exclusively modify their emotion expression by faking positive emotions (i.e., surface acting; Hülsheger et al. 2015).

Converging research in marketing (e.g., Grandey et al. 2005; Lee et al. 2014) and psychology (e.g., Abell et al. 2016; Gunnery and Hall 2014; Tng and Au 2014) shows that customers perceive inauthentic positive displays as manipulative. Inauthentic displays are construed by customers as a persuasion tactic and thus endanger service performance (such as tipping; Lee et al. 2014).

Research on frontline employee positive display authenticity is largely limited to the antecedents and effects of authenticity for employees (Chi and Grandey 2019; Diefendorff, Croyle, and Gosserand 2005), while little consideration has been given to individual differences among customers to explain the effects authenticity has on them. In an attempt to introduce such factors, we take an established theoretical perspective based on regulatory focus theory. Customer regulatory focus has received renewed interest in the literature (Conley and Higgins 2018; Katsikeas et al. 2018) and has not yet been considered by authenticity researchers.

#### 3.2.2 Regulatory Focus

Regulatory focus theory proposes that customers pursue their goals by adopting independent prevention and promotion foci (Das, Mukherjee, and Smith 2018; Higgins 1998, 2012). Prevention and promotion represent two regulatory focus dimensions, which are conceptually and empirically distinct and independent (Haws, Dholakia, and Bearden 2010). A prevention

focus implies a focus on "oughts" (i.e., responsibilities, obligations, and duties). Customers high in prevention emphasize regulating behavior in a manner that stresses protection and security needs. Their behavior is oriented towards avoiding 'errors of omission' (i.e., making mistakes; Higgins et al. 2001). High preventers strive to avoid negative experiences (Werth and Foerster 2007) as they experience negative events significantly stronger than low preventers (Idson, Liberman, and Higgins 2000). A high prevention focus triggers careful and precise information processing (Werth and Foerster 2007). The preventers' mental state is thus best described as vigilant (Higgins 1998) with a strong sensitivity for negative and manipulative information (Kirmani and Zhu 2007).

A promotion focus, on the other hand, pertains to a motivation for pursuing "ideals" in service interactions. Customers high in promotion strive to achieve positive experiences (Idson, Liberman, and Higgins 2000) and focus predominately on positive information (Werth and Foerster 2007). Regulatory focus theory offers a way to identify individual differences in prevention and promotion using established measures (Higgins et al. 2001) or temporary states (Higgins et al. 1994) that can be manipulated using priming methods (Pham and Avnet 2004).

#### 3.2.3 Research Hypotheses

Our conceptual framework is shown in Figure 3-1. We hypothesize that authentic (as opposed to inauthentic) positive emotion displays from frontline employees increase service performance (e.g., in terms of tipping) more for customers high (vs. low) in prevention (H1). Furthermore, we expect that rapport is the underlying psychological process of this effect (H2 and H3). We conceptualize service performance in line with established literature where it is revealed as frontline employee output with objective performance indicators such as tips and subjective performance indicators such as customer satisfaction (Huang and Dai 2010; Hülsheger et al. 2015). Customer satisfaction with the employee is chosen over customer satisfaction with the service encounter as it exclusively reflects the influence of frontline employee positive display authenticity on customers (Chi and Chen 2019).



**Figure 3-1: Conceptual Framework** 

Source: Own depiction.

We propose that customers high in prevention show a high sensitivity towards frontline employee positive display authenticity with respect to service performance. When positive emotion displays are inauthentic, the customers' attempts to avoid negative experiences fail. This is because preventers focus on negative information (Kirmani and Zhu 2007) and thus experience inauthentic displays as particularly manipulative (Grandey et al. 2005). A failure to avoid negative experiences thus disproportionately affects the preventers' service performance appraisal (Arnold et al. 2014; Idson, Liberman, and Higgins 2000). When positive emotion displays are authentic, however, the customers' prevention goals are met as no negative experience occurs, which affects service performance appraisals positively.<sup>2</sup>

We expect preventers to prioritize being vigilant in judging interactions with frontline employees in order to ensure that their security needs are met. As they focus on negative information, they should react adversely towards manipulative cues in the form of inauthentic emotion displays. Our reasoning is echoed in the work of Kirmani and Zhu (2007, Study 1). The authors experimentally induced a high prevention focus and measured customers' attitudes towards manipulative vs. non-manipulative advertisements. Kirmani and Zhu (2007) found that

 $<sup>^2</sup>$  With respect to customers' promotion focus, we do not expect a moderating effect as promotion focus is not characterized by a focus on negative information or vigilance towards manipulative information (Werth and Foerster 2007). Instead, promoters focus on positive information and strive for positive experiences (Higgins et al. 1994), which may affect service evaluations (Zhang, Craciun, and Shin 2010), but should be independent from display authenticity (Lechner and Paul 2019). This is because positive emotion displays trigger positive associations regardless of their authenticity (Pugh 2001), which help promoters to fulfil their promotion goals (Higgins 2012). Thus, we do not expect promotion to act as a boundary condition of customer reactions to display authenticity.

high prevention focus yielded less favorable brand and product attitudes towards manipulative (vs. non-manipulative) advertisements. Thus, we propose:

**Hypothesis 1:** Authentic (as opposed to inauthentic) positive emotion displays from frontline employees increase service performance more for customers high (vs. low) in prevention.

Previous research suggests that the effect of positive display (in)authenticity on service performance (such as tipping) can be explained in terms of customers' rapport with the service provider (Hennig-Thurau et al. 2006). Rapport is defined as "a customer's perception of having an enjoyable interaction with a service provider employee, characterized by a personal connection between the two interactants" (Gremler and Gwinner 2000, p. 60). It thus reflects the quality of the social aspects of service delivery (Delcourt et al. 2013), which is of great interest for managers to ensure positive experiences for customers. While previous research indicates that authenticity positively affects rapport (Hennig-Thurau et al. 2006; Lin and Lin 2017), we hypothesize that this effect is bound to the customers' prevention focus.

We propose that preventers' sensitivity to display authenticity affects rapport in that rapport is high (low) when emotion displays are (in)authentic. When interacting with authentic employees, the prevention goal is met (i.e., no negative experience occurs; Kirmani and Zhu 2007). In the absence of negative experiences, we expect preventers to enjoy the interaction with the frontline employee (Idson, Liberman, and Higgins 2000). When interacting with inauthentic employees, on the other hand, a negative experience occurs, which mitigates preventers' enjoyment of the interaction. This way, positive display authenticity from frontline employees is experienced as diagnostic to the customers' interaction with, and connection to, the service provider (Hennig-Thurau et al. 2006). Thus, we propose:

**Hypothesis 2:** Customers high (vs. low) in prevention experience stronger rapport with service providers when service providers display authentic as opposed to inauthentic positive emotions.

Rapport, in turn, has been identified as a critical predictor of service performance (Hennig-Thurau et al. 2006). When customers enjoy interacting with frontline employees, service performance (i.e., tipping and satisfaction) increases due to improved service experience (Dewitt and Brady 2003). This is because rapport reflects the quality of the interaction between customers and employees, which is key to successful service delivery (Delcourt et al. 2013). Extant research presents compelling evidence for the positive effect of rapport on service performance (e.g., Delcourt et al. 2013; Gremler and Gwinner 2000; Hennig-Thurau et al. 2006). Thus, we propose:

**Hypothesis 3:** Rapport explains why authentic (as opposed to inauthentic) positive emotion displays from frontline employees increase service performance more for customers with a high (vs. low) prevention focus.

In the next sections, the hypotheses are empirically tested. A dyadic field study in a natural service setting (Study 1) first establishes that the effect of display authenticity on service performance is stronger for customers high (vs. low) in prevention (H1). Three subsequent experiments (Studies 2-4) then test the causal nature and the underlying psychological process of the moderation effect (H2 and H3).

#### 3.3 Study 1: Field Study

#### 3.3.1 Goal

Study 1 sought to establish that service providers who display authentic (as opposed to inauthentic) positive emotions receive more tips from customers high (vs. low) in prevention (H1). Tipping is an objective indicator for service performance (Hülsheger et al. 2015) as it denotes a performance appraisal by customers in which customers voluntarily reward the employees' performance in addition to the contracted service price (Lynn, Zinkhan, and Harris 1993). Thus, the aim of the field study was to establish the effect in the field first by demonstrating its relevance for real customer spending behavior.

#### 3.3.2 Participants and Procedure

We cooperated with a local medium-sized café from a large city in southern Germany in surveying matched employee-customer dyads after service delivery (Groth, Hennig-Thurau, and Walsh 2009). The café was particularly suitable for our study as it had positive display rules (Trougakos, Jackson, and Beal 2011), instructing employees to smile when interacting with customers. However, as the café management did not specify the authenticity of smiles, both authentic and inauthentic positive displays were likely to occur.

We obtained 118 dyadic surveys (i.e., surveys from two information sources: employees and customers) as part of a larger data collection effort, which is common in emotional labor

research (e.g., Brach et al. 2015; Groth, Hennig-Thurau, and Walsh 2009; Hülsheger 2016). Nine employees working full-time participated in the study, yielding an average of 13.11 surveys per employee (SD = 3.28). No cases were excluded from analysis. Employee age ranged from 24 to 54 with a mean of 43.00 (SD = 8.50); 89.00% were female. Customer age ranged from 18 to 92 with a mean of 52.08 (SD = 16.64); 65.30% were female.

On five subsequent workdays, employees invited customers to participate in a short survey after customers payed and tipped the employee (see for a similar approach Groth, Hennig-Thurau, and Walsh 2009). After employees ensured that customers did not already participate in the study, customers completed the survey at their table in the absence of the employee. Simultaneously, employees also completed a short survey. Customers and employees were instructed to place the sealed surveys in a secured box at the exit of the café, which was only accessible to the lead researcher. This approach is common in dyadic research to ensure honest and non-lenient responses from both customers and employees (e.g., Chi et al. 2011). Furthermore, employees and customers were ensured of data confidentiality and their anonymity (Chi et al. 2011; Dodou and de Winter 2014). All customer and employee surveys contained matched codes allowing the identification of employee-customer dyads.

#### 3.3.3 Measures

The customer survey included measures of tipping, prevention focus, and demographics. We measured tipping by asking customers for the bill total and tip amount, which was converted to tip percentage for the analysis by dividing the tip by the bill total (Bujisic et al. 2014; Chi et al. 2011). As the café management required us to reduce interference with the natural service setting (Matthews and Gibbons 2016), we measured prevention focus using an established seven-point summary item taken from Lockwood, Jordan, and Kunda (2002). Following established conventions in tipping research (e.g., Chi et al. 2011), we controlled for café busyness, group size, and customer gender, which are important drivers of tipping behavior (Lynn, Zinkhan, and Harris 1993).

As common in dyadic research, the employee survey contained a measure of positive display authenticity (Groth, Hennig-Thurau, and Walsh 2009). To minimize any impairment of employees' workflow, café management only allowed a one-item seven-point measure of positive display authenticity, which we adapted from Yagil (2014) because of its high face validity.<sup>3</sup> As employees and customers had multiple contact points in service delivery (e.g., taking and delivering the order), employees were instructed to report the average display authenticity across all contact points with each customer. Descriptive statistics and correlations are displayed in Table 3-1. All measures of this study appear in Appendix B.

	М	SD	Correlations			
	IVI		1	2	3	4
1 Tip percentage	.13	.08				
2 Positive display authenticity	5.49	1.12	.05			
3 Prevention focus	5.23	1.96	.04	10		
4 Café busyness	2.95	.91	11	.08	.07	
5 Group size	2.41	1.11	02	.03	02	05

Table 3-1: Descriptive Statistics and Correlations, Study 1

Source: Own depiction.

#### 3.3.4 Results

As employees repeatedly completed dyadic surveys, the assumption of independent observations in ordinary least squares regression may not hold causing biased estimates of standard errors and inflated alpha errors (Raudenbush and Bryk 2002). To test for statistical dependency in our data, we calculated the intraclass correlation for unequal group sizes of tip percentage (ICC; Maas and Hox 2005) using Mplus 7 (Muthen and Muthen 2012). The intraclass correlation was .07, which necessitates multilevel analysis (Cohen et al. 2003; Peugh 2010).

A random intercept two-level model was estimated, controlling for the effect of employees at level 2 (Chi et al. 2011; Hülsheger et al. 2015; Raudenbush and Bryk 2002). We regressed tip percentage on positive display authenticity, prevention focus, their interaction term, group size, café busyness, and customer gender using maximum likelihood estimation (MLR), which is not sensitive to non-normality and recommended for unequal group sizes (Muthen and Muthen 2012; Snijders and Bokser 2012). All predictors were level 1 variables and were group mean centered before analysis (Enders and Tofighi 2007).

<sup>&</sup>lt;sup>3</sup> Established measures of display authenticity (Diefendorff, Croyle, and Gosserand 2005; Grandey 2003; Yagil 2014) are one-component measures that capture the extent of authentic positive emotions in customer interactions. Thus, a single item measure with high face validity should sufficiently capture the construct (Bergkvist and Rossiter 2007).

The results revealed no main effects of positive display authenticity ( $\beta = .08$ , SE = .08, *ns*) and prevention focus ( $\beta = .04$ , SE = .14, *ns*). Importantly, in support of H1, we found a significant two-way interaction of authenticity and prevention ( $\beta = .13$ , SE = .06, *p* < .05) while café busyness ( $\beta = -.11$ , SE = .13, *ns*) and group size ( $\beta = -.06$ , SE = .11, *ns*) were insignificant and gender (female, effect coded) was significant ( $\beta = .12$ , SE = .06, *p* < .05). We used the tool described in Preacher, Curran, and Bauer (2006) to probe the interaction. As shown in Figure 3-2, the effect of authenticity on tip percentage increased with increasing prevention focus. The conditional effect of authenticity on tip percentage transitioned from non-significance to significance at the group mean centered prevention value of .78 ( $\beta = .18$ , SE = .09, T =1.96, *p* = .05). A total of 50.80% of the sample had a prevention score above a group mean centered value of .78. These findings provide support for H1. The interaction of authenticity and prevention remained significant when excluding all control variables.

Figure 3-2: Tip Percentage as a Function of Prevention Focus and Positive Display Authenticity, Study 1



*Note*: The graph is based on a floodlight analysis (Spiller et al. 2013) and illustrates the effect of positive display authenticity on tip percentage for any prevention focus value (group mean centered). The gray lines represent confidence intervals and the J-N point is obtained at prevention value of .78 (group mean centered).

Source: Own depiction.

#### 3.3.5 Discussion

In Study 1, we presented evidence that customers high in prevention tip more when frontline employees display positive authentic emotions. That is, authenticity only affected tipping when customers had a high (as opposed to low) prevention focus. This finding highlights an important contingency for the effect of frontline employee display authenticity.

#### 3.4 Study 2: Experimental Manipulation of Positive Display Authenticity

#### **3.4.1 Goals**

Study 2 had three goals. First, we wanted to test whether there is a causal effect of frontline employee positive display authenticity on service performance that is conditional on prevention focus. Study 1 showed that prevention moderated the effects of authenticity using a dyadic field study design. However, an experimental manipulation of authenticity in a controlled setting was needed to allow for stronger causal inferences on the proposed conditional effect of authenticity. Second, we sought to replicate the findings from Study 1 using an established multi-item measurement scale for prevention focus adding to the generalizability of our findings. Third, we sought to ensure that the moderating effect of prevention was independent of customer promotion focus (Higgins 1998) adding to the robustness of our findings. In Study 2, we chose customer satisfaction with the employee, which reflects the customer's fulfillment response based on the comparison of expectations regarding the employee and employee service performance (Oliver 2010), to add to the generalizability of our results (Huang and Dai 2010).

#### 3.4.2 Participants and Procedure

In Study 2, we conducted a randomized online experiment using two short films to manipulate authenticity in an established manner (Lechner and Paul 2019). Our sample consisted of 194 participants from a large customer panel in Germany. Four cases were excluded from analysis because participants failed attention and quality checks (Oppenheimer, Meyvis, and Davidenko 2009), yielding a final sample size of 190. Age ranged from 18 to 70 with a mean of 38.88 (SD=10.53); 53.2% of the participants were female. Cell sizes ranged from 92 to 98.

In the study, participants first completed a standard regulatory focus scale (Higgins et al. 2001). In order to highlight differences between customers and account for alternative explanations based on promotion focus, we measured both regulatory foci as stable dispositions. Extant regulatory focus research shows that measuring regulatory focus at the start of the study (vs. after measuring the dependent measures) does not affect results as there is no evidence for a

potential sensitization towards regulatory focus with an early measurement approach (e.g., Haws, Dholakia, and Bearden 2010; Van-Dijk and Kluger 2004).

Participants next took part in a vignette experiment. All participants were asked to imagine going out to dinner at night and then watched an interactive short film depicting a restaurant visit from the customers' point of view starting with the waitress approaching the table, handing over the menu, and taking the order.<sup>4</sup> To increase realism, customers first decided whether an extra place setting should be removed by the waitress and subsequently specified a drink order from a pretested set of five drinks (n=149). The video adapted accordingly. Customers' choices in the video did not affect the dependent variable ( $F_{place setting}(3,186) = .30$ , *ns;*  $F_{drink order}(5,184) = .89$ , *ns*).

Next, participants completed the survey, which measured customer satisfaction with the employee, the manipulation check, and demographic measures. Participants were then debriefed.

#### 3.4.3 Experimental Manipulation

We used two validated short films to manipulate frontline employee positive display authenticity in an established manner (Lechner and Paul 2019). In the video, an experienced actress trained in emotional labor techniques performed a scripted restaurant interaction in a mid-priced restaurant. The actress used either deep acting techniques in the high authenticity condition or surface acting techniques in the low authenticity condition. Apart from differences in authenticity of emotion display, all remaining facets of the emotional expression were identical across both films (e.g., teeth were visible in all smiles). Both films were approximately 40 seconds long.<sup>5</sup>

#### 3.4.4 Measures

All scales were measured on seven-point scales. We used the established eleven-item measure from Higgins et al. (2001) to measure prevention (five items, alpha = .82) and promotion (six items, alpha = .68). The regulatory focus scale from Higgins et al. (2001) was shown to be the best performing measure of regulatory focus with respect to construct representativeness,

<sup>&</sup>lt;sup>4</sup> Following extant studies (e.g., Grandey et al. 2005; Paul, Hennig-Thurau, and Groth 2015), we choose a female employee as there is no evidence on frontline employee gender effects in emotional display research (e.g., Luong 2005; Tsai and Huang 2002).

<sup>&</sup>lt;sup>5</sup> For further information on the stimuli development, see section 2.4.2.
stability, and predictive validity (Haws, Dholakia, and Bearden 2010). Customer satisfaction with the employee (alpha = .92) was measured with three items from Keh et al. (2013) and Burnham, Frels, and Mahajan (2003). For the authenticity manipulation check, we used two items from Côté, Hideg, and van Kleef (2013, split-half reliability = .88). The experimental stimuli and measures of this study appear in Appendix B.

We performed a confirmatory factor analysis including all constructs from our model to test the validity of our measures. The model showed acceptable fit to the data ( $\chi^2(70) = 114.15$ , p < .05; CFI = 0.96; TLI= 0.94; RMSEA = 0.06; SRMR = 0.07). However, convergent validity of prevention and promotion was not met as both AVEs were below .5. We removed one item from the prevention measure and two items from the promotion measure to improve AVEs. As shown in Table 3-2, the re-estimated model ( $\chi^2(40) = 41.89$ , ns; CFI = 0.99; TLI= 0.99; RMSEA = 0.02; SRMR = 0.04) supported convergent validity for prevention and satisfaction as AVEs were greater .5. The AVE for promotion was below .5, however, convergent validity was established because the composite reliability met the threshold of .7 (Hulland 1999) and Fornell and Larcker (1981, p. 46) stated that "on the basis of  $\rho_c$  alone [i.e., composite reliability], the researcher may conclude that the convergent validity of the construct is adequate, even though more than 50% of the variance is due to error." Factor loadings ranged from .62 to .78 for prevention, from .45 to .72 for promotion, and from .86 to .92 for satisfaction. We also found support for discriminant validity, as the AVEs were greater than all squared correlations (Fornell and Larcker 1981).

	Num- ber of items	М	SD	Cron- bach's Alpha	Com- posite		Correlations	
					Relia- bility	AVE	1	2
1 Customer satisfaction with the employee	3	6.34	.78	.92	.93	.81		
2 Prevention focus	4	4.03	1.24	.80	.81	.51	02	
3 Promotion focus	4	4.66	.95	.70	.70	.37	.22	03

Table 3-2: Descriptive Statistics, Correlations, and Validity Assessment, Study 2

Source: Own depiction.

There were no differences in prevention ( $M_{high authenticity} = 4.04$ ,  $M_{low authenticity} = 4.02$ , t(188) = .07, *ns*) or promotion foci across experimental conditions ( $M_{high authenticity} = 4.63$ ,  $M_{low authenticity} = 4.69$ , t(188) = .40, *ns*). As in previous studies (e.g., Higgins et al. 2001), prevention and promotion foci were independent (r = -.03, *ns*).

## 3.4.5 Manipulation Checks

A pretest (N=64) provided confirmation for the effectiveness of our authenticity manipulation. Participants in the high (vs. low) authenticity condition reported significantly higher authenticity perceptions (split-half reliability = .94;  $M_{high authenticity} = 5.19$ ;  $M_{low authenticity} = 3.50$ ; t(62) = 4.05, p < .05).

We tested the success of the authenticity manipulation in the main study with the same items used in the pretest. Participants reported higher authenticity perceptions in the high (vs. low) authenticity condition ( $M_{high authenticity} = 4.66$ ;  $M_{low authenticity} = 4.13$ ; t(188) = 2.38, p < .05), indicating a successful manipulation of authenticity.

## 3.4.6 Results

We tested our central prediction about the interaction between customer prevention focus and frontline employee display authenticity using the Process macro for SPSS (Hayes 2013). In a first step, we estimated the main effects of authenticity, prevention, and the interaction effect between the two (Hayes 2013; Model 1). In a second step, we added promotion, its interaction with authenticity and prevention as well as the three-way interaction of authenticity, prevention, and promotion (Hayes 2013; Model 3). To ensure substantive interpretation of main effects, the authenticity manipulation was effect coded and regulatory focus scales were mean-centered before analysis (Hayes 2013). Table 3-3 shows the results.

DV = Customer satisfaction with the employee	(1) Preven	ntion	(2) Prevention		
	focus		focus x promotion		
			focus		
	Estimate	SE	Estimate	SE	
Intercept	6.33*	.06	6.33*	.06	
Positive display authenticity	.15*	.06	.15*	.06	
Prevention focus	01	.05	.00	.05	
Promotion focus	_	_	.16*	.07	
Positive display authenticity x prevention focus	.12*	.05	.11*	.05	
Positive display authenticity x promotion focus	_	_	03	.06	
Prevention focus x promotion focus	_	_	01	.05	
Positive display authenticity x prevention focus x	_	_	.01	.05	
promotion focus					
ľ2	.07*		.11*		

## Table 3-3: Results of Study 2

*Note*: Positive display authenticity was effect coded (1 high, -1 low); prevention focus and promotion focus were mean centered; \* p < .05.

Source: Own depiction.

The results from the first step revealed a significant positive main effect of frontline employee positive display authenticity ( $\beta = .15$ , p < .05; M<sub>high authenticity</sub> = 6.48; M<sub>low authenticity</sub> = 6.19) but no significant effect of prevention focus ( $\beta = .01$ , *ns*) on satisfaction. Importantly, as predicted in H1, the main effect of authenticity was qualified by a significant two-way interaction of authenticity and prevention ( $\beta = .12$ , p < .05). The conditional effect of authenticity on satisfaction transitioned from non-significance to significance at the prevention value of 3.75 ( $\beta = .11$ , SE = .06, t =1.97, p = .05; 95% CI [.00, .22]). A total of 64.21% of the sample had a prevention score above 3.75. The positive effect of authenticity was thus stronger for customers with a high prevention focus. Figure 3-3 displays the results. These findings support H1.

Step 2 also yielded a positive main effect of authenticity ( $\beta = .15$ , p < .05) as well as a positive main effect of promotion ( $\beta = .16$ , p < .05)<sup>6</sup>. Importantly the two-way interaction of authenticity

<sup>&</sup>lt;sup>6</sup> This effect may be due to the study context. The scenario depicted a positive service experience, which was evidenced by high levels of customer satisfaction in both conditions (M = 6.34). Promoters tend to show a positivity bias in the evaluation services that allow positive outcomes (Zhang, Craciun, and Shin 2010), which is in alignment with the promoters' general focus on achieving positive events (Werth and Foerster 2007).

and prevention focus ( $\beta = .11$ , p < .05) remained significant while all other terms including the two-way interaction between promotion focus and authenticity were insignificant, ruling out promotion focus as an alternative explanation for our central finding.





*Note*: The graph is based on a floodlight analysis (Spiller et al. 2013) and illustrates the effect of positive display authenticity on customer satisfaction with the employee for any prevention focus value. The gray lines represent confidence intervals and the J-N point is obtained at prevention value of 3.75. Source: Own depiction.

To further test the robustness of our results, we reran all analyses including customer gender as a control variable (e.g., Grandey et al. 2005; Houston, Grandey, and Sawyer 2018). The results reported in this section remained unchanged, providing further support for our theoretical framework.

As recent studies in marketing highlight the importance of perceived authenticity (Groth, Hennig-Thurau, and Walsh 2009; Lechner and Paul 2019), we also tested whether prevention focus interacted with positive display authenticity in predicting perceived authenticity. The interaction of authenticity and prevention was insignificant ( $\beta = .04$ , SE = .09, *ns*).

#### 3.4.7 Discussion

Study 2 provided further support for H1. As in Study 1, the positive effect of authenticity was stronger for customers with a high prevention focus. That is, authenticity only affected service performance (i.e., satisfaction) when customers had a high (as opposed to low) prevention focus. Using an established multi-item measure of prevention, Study 2 added to the validity of our findings. Furthermore, we ruled out promotion as an alternative explanatory factor by showing that the interaction effect of authenticity and prevention was independent of customers' promotion focus.

## 3.5 Study 3: Prevention Focus Primes before Service Delivery

## 3.5.1 Goal

In Study 3 we sought to investigate a state perspective of prevention focus. In Studies 1 and 2, we operationalized prevention focus as a chronic disposition. Importantly, however, certain situations may also trigger a state prevention focus, which is independent of an individual's chronic disposition (Higgins et al. 1994). Studies 1 and 2 showed that service performance increased for customers with a high (but not low) prevention focus score when employees' positive emotion displays were authentic. Managers might want to leverage such effects even if they cannot collect data on their customers' prevention focus scores. Consequently, in Study 3, we investigated whether the revealed increases in service performance also occurred when prevention was primed rather than measured, which provided further support for our hypotheses.

#### 3.5.2 Participants and Procedure

We conducted a 2 (prevention focus prime: prevention vs. control) x 2 (positive display authenticity: high vs. low) randomized between-subjects online experiment using a series of pictures to manipulate authenticity in an established manner (Lechner and Paul 2019). Our sample consisted of 120 subjects from a large customer panel in the UK. Twelve cases were removed from analysis as participants failed quality and attention checks. Furthermore, eleven cases showed an invalid induction of prevention, yielding a final sample size of 97. The sample age ranged from 21 to 57 with a mean of 32.92 (SD=9.45); 55.70% of the participants were female. Cell sizes ranged from 21 to 28.

In the study, participants first underwent an established prevention focus priming procedure (Beersma et al. 2013; Higgins et al. 1994). Next, participants took part in a vignette experiment

to manipulate positive display authenticity. All participants were asked to imagine having a job interview early next morning in a distant city and checking into a hotel for their overnight stay. They then viewed a series of pictures depicting a hotel check-in from the customers' point of view starting with the frontline employee greeting the customer, checking the reservation, and handing over the room key. Participants next completed the survey and were then debriefed.

## 3.5.3 Experimental Manipulations

*Prevention focus prime*. Participants underwent an established prevention focus priming procedure by asking participants to reflect on duties (prevention) vs. hopes (promotion) (Beersma et al. 2013; Higgins et al. 1994). In Study 3, we chose a self-reflection prime over a situation-generated prime for two reasons. First, self-reflection primes produce more conservative effect sizes compared to situation-generated primes (Grewal et al. 2010). Thus, the use of a self-generated prime ensured that effects also occur with various situation-primes, which may be custom designed by marketing practitioners. Second, self-reflection primes are the most established priming method to prime prevention focus and have a greater dissemination compared to situation-generated primes (Grewal et al. 2010).

In the prevention focus prime condition, participants wrote down two past and two present duties and obligations. In the control condition, we included a promotion focus prime to keep participant fatigue constant across conditions (Beersma et al. 2013; Higgins et al. 1994). In this condition, participants wrote down two past and two present hopes and goals. This procedure is widely used for the induction of state prevention (e.g., Freitas and Higgins 2002; Gamez-Djokic and Molden 2016; Pham and Avnet 2004).

*Positive display authenticity*. To manipulate frontline employee positive display authenticity, a different trained actor to the one in Study 2 used emotional labor techniques to regulate the emotion display at a photo shooting in a local hotel. The smile intensity of authentic and inauthentic displays was kept constant. This added to the generalizability of our findings across different stimuli with different types of inauthentic smiles. In the low display authenticity condition, the actress displayed an asymmetric smile, which is another common way to express unfelt emotions (Skinner and Mullen 1991). In the high authenticity condition, the actor displayed a natural smile which was symmetric. Apart from differences in authenticity of

emotion display, all remaining facets of the emotional expression were identical across both series.<sup>7</sup> The experimental stimuli and measures of this study appear in Appendix B.

## 3.5.4 Measures

Study 3 used the same measures for customer satisfaction with the employee (alpha = .96, M = 6.48, SD = 1.02) and the positive display authenticity manipulation check (split-half reliability = .80) as in Study 2. For the pretest, we used two items for the prevention focus manipulation check from Pham and Avnet (2004).

## 3.5.5 Manipulation Checks

A pretest (N=60) provided confirmation for the effectiveness of our authenticity manipulation. Participants in the high authenticity (vs. low) condition reported significantly higher authenticity perceptions (split-half reliability = .89; M<sub>high authenticity</sub> = 5.07; M<sub>low authenticity</sub> = 3.18; t(58) = 5.28, p < .05). The pretest furthermore confirmed the effectiveness of the prevention prime. Participants in the prevention condition reported significantly higher prevention scores than those in the control condition (split-half reliability = .81; M<sub>prevention</sub>= 4.85; M<sub>control</sub>= 3.22; t(58) = 3.93, p < .05). The authenticity manipulation did not affect the prevention manipulation check (all ps > .05).

Also in the main study, participants reported higher authenticity perceptions in the high (vs. low) authenticity condition ( $M_{high authenticity} = 5.00$ ;  $M_{low authenticity} = 3.83$ ; t(95) = 4.33, p < .05). To test the effectiveness of the prevention prime in the main study, two independent coders, who were blind to the participants' experimental condition, rated all four statements from the participants regarding their regulatory focus (prevention, promotion). The results of the coding demonstrated high inter-coder reliability indicated by a proportional reduction in loss (PRL) of .95 (Rust and Cooil 1994). A third coder resolved lack of agreement. Based on the coding, 11 cases (six prevention, five promotion) were removed from analysis. Thus, both manipulations were successful.

## 3.5.6 Results

We test our hypotheses using a two-way analysis of variance including positive display authenticity, prevention focus, and their interaction explaining customer satisfaction with the employee. We found a significant main effect for authenticity (F(1,93) = 4.66, p < .05) but not

<sup>&</sup>lt;sup>7</sup> For further information on the stimuli development, see section 2.5.2.

for prevention (F(1,93) = 0.57, *ns*). Participants in the high (vs. low) authenticity condition reported significantly higher satisfaction ( $M_{high authenticity} = 6.60$ ;  $M_{low authenticity} = 6.15$ ). Importantly, in support of H1, the main effect of authenticity was qualified by a significant twoway interaction effect of authenticity and prevention (F(1,93) = 4.36, *p* < .05). As shown in Figure 3-4, the mean satisfaction score in the prevention condition was significantly higher in the high (vs. low) authenticity ( $M_{prevention x high authenticity} = 6.71$ ;  $M_{prevention x low authenticity} = 5.86$ ; F(1, 93) = 9.41, *p* < .05). However, in the control condition, mean satisfaction scores did not differ between the high vs. low authenticity condition ( $M_{control x high authenticity} = 6.43$ ; F(1,93) = .00, *ns*).





Source: Own depiction.

To test the robustness of our results, we reran the analysis including customer gender as a control variable. The results remained unchanged, providing further support for our theoretical framework. As in Study 2, we also tested the interaction of prevention and authenticity predicting perceived authenticity, which was insignificant (F(1,93) = .47, *ns*).

## 3.5.7 Discussion

In Study 3, we again find support for H1. The positive effect of frontline employee display authenticity on service performance was stronger for preventers. Study 3 thus further strengthens the support for our theoretical framework by replicating the moderating effect of prevention focus using a state perspective as compared to the chronic prevention perspective from Studies 1 and 2.

## 3.6 Study 4: Prevention Focus Primes in Service Delivery

## 3.6.1 Goals

Study 4 had two objectives. In Study 3, we showed that service performance increased for customers when prevention was primed via self-reflection (Pham and Avnet 2004). However, our choice of prime offers limited insights for managers compared to situation-generated primes. In addition, the priming occurred before service delivery, however, nothing is known about priming prevention during service delivery (Motyka et al. 2014). Consequently, Study 4 replicated the moderating effect of prevention using a situation-generated prime embedded in service delivery, which provided further support for our hypotheses.

Second, with Study 4, we also explored the psychological mechanism that might explain the conditional effect of authentic positive emotion displays on service performance. We expected that customers with a high (vs. low) prevention focus would experience stronger rapport with service providers when positive emotion displays were authentic compared to inauthentic (H2). Rapport thus reflects the quality of the social aspects of service delivery (Delcourt et al. 2013), which is of great interest for managers to ensure positive experiences for customers. An increase in rapport, in turn, was hypothesized to positively affect service performance (H3). With Study 4, we also tested our theory against positive affect as an alternative mechanism. Positive affect was identified as a central mediator in the authenticity-satisfaction relationship in previous research (Hennig-Thurau et al. 2006).

## 3.6.2 Participants and Procedure

We conducted a 2 (positive display authenticity: high vs. low) x 2 (prevention focus prime: prevention vs. control) randomized between-subjects online experiment. In the prevention prime control condition, we included a promotion focus prime as in Study 3. Our sample consisted of 148 subjects from a large customer panel in the UK. Four cases were removed from analysis as participants failed quality and attention checks, yielding a final sample size of 144. The sample age ranged from 21 to 65 with a mean of 36.00 (SD=10.74); 64.60% of the participants were female. Cell sizes ranged from 33 to 39.

In the study, participants took part in a vignette experiment to manipulate frontline employee positive display authenticity and customer prevention focus. All participants were asked to imagine going out to dinner at night and then saw a series of pictures of the waitress, who introduced herself and informed customers about a new grape juice added to the restaurant's drink assortment (Lee and Aaker 2004). Participants next completed the survey and were then debriefed.

## **3.6.3** Experimental Manipulations

*Positive display authenticity.* To manipulate frontline employee positive display authenticity, we used six pictures taken from the video stimuli of Study 2. Each picture was accompanied by a speech balloon, which contained the greeting of the guest and the description of the grape juice.

*Prevention focus prime*. To manipulate prevention focus, we adapted the established grape juice advertisement prime from Lee and Aaker (2004) to the study context. Specifically, the waitress elaborated on the health and disease preventing benefits of the juice in the prevention condition, whereas she emphasized the energy benefits and the pleasurable taste in the control condition. The experimental stimuli and measures of this study appear in Appendix B.

## 3.6.4 Measures

Study 4 used the same measure for customer satisfaction with the employee (alpha = .91) as in Study 2. We measured pre- (.87) and post-delivery positive affect (.89) and customer-employee rapport<sup>8</sup> (alpha = .95) with established four-item measures from Hennig-Thurau et al. (2006). Following the approach in Hennig-Thurau et al. (2006), we computed difference scores for positive affect by subtracting the pre-delivery positive affect from the post-delivery positive affect. For the positive display authenticity manipulation check, we used the same items as in Study 2 (split-half reliability = .94). Finally, we used two items from Lee and Aaker (2004) for the prevention focus manipulation check ("The juice helps keeping arteries unclogged."; "The juice is healthy to drink."; split-half reliability = .62), which were not aggregated due to their low reliability.

<sup>&</sup>lt;sup>8</sup> Following extant studies (e.g., Hennig-Thurau et al. 2006), we measured customer-employee rapport with four items reflecting the enjoyable interaction dimension of rapport as our scenario made a personal connection unlikely (Gremler and Gwinner 2000).

We performed a confirmatory factor analysis including customer satisfaction with the employee, customer-employee rapport, and change in positive affect. The model showed good fit to the data ( $\chi^2(41) = 56.60$ , *ns*; CFI = 0.99; TLI= 0.99; RMSEA = 0.05; SRMR = 0.04). As shown in Table 3-4, convergent validity of all measures was established as all AVEs were greater .5. Factor loadings ranged from .69 to .92 for change in positive affect, from .85 to .93 for rapport, and from .82 to .92 for satisfaction. We also found support for discriminant validity, as the AVEs were greater than all squared correlations (Fornell and Larcker 1981).

		Μ	SD	Cron- bach's Alpha	Com- posite Relia- bility		Correlations			
	Number of items					AVE	1	2	3	4
1 Pre-delivery positive affect	4	3.77	1.31	.87	-	-				
2 Post-delivery positive affect	4	4.02	1.35	.89	-	-	.58			
3 Change in positive affect	4	.25	.1.22	.89	.89	.68	43	.48		
4 Customer-employee rapport	4	4.75	1.51	.95	.95	.82	.18	.65	.53	
5 Customer satisfaction with the employee	3	5.10	1.42	.91	.91	.79	.08	.54	.52	.81

# Table 3-4: Descriptive Statistics, Correlations, and Validity Assessment, Study 4

#### 3.6.5 Manipulation Checks

A pretest (N=62) provided confirmation for the effectiveness of our positive display authenticity manipulation. Participants in the high authenticity (vs. low) condition reported significantly higher authenticity perceptions (split-half reliability = .93; M<sub>high authenticity</sub> = 4.87;  $M_{low authenticity} = 2.98$ ; t(60) = 5.80, p < .05). The pretest furthermore confirmed the effectiveness of the prevention prime. Participants in the prevention condition reported significantly higher prevention scores than those in the control condition (healthy: M<sub>prevention</sub>= 6.29; M<sub>control</sub>= 5.61; t(58) = 2.13, p < .05; keeping arteries unclogged: M<sub>prevention</sub>= 6.12; M<sub>control</sub>= 2.43; t(58) = 10.80, p < .05). The authenticity manipulation did not affect the prevention manipulation check and the prevention prime did not affect the authenticity manipulation check (all ps > .05).

Also, in the main study participants reported higher authenticity perceptions in the high (vs. low) authenticity condition ( $M_{high authenticity} = 4.78$ ;  $M_{low authenticity} = 4.19$ ; t(142) = 1.99, p < .05). Participants in the prevention condition reported significantly higher prevention scores than those in the control condition (healthy:  $M_{prevention} = 6.32$ ;  $M_{control} = 5.56$ ; t(142) = 2.22, p < .05; keeping arteries unclogged:  $M_{prevention} = 5.99$ ;  $M_{control} = 3.25$ ; t(142) = 10.64, p < .05). The authenticity manipulation did not affect the prevention manipulation check and the prevention prime did not affect the authenticity manipulation check (all ps > .05).

## 3.6.6 Results

We test our hypotheses using a two-way analysis of variance including positive display authenticity, prevention focus, and their interaction explaining customer satisfaction with the employee. We found a significant main effect for prevention (F(1,140) = 9.13, p < .05) but not for authenticity (M<sub>high</sub> authenticity = 5.21; M<sub>low</sub> authenticity = 4.96); F(1,140) = 1.30, *ns*). Similar to Study 2, participants in the promotion control condition reported significantly higher satisfaction (M<sub>prevention</sub> = 4.78; M<sub>control</sub> = 5.42). Importantly, in support of H1, the two-way interaction effect of authenticity and prevention was significant (F(1,140) = 5.76, p < .05). As shown in Figure 3-5, the mean satisfaction score in the prevention focus condition was significantly higher in the high (vs. low) authenticity condition (M<sub>prevention x high authenticity</sub> = 5.14; M<sub>prevention x low</sub> authenticity = 4.33; F(1,140) = 6.19, p < .05). However, in the control condition, mean satisfaction scores did not differ between the high vs. low authenticity condition (M<sub>control</sub> x high authenticity = 5.28; M<sub>control x low</sub> authenticity = 5.57; F(1,140) = .80, *ns*).



Figure 3-5: Customer Satisfaction with the Employee as a Function of Prevention Focus and Positive Display Authenticity, Study 4

Source: Own depiction.

To test our mediation hypothesis, we used a bootstrapping analysis in the Process macro for SPSS (Model 8; 5,000 samples; Hayes 2013). Table 3-5 shows the results. In line with H2, we found a significant interaction effect of authenticity and prevention on rapport ( $\beta = .29, p < .05$ ; see Model 1 in Table 3-5). Specifically, authenticity only affected rapport for customers in the prevention prime condition ( $\beta = .44$ , SE = .18, p < .05), but not in the control condition ( $\beta = .13, SE = .17, ns$ ). As seen in Model 2 in Table 3-5, the interaction of authenticity and prevention predicting change in positive affect was insignificant ( $\beta = .14, ns$ ), ruling out change in positive affect as a competing mediator for the conditional effect of authenticity on satisfaction.

Importantly, as hypothesized, when including rapport (and change in positive affect) in Model 3 the interaction effect of authenticity and prevention on satisfaction became insignificant ( $\beta = .06, ns$ ). In line with H3, rapport had a positive significant effect on satisfaction ( $\beta = .68, p < .05$ ). The indirect effect of authenticity on satisfaction through rapport was not significant ( $\beta = .10, SE = .09$ , bootstrapped CI [-.07, .27]). However, the conditional indirect effect was significant in the prevention focus condition ( $\beta = .30, SE = .13$ , bootstrapped CI [.05, .57]) but not in the control condition ( $\beta = -.10, SE = .11$ , bootstrapped CI [-.30, .11]), supporting our mediation hypotheses (H2 and H3).

	Estimate	SE
1. DV = Customer-employee rapport		
Intercept	4.73*	.12
Positive display authenticity	.15	.12
Prevention focus	25*	.12
Positive display authenticity x	.29*	.12
prevention focus		
2	.07*	
2. DV = Change in positive affect		
Intercept	.23*	.10
Positive display authenticity	.18	.10
Prevention focus	29*	.10
Positive display authenticity x	.14	.10
prevention focus		
2	.09*	
B. DV = Customer satisfaction with t	he employee	
ntercept	1.84*	.26
Positive display authenticity	.01	.07
Prevention focus	13	.07
Customer-employee rapport	.68*	.06
Change in positive affect	.13	.07
Positive display authenticity x	.06	.07
prevention focus		
2	.67*	

## Table 3-5: Results of Mediation Analysis, Study 4

*Note*: Positive display authenticity (1 high, -1 low) and prevention focus (1 prevention, -1 control) were effect coded; \* p < .05. Source: Own depiction.

To test the robustness of our results, we reran all analyses including customer gender as a control variable. The results remained unchanged, providing further support for our theoretical framework. As in the previous experiments, the interaction of prevention and authenticity predicting perceived authenticity was insignificant (F(1,140) = 3.84, p > .05).

## 3.6.7 Discussion

In Study 4, we again find support for H1. The positive effect of frontline employee display authenticity on service performance was stronger for preventers using a situational prime embedded in service delivery. Moreover, we demonstrated that authenticity and prevention interacted in predicting rapport (H2), which in turn explained the conditional effect of authenticity on service performance (H3), and also ruled out positive affect as a competing mediator.

## 3.7 General Discussion

## 3.7.1 Discussion of Results

In numerous service industries, frontline employees are key to service success as they often are the only point of contact between customers and organizations (Solomon et al. 1985). Service managers thus have a growing interest in frontline employee behavior, in particular, how to ensure that authenticity of positive emotion displays yields desired outcomes. Research on positive display authenticity has, however, mostly been concerned with the antecedents of authenticity and effects for employees rather than consequences for customers (Diefendorff, Croyle, and Gosserand 2005; Hülsheger and Schewe 2011). Extant research on customer effects of authenticity shows considerable heterogeneity (Grandey et al. 2005), which, to date, has received limited exploration. Initial findings from studies that rely on self-report but not consequential decision measures identify contextual and employee-related factors as key drivers of this inconsistency (Bujisic et al. 2014; Chi and Grandey 2019). However, individual differences among customers have received scarce attention in this body of research. In the present study, we addressed this gap by adopting customers' prevention focus as a novel theoretical variable on authenticity-related questions.

Across four related studies, we consistently show that frontline employees positive display authenticity has a stronger effect on service performance for customers who focus on negative information (i.e., those high in prevention). Specifically, in Study 1, we demonstrate that customers with a high dispositional prevention focus tip frontline employees who display authentic emotions more than those who display inauthentic emotions. No such effect was found for customers low in prevention. Study 2 replicated the moderating effect of prevention in a setting where authenticity was manipulated experimentally. Studies 3 and 4 showed that the moderating effect of prevention generalizes to prevention states (rather than prevention traits), by using two different priming methodologies before (Study 3) and during service

delivery (Study 4). Lastly, Study 4 also demonstrated that the conditional effect of authenticity on service performance is mediated by rapport in that preventers develop stronger rapport with service providers when displays are authentic.

## **3.7.2 Implications for Managers**

In recent years, there has been growing managerial interest in frontline employee display authenticity, which is evidenced by increasing investments in recruiting authentic employees and authenticity training in many service industries. Our study highlights which customers react sensitively to frontline employee display authenticity. Thus, segmenting customers based on their dispositional prevention focus proves valuable for service providers. If prevention focus is high, service managers should allocate employees with high authenticity skill to serve preventers. Allocating employees accordingly is of particular relevance to appointment-based services (e.g., health care services). For services, in which an allocation is not feasible, managers may want to consider investments in recruitment and training, to ensure that emotion displays are authentic when employees interact with customers. However, if prevention among customers is low, potential investments in authenticity are less likely to pay off. We thus recommend managers to collect data on their customers' prevention focus.

Segmenting customers according to their dispositional prevention orientation is further facilitated by previous research that has linked prevention to buying habits. For example, low prevention customers are likely to place a heavy emphasis on social shopping experiences, which makes them prone to shop in the evening and on weekends (Gorman et al. 2012; Mooradian and Olvex 1996). Service organizations could match the workforce according to their authenticity skill and training. Thus, not all frontline employees would have to be trained which can reduce costs for training and corresponding non-productive work time significantly. We recommend for service organizations to understand their customers' prevention focus first and to then schedule selectively trained employees accordingly. This approach is more cost-effective compared to training all frontline employees.

However, what if investments in frontline employee positive display authenticity have already been made? How can such investments be used for competitive advantage? Managers could prime prevention. Our study shows that priming is feasible before and during service delivery. This provides service managers with a multitude of options including prevention primes in advertisements (Werth and Foerster 2007), product descriptions (Lee and Aaker 2004), slogans

(Faddegon, Scheepers, and Ellemers 2008), sales presentations, and potentially even prevention-oriented signage in the servicescape (e.g., "watch your step- don't slip and fall").

## 3.7.3 Implications for Theory and Future Research

Following extant calls for research on customer-factors that explain heterogeneity in the positive effects of frontline employee positive display authenticity (Grandey and Gabriel 2015; Yagil and Shnapper-Cohen 2016), our study contributes to the emotional labor literature by demonstrating that customers' prevention focus serves as an important contingency of authenticity effects. We show that a high prevention focus operationalized as a situational state and as an individual difference strengthens the positive effects of positive authentic displays, whereas no such effect is found for customers low in prevention. Our findings help explaining the heterogeneous findings regarding the effects of positive display authenticity on customers reported in the literature (Andrzejewski and Mooney 2016; Grandey et al. 2005; Wang, Seibert, and Boles 2011).

We furthermore demonstrate that rapport explains the conditional effect of display authenticity on service performance and thus provide a detailed account of the underlying psychological process of the moderating role of prevention focus in customer reactions to positive display authenticity. Specifically, our findings show that prevention serves as an important contingency of the effects of authenticity on rapport. We thus extend previous research on the authenticityrapport relationship (Hennig-Thurau et al. 2006) by showing that authenticity only affects rapport when customers have a high prevention focus.

In four studies, we present evidence to our hypotheses from two different industries, which are representative for short interaction service encounters with positive display rules (Grandey et al. 2005). However, it is unclear whether our findings also apply to long interaction service encounters, such as purchasing a mortgage in a bank. Future research should thus investigate the effect of high prevention focus in long service encounters to strengthen the generalizability of our results.

In this study, we focus on face-to-face interactions between customers and frontline employees. Some service providers, however, deliver their service on the phone (e.g., medical consultation). Extant research shows that customers can detect authenticity in voice-to-voice interactions (Chi et al. 2011), which should extend our results to voice-to-voice encounters. Yet, future research could investigate the effect of high prevention focus in voice-to-voice encounters to strengthen the generalizability of our results.

## 3.8 Conclusion

Delivering services with an authentic smile is gaining importance in many service industries evidenced by increasing investments in recruiting authentic employees and authenticity training. Yet, despite growing managerial interest in frontline employee positive display authenticity, customer heterogeneity in reactions to authentic displays has received little scholarly attention. Drawing on regulatory focus theory, the present research contributes to emotional labor literature by demonstrating that positive display authenticity has a stronger effect on service performance for customers high in prevention. No such effect is found for customers low in prevention. Evidence from a dyadic field study demonstrates the effect on service performance in terms of tipping and three experiments provide further evidence by manipulating authenticity on service performance is mediated by rapport in that only preventers develop stronger rapport with service providers when displays are authentic. Managers are advised to collect data on customers' prevention focus and use this information in allocating authentic employees to high prevention customers. Additionally, managers may prime prevention by means of marketing communications before or during service delivery.

# 4 Research Paper 3: The Moderating Role of Choice Confidence in Customer Reactions to Employees' Inauthentic Positive Emotion Displays

## By Andreas T. Lechner

## Abstract

Inauthentic positive displays from frontline employees are common in service interactions. Yet, customer reactions to inauthentic displays are only poorly understood as they reveal considerable heterogeneity. Previous research has investigated initial service delivery-related boundary conditions, yet nothing is known about the effects of the pre-delivery experience of customers in their reactions to inauthentic displays. This study investigates the moderating role of choice confidence, the customers' pre-delivery evaluation of their choice of service provider. Evidence from two experiments and a dyadic field study demonstrates that customers react less negatively to inauthentic displays in terms of tipping and satisfaction when choice confidence is high (vs. low). This study furthermore demonstrates that the conditional effect of authenticity is mediated by decision regret in that customers with high choice confidence experience less regret when encountering inauthentic displays. Managers are advised to foster high preconsumption choice confidence by means of service design and marketing communications.

## 4.1 Introduction

In many service industries, frontline employees are the sole contact point between customers and organizations (Solomon et al. 1985). Service firms therefore frequently specify positive emotion displays from frontline employees in customer interactions (Paul, Hennig-Thurau, and Groth 2015). Studies show that "service with a smile" has positive effects on customers (Pugh 2001). However, research demonstrates that positive emotion displays vary with respect to their authenticity (Hochschild 1983) and finds that authentic displays result in superior customer outcomes (Chi and Chen 2019; Gountas, Ewing, and Gountas 2007).

Many service firms thus consider authenticity of positive emotions of importance in service delivery. For example, leading retailers such as Wal-Mart and hotel industry leaders such as The Ritz-Carlton embed display authenticity in their organizational culture in order to ensure service success (Solomon 2015; Wal-Mart 2018). Service firms also consider emotion regulation capabilities in recruitment (e.g., Hard Rock Café; Hard Rock Café International 2017; Walt Disney amusement parks; Reyers 2011) and invest in employee training to foster authentic positive displays in service delivery (e.g., Delta Airlines; Hochschild 1983; Zappos; Kepes 2010; The Ritz-Carlton; Solomon 2015). However, inauthentic displays remain common in service interactions (Wang and Groth 2014). Mann (1999), for example, finds that employees fake emotions in about two-thirds of all customer interactions, which often stems from low job identification (Brotheridge and Lee 2003) and insufficient or depleted emotional resources (Liu et al. 2008).

Research on customer reactions to inauthentic displays reveals considerable heterogeneity. Some studies report negative consequences of inauthentic displays (Grandey et al. 2005; Hennig-Thurau et al. 2006), whereas other studies do not find negative effects (Chi et al. 2011; Groth, Hennig-Thurau, and Walsh 2009). These mixed findings indicate the presence of boundary conditions (Wang and Groth 2014). Yet, little is known about the factors that mitigate negative customer reactions to inauthentic displays.

Our current understanding of boundary conditions is largely limited to the study of individual differences among employees (Chi et al. 2011; Chi and Grandey 2019) and customers (Groth, Hennig-Thurau, and Walsh 2009; Houston, Grandey, and Sawyer 2018). First situational factors, such as employee task performance (Grandey et al. 2005) and service personalization (Wang and Groth 2014) highlight an under-researched, yet important field of boundary

conditions. Accordingly, several scholars have called for research on situational boundary conditions of the effects of inauthentic displays to advance emotional labor theory (Grandey and Gabriel 2015; Yagil and Shnapper-Cohen 2016). In addition to the scarcity of research on situational factors, our understanding of customer reactions to inauthentic displays is furthermore limited by the exclusive focus on service delivery-related factors in extant studies (e.g., task performance, Grandey et al. 2005). Yet, nothing is known about moderating factors associated with the pre-delivery experience of customers. The pre-delivery experience of customers, however, is demonstrated to strongly affect customer perceptions and evaluations of service delivery (e.g., Botti and McGill 2011; Lechner and Paul 2019; Mattila and Wirtz 2000).

This study contributes to the emotional labor literature by investigating the moderating role of choice confidence in customer reactions to display inauthenticity. Choice confidence denotes the degree of certainty customers hold about the optimality of their choice of service provider before service delivery (Parker, Lehmann, and Xie 2016). It is a central element of the predelivery experience, because service delivery is almost always bound to a decision by customers (Botti and McGill 2011). Drawing on regret theory (Bell 1983; Tsiros and Mittal 2000), this study presents evidence that heterogeneous findings on negative customer reactions to inauthentic displays can be explained by choice confidence. Findings from two experiments and a dyadic field study show that customers react less negatively to inauthentic displays in terms of tipping and satisfaction when choice confidence. Furthermore, this study elaborates on the underlying process by which display authenticity affects customers with high (vs. low) choice confidence. The conditional effect of authenticity is mediated by decision regret in that customers with high choice confidence experience less regret when encountering inauthentic displays from frontline employees.

Overall, this study fosters the development of emotional labor theory and provides valuable insights for service managers by investigating a novel pre-delivery boundary condition, choice confidence, which mitigates the negative effects inauthentic displays have on customers. Service managers are advised to increase choice confidence of their customers before service delivery by, for example, designing and communicating their offering in ways that increase customers' perceptions of the superiority (Dhar and Simonson 2003).

## 4.2 Conceptual Background and Hypotheses

## 4.2.1 Positive Display Inauthenticity

Frontline employees are commonly prescribed to display positive emotions when interacting with customers (Pugh 2001). Displays can be (in)authentic in that expressed and experienced emotions are (not) in alignment (Hennig-Thurau et al. 2006). Thus, positive display inauthenticity reflects the lack of genuineness of emotion displays (Grandey, Diefendorff, and Rupp 2013).

Emotional labor theory provides insights into the underlying processes of frontline employee display (in)authenticity (Hochschild 1983). When organizationally prescribed emotions differ from the experienced emotions, frontline employees use surface acting or deep acting to comply with organizational display rules (Hochschild 1983). In surface acting, employees modulate their expressed emotions without altering their experienced emotions (Grandey 2000). As expressed and experienced emotions are not in alignment, the emotion display is fake and inauthentic (Grandey, Diefendorff, and Rupp 2013). In deep acting, employees change their experienced emotions in order to comply with organizational display rules (Hochschild 1983). Commonly employed methods are attentional deployment, which refers to a focus on the positive aspects of a situation, and cognitive change, which refers to the attachment of positive meaning to a situation (Grandey 2000). As expressed and experienced emotions are in alignment in deep acting, the emotion display is real and authentic (Grandey, Diefendorff, and Rupp 2013).

Authentic and inauthentic emotion displays evoke distinct customer reactions. Authentic displays are found to have positive effects on important customer outcomes such as tipping (Chi et al. 2011) and satisfaction (Hennig-Thurau et al. 2006). However, customer reactions to inauthentic displays reveal considerable heterogeneity, which suggests moderating factors (Groth, Hennig-Thurau, and Walsh 2009). Yet, little is known about the factors that mitigate negative customer reactions to inauthentic displays. To date, insights on boundary conditions of inauthentic displays are limited to the influence of individual differences and situational factors that exclusively focus on service delivery-related factors (e.g., task performance, Grandey et al. 2005). In an attempt to advance our theoretical understanding of customer reactions to inauthentic displays, this study investigates the previously overlooked pre-delivery experience of customers by bringing the moderating role of choice confidence into focus.

## 4.2.2 Choice Confidence

Choice confidence is defined as the degree of certainty customers hold about the optimality and appropriateness of their choice of service provider before service delivery (Heitmann, Lehmann, and Herrmann 2007; Parker, Lehmann, and Xie 2016). In literature, choice confidence is considered a cognition and affect-driven evaluation of the customers' decision for a service provider (e.g., Chitturi, Raghunathan, and Mahajan 2007; Peterson and Pitz 1988). Choice confidence is ubiquitous as service delivery is almost always bound to a decision by customers (Botti and McGill 2011), regardless of familiarity with the service provider (Muthukrishnan 1995) or the number of alternatives considered (Lapersonne, Laurent, and Le Goff 1995). The central role of choice confidence is furthermore highlighted by its strong influence on customer attitudes (Brinol, Petty, and Tormala 2004), service evaluations (Heitmann, Lehmann, and Herrmann 2007), and actual spending behavior (Simmons and Nelson 2006).

Studies show that choice confidence is mostly derived from the processing of external information (Andrews 2013). Choice confidence may be elicited by highly discriminable alternatives from which the customer chooses (Dhar and Simonson 2003). Also, learning about the positive experience of other customers fosters choice confidence (Heath and Gonzales 1995). However, studies also indicate a role of internal information processing in choice confidence, such as intuition (Simmons and Nelson 2006) and metacognition (Tsai and McGill 2011).

In light of the mixed findings regarding the effects of inauthentic positive displays on customers, this study suggests that the heterogeneous findings in the literature can be explained by choice confidence.

## 4.2.3 Research Hypotheses

The conceptual framework of this study is presented in Figure 4-1. This study proposes that customers high (vs. low) in choice confidence react less negatively to inauthentic positive displays from frontline employees in that they experience higher satisfaction with the employee (H1a) and tip more (H1b). Furthermore, decision regret is expected to explain the interaction effect of choice confidence and positive display inauthenticity (H2). Decision regret is defined as a negative emotional state customers experience when the outcomes of a choice compare

unfavorably to (hypothetical) outcomes of a (hypothetical) different decision (Zeelenberg and Pieters 2007).

Tipping and customer satisfaction with the employee are two important marketing metrics for service success (Chi et al. 2011; Chi and Chen 2019). Tipping refers to the customers' voluntary gratification of employee performance in addition to the service price (Lynn, Zinkhan, and Harris 1993), which is of great interest in service research as it reflects real customer spending behavior (Hülsheger et al. 2015). Customer satisfaction with the employee, in turn, reflects the customer's fulfillment response based on the comparison of expectations regarding the employee and employee service performance (Oliver 2010), which directly reflects the influence of positive display (in)authenticity from frontline employees on customers (Chi and Chen 2019).



**Figure 4-1: Conceptual Framework** 

Source: Own depiction.

In theory, the display of inauthentic positive emotions should affect tipping and satisfaction negatively (Bujisic et al. 2014; Hennig-Thurau et al. 2006). This is because inauthentic displays make the customer-employee interaction less enjoyable for customers (Hennig-Thurau et al. 2006). Furthermore, customers do not experience real appreciation when employees display inauthentic positive emotions (Chi et al. 2011). However, the meta-analytical empirical evidence regarding the negative effects of inauthentic displays is inconclusive (Mesmer-Magnus, DeChurch, and Wax 2012). This study proposes that choice confidence explains why

inauthentic displays result in negative reactions from some customers (low choice confidence) or less negative reactions from other customers (high choice confidence).

This study draws on decision regret theory (Bell 1983; Tsiros and Mittal 2000) to explain why customers with high (vs. low) choice confidence react less negatively to inauthentic displays. When customers make a choice for a service provider, they bindingly spend their time and money at service delivery. Decisions to consume services are therefore irreversible at least with respect to time spent in case service guarantees are offered (e.g., money-back guarantees; Hogreve and Gremler 2009). Customers thus strive to make good decisions by investing cognitive effort in order to avoid decision regret (Tsiros and Mittal 2000).

In service delivery, customers hold a certain degree of choice confidence based on their decision for the service provider (Greenleaf and Lehmann 1995). Customers with low choice confidence know that their choice was not optimal. This is because the disadvantages of the chosen and the advantages of the not chosen service provider(s) are brought to mind and balance or outweigh the advantages of the chosen and the disadvantages of the not chosen service provider(s) (Tsiros and Mittal 2000). For example, when available service providers are similarly attractive so that no service provider is perceived as dominant (Chernev 2006), customers are faced with a trade-off decision as customers perceive advantages and disadvantages associated with each service provider (Lurie 2004). Thus, making the optimal choice is not possible (Andrews 2013).

When customers with low choice confidence encounter frontline employees who display inauthentic positive emotions, the customers' low choice confidence levels are reconfirmed as inauthentic displays demonstrate a lack of appreciation for the customer by the frontline employee (Chi et al. 2011). Customers, who realize that their choice of service provider was not optimal, start reflecting on the outcomes of their choice and compare these to outcomes they might have received if they had made a different choice (Zeelenberg and Pieters 2007). This comparison results in the experience of decision regret (Zeelenberg and Pieters 1999), which negatively influences the experience of the customer in that customer outcomes are diminished (Tsiros and Mittal 2000; Zeelenberg and Pieters 1999). Thus, this study expects that inauthentic positive displays from frontline employees have a negative effect on satisfaction and tipping when customers have low choice confidence.

Customers with high choice confidence are expected to react less negatively to inauthentic display than customers with low choice confidence. This is because customers with high choice confidence know that their choice was optimal and that the advantages of the chosen service provider and the disadvantages of the not chosen service provider(s) outweigh the disadvantages of the chosen and the advantages of the not chosen service provider(s) (Tsiros and Mittal 2000). For example, when customers can clearly distinguish service providers as one service provider dominates the other available service provider(s) (Lurie 2004), customers likely face little to no trade-off decisions, which allows them to choose the best service provider available (Chernev 2006).

When customers with high choice confidence encounter frontline employees, who display inauthentic positive emotions, they are expected to react less adversely than customers with low choice confidence. Customers start reflecting on the outcomes of their choice and compare them to outcomes that they might have received if they had made a different choice (Zeelenberg and Pieters 2007). Customers with high choice confidence believe that other service providers likely would not have been able to deliver better service because customers know their choice of service provider was optimal (Inman and Zeelenberg 2002; Zeelenberg and Pieters 1999). Thus, the negative effect of inauthentic displays on satisfaction and tipping is weakened for customers with high (vs. low) choice confidence because they experience less decision regret. The following hypotheses are proposed:

**Hypothesis 1**: The negative effect of positive display inauthenticity from frontline employees on (**H1a**) customer satisfaction with the employee and (**H1b**) tipping is weaker for customers with high (vs. low) choice confidence.

**Hypothesis 2**: The conditional indirect effect of positive display inauthenticity from frontline employees on satisfaction with the employee via decision regret is weaker for customers with high (vs. low) choice confidence.

When frontline employees display authentic positive emotions, choice confidence is not expected to have an effect. The literature highlights that for many customers authentic displays exceed customer expectations (Chi et al. 2011) as customers interpret authentic displays as extra-role behavior (Grandey et al. 2005; Hennig-Thurau et al. 2006). Thus, customer needs are

already fulfilled, which makes an additional increase in tipping and satisfaction due to choice confidence unlikely.

Certain moderators only affect reactions to inauthentic displays (as opposed to authentic displays), which is echoed in the work of Chi et al. (2011) and Grandey et al. (2005). Chi et al. (2011) have shown that customer reactions to inauthentic displays are less negative when employees score high in extraversion, but their study does not indicate a moderating effect of extraversion for customer reactions to authentic displays. Likewise, Grandey et al. (2005) indicate that store busyness only affects customer reactions to inauthentic but not authentic displays. Thus, the author expects choice confidence to only affect customer reactions to inauthentic displays, but not customer reactions to authentic displays.

In the next sections, the hypotheses are empirically tested. Two experiments test the causal nature and the underlying psychological process of choice confidence as a moderator of customer reactions to positive display inauthenticity. A dyadic field study then extends findings to real customer spending behavior.

## 4.3 Experiment 1

## 4.3.1 Goals

Experiment 1 sought to establish that customers with high (vs. low) choice confidence react less negatively to inauthentic positive displays from frontline employees and that customer reactions to authentic displays are not affected by choice confidence. Specifically, Experiment 1 tested causal differences in customer satisfaction with the employee as a function of customer choice confidence and positive display inauthenticity from frontline employees. Experiment 1 took place in the hotel industry, which is exemplary for the occurrence of organizationally prescribed emotions and is representative for brief service interactions (Grandey et al. 2005)

## 4.3.2 Procedure and Participants

Experiment 1 used a 2 (choice confidence: high vs. low) x 2 (positive display inauthenticity: inauthentic vs. authentic) randomized between-subjects design. Experiment 1 relied on a series of photos to manipulate positive display inauthenticity. Photos are often used in experimental service research (Giebelhausen et al. 2014; Söderlund and Rosengren 2008) and were shown to be ecologically valid (Bateson and Hui 1992).

The sample consisted of 128 completed cases from a large online customer panel provided by a German market research firm. To ensure high data quality, various attention and quality checks were employed in the study (Oppenheimer, Meyvis, and Davidenko 2009). Participants, who failed multiple checks (> 2), were not allowed to complete the study. One case was excluded from analysis as one participant completed the study twice, yielding a final sample size of 127. Participants were on average 46.05 years old (SD = 15.02); 53.50% were female. Cell sizes ranged from 29 to 34.

The scenario asked participants to imagine planning a romantic weekend trip with their partner. To find a hotel, participants used a travel review site. After reviewing the available hotels and making a choice, participants completed an unrelated filler task (i.e., reading a text; Janiszewski 1988). Next, they saw a series of pictures of a hotel check-in, showing the hotel lobby, the receptionist greeting the guest, checking the reservation, and handing over the room key. The pictures were presented on separate pages and were complemented by short texts describing the situation. Participants then completed the survey and were debriefed.

## 4.3.3 Experimental Manipulations

Choice confidence. This study manipulated choice confidence by including a dominant (high choice confidence) or non-dominant hotel (low choice condition) in the choice set, from which participants selected the hotel (Chernev 2006). In a first step, a pretest (N = 80) identified a median of 10 hotels as a sufficiently large number of alternatives when searching for hotels in a mid-sized city. Offering a sufficient amount of alternatives is important so that customers can make an informed choice and experience personal control (Botti and McGill 2011; Haynes 2009). The hotels were described by a placeholder name to prevent brand and familiarity effects, the hotel's star rating, average customer rating and number of customer reviews, distance to the city center, and price. All attributes had three or four levels, respectively (Botti and McGill 2011). As in previous research (e.g., Greifeneder, Scheibehenne, and Kleber 2010), the choice set was created by randomly combining the various attribute levels. The author obtained nine alternatives and designed one additional alternative to manipulate choice confidence. In the high choice confidence condition, a dominant alternative was added to the choice set as done in Chernev (2006). The dominant hotel was better on every attribute (e.g., the dominant hotel had superior customer ratings and lower prices; Lurie 2004). In the low choice confidence condition, the added alternative was similar to the other hotels so that no alternative dominated all other alternatives. To mirror real-life decision making, a no choice option was offered in all conditions (Parker and Schrift 2011).

*Positive display inauthenticity.* This study used validated photos to manipulate display inauthenticity in an established manner (Lechner and Paul 2019). The photo series was shot by a professional photographer in a local mid-class hotel. A trained female actress regulated her emotions in front of the camera by means of surface acting and deep acting (Hennig-Thurau et al. 2006). In the inauthentic condition, the actress showed a pronounced asymmetric smile (FACS coding: AU12Cr + AU25). Smile asymmetry is a clear indicator of the expression of faked happiness (Skinner and Mullen 1991). In the authentic condition, the actress expressed genuine happiness. Following extant research on smile authenticity (Lechner and Paul 2019), her smile was pronounced, symmetric, and included the activation of the muscles surrounding the eyes (FACS coding: AU12C + AU6C + AU25). Apart from differences in smile asymmetry, all remaining facets of the emotional display were held constant (e.g., teeth showing when smiling).<sup>9</sup> The experimental stimuli and measures of this study appear in Appendix C.

## 4.3.4 Measures and Manipulation Checks

All scales were measured on seven-point agreement scales with higher values indicating stronger agreement. Customer satisfaction with the employee was measured with an established four-item scale (Burnham, Frels, and Mahajan 2003; Keh et al. 2013; alpha = .90; M = 5.77; SD = 1.06). For the positive display inauthenticity manipulation check, this study used the two-item measure from Grandey et al. (2005; split-half reliability = .95). For the choice confidence manipulation check, the three-item scale from Heitmann, Lehmann, and Herrmann (2007, alpha = .91) was used. All measures showed adequate levels of reliability (Nunnally 1978).

Following Perdue and Summers (1986), the author tested the success of the experimental manipulation in another pretest (N=58). Participants in the high (vs. low) choice confidence condition reported significantly higher choice confidence ( $M_{high choice confidence} = 6.02$ ;  $M_{low choice confidence} = 5.04$ ; t(56) = 3.24, *p* < .05). Participants in the inauthentic condition perceived the emotion display as significantly more inauthentic ( $M_{inauthentic} = 5.14$ ;  $M_{authentic} = 3.33$ ; t(56) = 4.46, *p* < .05). The display inauthenticity manipulation did not affect choice confidence and the choice confidence manipulation did not affect perceptions of inauthentic displays (all *ps* > .1).

<sup>&</sup>lt;sup>9</sup> For further information on the stimuli development, see section 2.5.2.

The pretest also tested for unintended confounding effects of the experimental manipulations. The pretest ensured that the choice confidence manipulation did not alter perceptions of choice overload ( $M_{high choice confidence} = 2.88$ ;  $M_{low choice confidence} = 2.60$ ; t(56) = .66, *ns*). Furthermore, the display inauthenticity manipulation did not unintendedly alter perceptions of employee task performance ( $M_{inauthentic} = 5.68$ ;  $M_{authentic} = 5.70$ ; t(56) = .08, *ns*) and employee attractiveness ( $M_{inauthentic} = 4.64$ ;  $M_{authentic} = 5.10$ ; t(56) = 1.26, *ns*). These results provided further support for the effectiveness of the manipulations.

#### 4.3.5 Results

A two-way analysis of variance yielded a significant main effect for positive display inauthenticity in that customers were less satisfied when employees displayed inauthentic (vs. authentic) positive emotions ( $M_{inauthentic} = 5.45$ ;  $M_{authentic} = 6.10$ ; F(1,123) = 12.75, p < .05). The main effect of choice confidence was not significant ( $M_{high choice confidence} = 5.96$ ;  $M_{low choice confidence} = 5.57$ ; F(1,123) = 3.77, p > .05). Importantly, in support of H1a, the main effect of inauthenticity was qualified by a significant two-way interaction of inauthenticity and choice confidence (F(1,123) = 4.39, p < .05). In the inauthentic condition, participants were significantly more satisfied when choice confidence was high (vs. low;  $M_{inauthentic x high choice confidence} = 5.83$ ;  $M_{inauthentic x low choice confidence} = 5.11$ ; F(1,123) = 8.31, p < .05). In the authentic condition, choice confidence had no effect ( $M_{authentic x high choice} = 6.08$ ;  $M_{authentic x low choice} confidence} = 6.11$ ; F(1,123) = .02, ns). Interestingly, the difference in satisfaction between inauthentic and authentic displays for customers high in choice confidence was also insignificant (F(1,123) = 1.07, ns). Figure 4-2 displays the results. All results remained unchanged in the direction and significance of effects when customer gender was included as a control variable (Houston, Grandey, and Sawyer 2018).<sup>10</sup>

<sup>&</sup>lt;sup>10</sup> The author also tested the non-hypothesized interaction effect of choice confidence and positive display inauthenticity predicting perceptions of inauthentic displays, which was insignificant (F(1,123) = .76, *ns*).

Figure 4-2: Customer Satisfaction with the Employee as a Function of Choice Confidence and Positive Display Inauthenticity, Experiment 1



Source: Own depiction.

## 4.3.6 Discussion

In support of H1a, Experiment 1 found that customers with high choice confidence reacted less negatively to inauthentic positive displays in that they experienced higher satisfaction compared to customers with low choice confidence. As expected, choice confidence did not affect satisfaction levels when positive displays were authentic.

## 4.4 Experiment 2

## 4.4.1 Goals

Experiment 2 had two goals. First, Experiment 2 sought to conceptually replicate the findings from Experiment 1 that customers with high (vs. low) choice confidence react less negatively to inauthentic positive displays from frontline employees. In Experiment 1, participants made a choice with consequences also for another individual (their partner), which is common in many consumption settings (Marchand 2014). Experiment 2 investigated choice confidence based on choices with consequences only for the participants. Furthermore, Experiment 2 took place in a different industry (massages), displayed a male frontline employee, and relied on a different manipulation of inauthentic positive displays to strengthen the generalizability of the results.

Second, Experiment 2 explored the psychological mechanism that explains the increased satisfaction of customers with high (vs. low) choice confidence when confronted with inauthentic positive displays. This study hypothesized that decision regret mediated the effect in that customers with high choice confidence experience less decision regret when encountering inauthentic positive displays from frontline employees (H2).

#### 4.4.2 Procedure and Participants

Experiment 2 used a 2 (choice confidence: high vs. low) x 2 (positive display inauthenticity: inauthentic vs. authentic) randomized between-subjects design. The sample consisted of 160 completed cases from a large UK online customer panel provided by a market research firm. As in Experiment 1, various attention and quality checks were employed in the study and only attentive participants could complete the study. No cases were excluded from analysis. Participants were on average 36.03 years old (SD = 12.50); 51.90% were female. Cell sizes ranged from 39 to 41.

In the study, participants were instructed to imagine suffering from acute back pain and looking for a massage to relieve the pain. After reviewing available massage studios, participants made a choice. Next, they read a description of the service delivery, after which they completed the survey. They were then debriefed.

#### 4.4.3 Experimental Manipulations

*Choice confidence.* Experiment 2 used the choice confidence manipulation from Experiment 1 adapted to the massage context. Following a pretest (N=53), which identified a median of five massage studies to ensure participants could make an informed choice and experienced personal control, a choice set was designed by randomly combining three or four attribute levels of average customer rating and number of customer reviews, opening hours, and distance to the massage studio, respectively. The author obtained four alternatives and designed one additional alternative to manipulate choice confidence (Chernev 2006). In the high choice confidence condition, a dominant alternative was added, which was better on every attribute compared to the other massage studios (Lurie 2004). In the low choice confidence condition, the added alternative was similar to the other massage studios so that no alternative dominated all other alternatives. As in Experiment 1, a no choice option was offered in all conditions (Parker and Schrift 2011).

*Positive display inauthenticity.* Experiment 2 used the validated manipulation from Houston, Grandey, and Sawyer (2018, Study 2) adapted to the massage context. The text described the service encounter from entering the massage studio until paying for the massage with a focus on interaction-related aspects of the service delivery (i.e., conversing with the masseur). Houston et al. (2018) ensured that the manipulation of inauthenticity was based on established nonverbal behaviors associated with inauthentic and authentic expressions of positive emotions (Ekman 1993). In particular, the manipulation relied on an exaggerated and a natural positive emotion display to operationalize inauthentic and authentic positive displays respectively (Houston, Grandey, and Sawyer 2018), which is in alignment with research on the expression of inauthentic and authentic positive emotions (Walle and Campos 2014). The experimental stimuli and measures of this study appear in Appendix C.

## 4.4.4 Measures and Manipulation Checks

Customer satisfaction with the employee (alpha = .97) was measured with the same scale used in Experiment 1. Experiment 2 measured decision regret (alpha = .88) with three items from Voorhees, Brady, and Horowitz (2006). The manipulation checks for the display inauthenticity manipulation (split-half reliability = .99) and choice confidence manipulation (alpha = .99) were measured as in Experiment 1. All measures showed adequate levels of reliability (Nunnally 1978). Discriminant validity of satisfaction and regret was given, as the AVEs were greater than the squared correlations (Fornell and Larcker 1981) (see Table 4-1).

	Number of items	М	SD	Cron- bach's Alpha	Com- posite Relia- bility	AVE	Correlation (squared correlation)
Customer satisfaction with	4	5.55	1.47	.97	.97	.89	
the employee							
Decision regret	3	2.37	1.55	.88	.90	.75	73 (.53)

 Table 4-1: Descriptive Statistics, Correlations, and Validity Assessment, Experiment 2

Source: Own depiction.

To test the success of the experimental manipulation, a pretest (N=64) was conducted (Perdue and Summers 1986). Participants in the high (vs. low) choice confidence condition reported

significantly higher choice confidence ( $M_{high choice confidence} = 5.88$ ;  $M_{low choice confidence} = 3.71$ ; t(62) = 6.59, p < .05). Participants in the inauthentic condition perceived the emotion display as significantly more inauthentic ( $M_{inauthentic} = 5.85$ ;  $M_{authentic} = 2.24$ ; t(62) = 10.17, p < .05). The display inauthenticity manipulation did not affect choice confidence and the choice confidence manipulation did not affect perceptions of inauthentic displays (all ps > .1).

The pretest also tested for unintended confounding effects of the experimental manipulations. The pretest ensured that the choice confidence manipulation did not alter perceptions of choice overload ( $M_{high choice confidence} = 2.10$ ;  $M_{low choice confidence} = 1,97$ ; t(62) = .71, ns). Furthermore, the display inauthenticity manipulation did not unintendedly alter perceptions of employee task performance ( $M_{inauthentic} = 5.85$ ;  $M_{authentic} = 5.84$ ; t(62) = .03, ns) and employee attractiveness ( $M_{inauthentic} = 4.39$ ;  $M_{authentic} = 4.87$ ; t(56) = 1.55, ns). These results provided further support for the effectiveness of the manipulations.

#### 4.4.5 Results

A two-way analysis of variance yielded a significant main effect for positive display inauthenticity in that customers were less satisfied when employees displayed inauthentic (vs. authentic) positive emotions ( $M_{inauthentic} = 4.58$ ;  $M_{authentic} = 6.48$ ; F(1,156) = 119.27, p < .05). The main effect of choice confidence was not significant ( $M_{high choice confidence} = 5.67$ ;  $M_{low choice}$ confidence = 5.41; F(1,156) = 2.27, p > .05). Importantly, in support of H1a, the main effect of inauthenticity was qualified by a significant two-way interaction effect of inauthenticity and choice confidence (F(1,156) = 4.14, p < .05). In the inauthentic condition, participants were significantly more satisfied when choice confidence was high (vs. low;  $M_{inauthentic x high choice}$ confidence = 4.89;  $M_{inauthentic x low choice confidence} = 4.27$ ; F(1,156) = 6.19, p < .05). In the authentic condition, choice confidence had no effect ( $M_{authentic x high choice confidence} = 6.44$ ;  $M_{authentic x low choice}$ confidence = 6.53; F(1,156) = .14, ns). Figure 4-3 displays the results.

Figure 4-3: Customer Satisfaction with the Employee as a Function of Choice Confidence and Positive Display Inauthenticity, Experiment 2



Source: Own depiction.

To test the mediation hypothesis (H2), the bootstrapping analysis in the Process macro for SPSS was used (Model 8; 5,000 samples; Hayes 2013). Table 4-2 shows the results. In line with H2, the interaction of choice confidence and positive display inauthenticity on decision regret was significant ( $\beta$  = -.28, *p* < .05; see Model 1 in Table 4-2). Specifically, in the inauthentic display condition, choice confidence had a weakening effect on decision regret ( $\beta_{inauthentic}$  = -.43, SE = .14, *p* < .05), whereas decision regret did not differ in the authentic condition ( $\beta_{authentic}$  = .13, SE = .14, *ns*). Importantly, as hypothesized when including decision regret in Model 2, the interaction effect of choice confidence and display inauthenticity on satisfaction became insignificant ( $\beta$  = .04, *ns*). Decision regret had a negative significant effect on satisfaction ( $\beta$  = -.49, *p* < .05). The indirect effect of display inauthenticity on satisfaction through decision regret was significant ( $\beta$  = -.44, bootstrapped CI [-.63, -.28]). Finally, the conditional indirect effect of display inauthenticity was significantly lower in the high choice confidence condition ( $\beta$  = -.29, SE = .09, bootstrapped CI [-.50, -.14]) compared to the low choice confidence condition ( $\beta$  = -.57, SE = .12, bootstrapped CI [-.82, -.34]; index of moderated mediation = .28, SE = .11, bootstrapped CI [-.82, -.34]; not set the robustness of the results, customer gender
was introduced as a control variable (Houston, Grandey, and Sawyer 2018). All results reported in this section remained unchanged in the direction and significance of effects.<sup>11</sup>

	(1) DV= Decision regret		(2) DV= Customer satisfaction with the employee	
	Estimate	SE	Estimate	SE
Intercept	2.38*	.10	6.71*	.16
Choice confidence	15	.10	.06	.07
Positive display inauthenticity	.87*	.10	53*	.09
Decision regret	_	_	49*	.06
Choice confidence x positive display inauthenticity	28*	.10	.04	.07
r <sup>2</sup>	.36*		.62*	

 Table 4-2: Results of Mediation Analysis, Experiment 2

*Note*: Choice confidence (1 high, -1 low) and positive display inauthenticity (1 inauthentic, -1 authentic) were effect coded; \* p < .05. Source: Own depiction.

## 4.4.6 Discussion

Experiment 2 conceptually replicated the findings from Experiment 1 in a different services industry using a male frontline employee and a different inauthentic display manipulation. Customers with high choice confidence reacted less negatively to inauthentic positive displays in that they experienced higher satisfaction compared to customers with low choice confidence. As in Experiment 1, choice confidence did not affect customer reactions to authentic displays. Experiment 2 furthermore demonstrated that the interaction of choice confidence and inauthentic display on satisfaction was mediated by decision regret. Customers with high (vs. low) choice confidence experienced less decision regret when encountering inauthentic displays from frontline employees.

<sup>&</sup>lt;sup>11</sup> As in Experiment 1, the author also tested the non-hypothesized interaction effect of choice confidence and positive display inauthenticity predicting perceptions of inauthentic displays, which was insignificant (F(1,156) = 1.73, *ns*).

Interestingly, the mitigation of the negative effect of inauthentic displays for customers with high choice confidence found in Experiment 2 was slightly weaker than the effect found in Experiment 1. This may stem from the different authenticity manipulations as they relied on customers' imagination to a different degree. In Experiment 1, customers saw pictures of the frontline employee and read a short text describing the service delivery. However, customers in Experiment 2 only read a text describing the employee's facial and verbal expression and thus imagined how the smile of the employee may have looked to them (Houston, Grandey, and Sawyer 2018). The inauthentic display may therefore have been perceived as more inauthentic, which is indicated in the manipulation checks ( $M_{inauthentic display, Experiment 1 = 5.14$ ,  $M_{inauthentic display, Experiment 2 = 5.85$ ), slightly weakening the effect.

## 4.5 Field Study

## 4.5.1 Goal

Whereas Experiments 1 and 2 presented causal evidence for the moderating role of choice confidence in customer reactions to inauthentic positive displays, this study sought to replicate the findings in the field. Specifically, this study investigated whether frontline employees who display inauthentic positive emotions receive more tips from customers with high (vs. low) choice confidence (H1b).

### 4.5.2 **Procedure and Participants**

A dyadic field study design was employed in which customers and employees completed matched surveys at the end of service delivery. To collect data, the author cooperated with a café in Southern Germany, in which employees were instructed by the café management to smile in customer interactions. However, management did not specify whether smiles should be authentic, thus ensuring a high fit between the café and the research purpose as inauthentic emotion displays are likely to occur.

The author obtained one 104 dyadic responses as part of a larger data collection effort, which is common in emotional labor research (e.g., Brach et al. 2015; Groth, Hennig-Thurau, and Walsh 2009; Hülsheger 2016). No cases were excluded from analysis. Sixty-four percent of customers were female and customers were on average 54.20 years old (SD = 16.64). Seven female employees and one male employee participated in data collection. Employees were on average 43.88 (SD = 8.62) years old. The average number of surveys per employee was 13 (SD = 4.03).

Data collection took place within five workdays. In order to minimize interference with the natural service setting, employees invited customers to complete the survey after the conclusion of the service delivery (i.e., after paying and tipping), which is common in dyadic studies (Groth, Hennig-Thurau, and Walsh 2009). Employees ensured that customers only participated once by asking customers about prior participation in the study. Employees were instructed to collect data both in slow and busy hours of operation (Grandey et al. 2005). To ensure honest and unbiased responses from customers and employees, both parties completed the survey in the absence of both the other party as well as café management and placed the sealed survey in a secured box at the exit of the café (e.g., Chi et al. 2011). Customers and employees were informed that the box was only accessible to the researcher. To further encourage honest responding, the survey ensured customers and employees of their anonymity and data confidentiality as done in previous studies (Chi et al. 2011; Dodou and de Winter 2014). To identify the dyads, customer and employee surveys contained matched codes.

#### 4.5.3 Measures

Two information sources were surveyed: customers and employees. The customer survey measured tipping, choice confidence, café busyness, group size, patronage frequency, and demographics. Customers stated their bill total and tip, which was converted to tip percentage to control for bill size differences (Bujisic et al. 2014; Chi et al. 2011). Choice confidence was measured as in Experiment 1 (alpha = .91). Customers were asked to think back to the moment they decided to patronize the café and to report their then experienced choice confidence (Heitmann, Lehmann, and Herrmann 2007). The survey also included measures of café busyness, group size, and patronage frequency, which are important drivers of tipping (Lynn, Zinkhan, and Harris 1993).

As common in dyadic studies (Chi and Chen 2019; Groth, Hennig-Thurau, and Walsh 2009), the employee survey measured display inauthenticity by asking employees to report their use of surface acting (Grandey 2003). The café management requested that no multi-item measures would be used in the employee survey in order to ensure that the employees' workflow was affected only minimally. Thus, this study used a one-item seven-point measure of positive display inauthenticity taken from Groth et al. (2009), which showed high face validity. As employees had multiple contact points with each customer (e.g., taking the order, delivering the order), they were instructed to report the average positive display inauthenticity across all

contact points with the particular customer.<sup>12</sup> Table 4-3 displays descriptive statistics and correlations. All measures of this study appear in Appendix C.

	М	M SD		Correlations				
		3D	1	2	3	4	5	6
1 Tip percentage	.14	.08						
2 Positive display inauthenticity	3.71	2.03	.07					
3 Choice confidence	5.52	1.49	09	03				
4 Café busyness	2.94	.92	16	08	.06			
5 Group size	2.30	1.00	03	18	.06	03		
6 Patronage frequency	32.17	71.20	06	.01	.03	01	22	
7 Customer gender	-	-	15	03	.01	.08	11	.36

Table 4-3: Descriptive Statistics and Correlations, Field Study

Note: Customer gender was coded 1 female, -1 male.

Source: Own depiction.

## 4.5.4 Results

As employees completed multiple dyadic surveys, the assumption of independent observations in ordinary least squares regression may have been violated causing biased standard errors (Raudenbush and Bryk 2002). To test for non-independence, the author calculated the intraclass correlation (ICC) of tip percentage using the ICC formula for unequal group sizes from Snijders and Bokser (2012). The intraclass correlation was .01. Cohen, Cohen, West, & Aiken (2003) showed that small ICCs such as .01 can substantially inflate alpha errors and thus invalidate statistical inference obtained with ordinary least squares regression. Thus, multilevel analysis was applied using Mplus 7 (Muthen and Muthen 2012).

A random intercept two-level model was estimated using maximum likelihood estimation (MLR), which is robust against non-normality and recommended for multilevel models with unequal group sizes (Muthen and Muthen 2012; Snijders and Bokser 2012). All predictors were level 1 variables which were group mean centered before analysis (Enders and Tofighi 2007).

<sup>&</sup>lt;sup>12</sup> Established measures of positive display inauthenticity (Diefendorff, Croyle, and Gosserand 2005; Grandey 2003; Groth, Hennig-Thurau, and Walsh 2009) are one-component measures that capture the extent of faking positive emotions in customer interactions. Thus, a single item measure with high face validity should sufficiently capture the construct (Bergkvist and Rossiter 2007).

Thus, the hierarchical model controlled for effects of employees at level 2 as done in previous research (Chi et al. 2011; Hülsheger et al. 2015). Table 4-4 shows the results.

	Estimate	SE
Intercept	21.40	89.26
Café busyness	15	.13
Group size	05	.10
Choice confidence	10	.13
Positive display inauthenticity	.01	.08
Choice confidence x positive display	.20*	.06
inauthenticity		
1 <sup>-2</sup>	.07*	

Table 4-4: Multilevel Model Predicting Tip Percentage, Field Study

Note: All level 1 predictors were group mean centered; standardized estimates are reported; \* p < .05. Source: Own depiction.

The main effect of positive display inauthenticity was insignificant ( $\beta = .01, ns$ ) as in previous field studies (Chi et al. 2011; Groth, Hennig-Thurau, and Walsh 2009). The main effect of choice confidence was also not significant ( $\beta = .10, ns$ ). In support of H1b, there was a significant interaction between choice confidence and positive display inauthenticity ( $\beta = .20$ , p < .05). Using the tool described in Preacher, Curran, and Bauer (2006) to probe the interaction, two regions of significance were identified. For customers with low levels of choice confidence up to a (group mean centered) value of -1.02, positive display inauthenticity resulted in a negative effect on tip percentage ( $\beta = .20$ , SE = .10, t = -1.96, p = 0.05). 23.1% of all customers reported choice confidence values below -1.02. However, for customers with high choice confidence levels (i.e., greater .91), positive display inauthenticity resulted in a positive effect on tip percentage ( $\beta = .10$ , t = 1.96, p = 0.05). 36.5% of all customers reported choice show - .91. Figure 4-4 displays the interaction. The interaction remained significant when additional control variables were included.<sup>13</sup>

<sup>&</sup>lt;sup>13</sup> In multilevel modeling, the degrees of freedom equal the number of level 2 objects (i.e., employees). Thus, only models with up to eight degrees of freedom could be estimated, which allowed only two level 1 control variables. However, the interaction remained significant with any paring of café busyness, group size, patronage frequency, and customer gender.

Figure 4-4: Tip Percentage as a Function of Choice Confidence and Positive Display Inauthenticity, Field Study



Note: The graph is based on a floodlight analysis (Spiller et al. 2013) and illustrates the effect of positive display inauthenticity on customer satisfaction with the employee for any choice confidence value (group mean centered). The gray lines represent confidence intervals and the dashed lines the J-N points, which are obtained at -1.02 and .91 (group mean centered).

Source: Own depiction.

### 4.5.5 Discussion

The field study showed that customers with high choice confidence reacted positively to inauthentic displays as they tipped more. However, customers with low choice confidence reacted negatively to employees displaying inauthentic emotions in that they tipped less. For customers with indifferent choice confidence levels, no effect of inauthentic display was found. The field study thus replicates the findings obtained in Experiment 1 and 2 in the field for real customer spending behavior.

An OLS regression including all control variables (i.e., café busyness, group size, patronage frequency, employee and customer gender, and the gender dyad) yielded a significant interaction effect of choice confidence and surface acting ( $\beta = .01$ , SE = .00, t = 2.94, p < .05). The JN points were 3.60 and 6.60. However, the results obtained with OLS likely suffer from substantially inflated alpha errors and should thus be treated with caution.

#### 4.6 General Discussion

#### 4.6.1 Discussion of Results

Inauthentic positive displays from frontline employees remain common in service interactions (Wang and Groth 2014) as frontline employees often have low job identification (Brotheridge and Lee 2003) and insufficient or depleted emotional resources (Liu et al. 2008). Research on customer reactions to inauthentic displays, however, reveals considerable heterogeneity. Whereas some studies report negative consequences of inauthentic displays (Grandey et al. 2005; Hennig-Thurau et al. 2006), other studies do not find negative effects (Chi et al. 2011; Groth, Hennig-Thurau, and Walsh 2009). These mixed findings indicate the presence of boundary conditions (Wang and Groth 2014). Yet, little is known about the factors that mitigate negative customer reactions to inauthentic displays. To date, insights on boundary conditions of inauthentic displays are limited to the influence of individual differences and situational factors that exclusively focus on service delivery-related factors (e.g., task performance, Grandey et al. 2005). In an attempt to advance our theoretical understanding of customer reactions to inauthentic displays, this study investigates the previously overlooked pre-delivery experience of customers by bringing the moderating role of choice confidence into focus.

Drawing on regret theory (Bell 1983; Tsiros and Mittal 2000), this study presents evidence that heterogeneous findings on negative customer reactions to inauthentic displays can be explained by choice confidence. Findings from two experiments and a dyadic field study show that customers react less negatively to inauthentic displays in terms of tipping and satisfaction when choice confidence is high (vs. low), whereas reactions to authentic displays are not affected by choice confidence. Furthermore, this study elaborates on the underlying process by which display authenticity affects customers with high (vs. low) choice confidence. The conditional effect of authenticity is mediated by decision regret in that customers with high choice confidence less regret when encountering inauthentic displays from frontline employees.

## 4.6.2 Implications for Managers

The prevalence of inauthentic positive displays from frontline employees in service interactions poses a big challenge for service managers (Grandey et al. 2005). While approaches such as recruiting authentic employees and offering authenticity training have their merits, they are subject to strong limitations with respect to their efficiency which is evidenced by the prevalence of inauthentic displays in customer interactions (Mann 1999; Wang and Groth

2014). This study presents managers with a different approach to inauthentic displays by highlighting the importance of customer choice confidence.

Managers are advised to understand customer decision making in order to foster choice confidence before service delivery so that inauthentic displays yield less negative outcomes. Managers do well in designing their offering and marketing communications in ways that foster choice confidence. Thus, customers choosing the service firm will exhibit high choice confidence upon service delivery. Extant studies on the antecedents of choice confidence yield valuable insights on how managers can ensure high choice confidence.

First, managers need to differentiate their offering from competing service providers clearly by, for example, highlighting their unique selling proposition, as research shows that discriminability of choice alternatives heightens choice confidence (Andrews 2013). Thus, the service offering and marketing communications should be designed in ways that increase customers' perceptions of the superiority of the service firm. Service firms may also benefit from communicating multiple reasons for choosing the service firm which assists customers in gaining choice confidence (Tsai and McGill 2011).

Second, managers can leverage the positive experience of their customers. Research shows that learning about the positive experience of other customers can heighten choice confidence (Flavián, Gurrea, and Orús 2016). Managers may, for example, employ recommendation programs, in which customers share their positive experience with others. To further increase choice confidence, service firms should also make use of positive customer reviews by including them in search ads, e-mail communications, and social media (Frichou 2018), as customers consider reviews as trustworthy (Perkins and Fenech 2014).

Third, similar to reviews from customers, service firms may make use of reviews by independent service experts. Studies show that expert reviews are often considered significant in decision making (Perkins and Fenech 2014) and positively affect choice confidence (Griffin and Tversky 1992).

Fourth, managers may also use big data to infer choice confidence levels of customers. For example, measuring the time customers spent on their website making a decision can serve as a proxy for choice confidence in that customers with low choice confidence take longer to arrive

at a decision (Zeelenberg and Pieters 2007). This information can be used for targeted marketing activities that have the potential to foster choice confidence for customers with high decision time (Young 2017). In addition, any marketing activity that increases customer involvement will result in higher choice confidence (Harris and Gupta 2008), which, as this study has shown, yields less negative customer reactions to inauthentic displays by frontline employees.

#### 4.6.3 Implications for Theory and Future Research

This study contributes to the emotional labor literature in the following ways. First, this study identifies choice confidence as an important boundary condition of customer reactions to inauthentic positive displays from frontline employees. While previous studies are limited to the study of influences of individual differences among customers (Houston, Grandey, and Sawyer 2018) and employees (Chi et al. 2011), and service delivery-related factors such as context busyness (Grandey et al. 2005), this study highlights the importance of the pre-delivery experience in customer reactions to inauthentic displays. Following extant calls for research on situational boundary conditions of the effects of inauthentic displays (Grandey and Gabriel 2015), this study adds to the understanding of when the negative effects of inauthentic displays are weakened by demonstrating the moderating role of choice confidence.

Furthermore, this study demonstrates the key mediating role of decision regret in customer reactions to inauthentic displays. This finding not only explains the interaction of choice confidence and positive display inauthenticity but also fosters our understanding of mediators of display (in)authenticity effects. Previous studies have identified cognition-driven mediators such as expectation disconfirmation (Houston, Grandey, and Sawyer 2018) and rapport (Hennig-Thurau et al. 2006). Regarding affect-driven mediators, Hennig-Thurau et al (2006) presented evidence for the mediating role of positive affect. However, this study demonstrates the mediating role of decision regret as a negative affective state, which is independent from positive affect (Watson, Clark, and Tellegen 1988).

Across three related studies, this research presents evidence for the moderating role of choice confidence in customer reactions to inauthentic displays from three different services industries using experiments and real customer spending behavior from a natural service setting. All industries (gastronomy, hotel, massage) are exemplary for the occurrence of organizationally prescribed positive emotions in service interactions and are representative for brief to medium-

length service interactions (Grandey et al. 2005). However, it remains unclear whether choice confidence affects customer reactions to inauthentic displays in long interactions (e.g., counseling), which should be investigated by future research. Furthermore, as this study investigates face-to-face interactions, an empirical test of the moderating role of choice confidence in voice-to-voice interactions is needed. Future research should also replicate the findings for different levels of relationship strength to add to the generalizability of the results (Chi and Chen 2019).

As this study demonstrates choice confidence as an important pre-consumption factor, it seems thinkable that other pre-delivery factors may be influential in customer reactions to inauthentic displays. While this study places a focus on the evaluation of the customers' choice, future research should place a stronger emphasis on the influence of the choice characteristics. For example, whether customers make their choice themselves or if group processes are involved (Marchand 2014) and whether the choice is made based on few, many, or too many alternatives are interesting questions for future research (Botti and McGill 2011; Scheibehenne, Greifeneder, and Todd 2010).

### 4.7 Conclusion

Inauthentic frontline employee displays are common in service interactions. Yet, customer reactions to inauthentic displays are only poorly understood as they reveal considerable heterogeneity. Previous research has investigated initial service delivery-related boundary conditions, yet, nothing is known about the effects of the pre-delivery experience of the customer in customer reactions to inauthentic displays. This study investigates the moderating role of choice confidence, an important pre-delivery construct as service delivery is almost always bound to a decision by customers (Botti and McGill 2011).

In three related studies, this research shows that inauthentic displays from frontline employees are evaluated less negatively when customers have high (vs. low) choice confidence. Specifically, Experiment 1 shows that the negative effect of inauthentic displays on satisfaction with the employee is weakened for customers with high (vs. low) choice confidence in a setting in which both choice confidence and positive display inauthenticity are manipulated. In Experiment 2, the finding is conceptually replicated and decision regret is shown as the underlying psychological process in that customers with high choice confidence experience less decision regret when encountering inauthentic displays. These experiments are complemented

by a dyadic field study, which uses two independent information sources (customers and employees). It demonstrates that customers tip employees displaying inauthentic positive emotions more when choice confidence is high (vs. low).

These findings highlight choice confidence as an important boundary condition of customer reactions to inauthentic displays and explain heterogeneous findings on the effects of inauthentic displays reported in previous research. Managers are advised to foster high preconsumption choice confidence by means of service design and marketing communications.

## 5 General Discussion

### 5.1 Contributions

In many service industries, positive frontline employee behavior in service delivery is key to service success as employees are the only point of contact between organizations and customers (Fisk, Grove, and John 2014). Whereas many service firms emphasized "service with a smile" in the past, there has been growing managerial and scholarly interest in the authenticity of positive emotion displays from employees in recent years (Grandey et al. 2005). For example, service firms increasingly provide frontline employees with norms for service interactions by embedding authenticity in their organizational culture (e.g., Best Buy; Best Buy 2018), consider emotion display authenticity capabilities important in recruitment (e.g., Hard Rock Café; Hard Rock Café International 2017), and invest in authenticity training (e.g., Delta Air Lines; Hochschild 1983). In research, studies on various antecedents of positive emotion authenticity and its consequences for customers, employees, and service firms tripled in the last decade (Grandey and Gabriel 2015) and first meta-analyses are published (e.g., Hülsheger and Schewe 2011; Mesmer-Magnus, DeChurch, and Wax 2012).

The study of customer reactions to frontline employee positive emotion authenticity is an integral part of emotional labor theory (Hochschild 1983), which has been introduced in the literature approximately 35 years ago. Following the established stages of theory development (Whetten 1989), scholars have contributed to emotional labor theory by extensive efforts in construct definition and refinement (e.g., Ashforth and Humphrey 1993; Grandey 2000; Wharton and Erickson 1993) and studied the antecedents and consequences of emotional labor in depth (Hülsheger and Schewe 2011). However, the study of boundary conditions is still in an early stage (Grandey and Gabriel 2015). The study of boundary conditions establishes theory range and limitations with respect to the generalizability of effects (Busse, Kach, and Wagner 2017). For the development of emotional labor theory this is an important research endeavor, which is evidenced by recent calls for research to "[i]dentify the boundary conditions of emotional labor on performance" as a key research priority for emotional labor researchers (Grandey and Gabriel 2015, p. 340). This dissertation follows this call for research and studies boundary conditions of the effects of frontline employee positive emotion authenticity on customers to advance emotional labor theory. Specifically, this dissertation addresses two guiding questions.

1. What factors influence customer perceptions of frontline employee positive emotion authenticity?

Extant studies largely build on the assumption that customers perceive authenticity (e.g., Grandey et al. 2005; Hennig-Thurau et al. 2006). Yet, empirical evidence in marketing (Groth, Hennig-Thurau, and Walsh 2009) and psychology (e.g., Ekman and O'Sullivan 1991; Ekman, O'Sullivan, and Frank 1999) shows variability in customers' ability to detect authenticity. In marketing, little is known about the factors that influence customer perceptions of positive emotion authenticity (Groth, Hennig-Thurau, and Walsh 2009). The study of factors which influence customer authenticity perceptions is, however, important to advance emotional labor theory towards a more complete understanding of the particularities of positive emotion authenticity effects on customers. Scholars have therefore called for research on factors that "explain why some customers are better able to read employees' emotional labor strategies" (Groth, Hennig-Thurau, and Walsh 2009, p. 970), which this dissertation addresses.

2. What factors moderate the effects of frontline employee positive emotion authenticity on customers?

The literature reports mixed findings regarding the main effects of frontline employee positive emotion authenticity on customers (e.g., Mesmer-Magnus, DeChurch, and Wax 2012; Wang, Seibert, and Boles 2011), which indicates the presence of moderating factors (Wang and Groth 2014). However, research on moderating factors is still in an early stage evidenced by recent calls for research. Scholars acknowledge that the effects of positive emotion authenticity on customers "can be neutralized and reversed under certain conditions. Identifying those moderators would provide important insights about the theoretical processes of emotional labor" (Grandey and Gabriel 2015, p. 342). Following this call for research, this dissertation seeks to advance emotional labor theory by investigating novel moderating factors of the effects of frontline employee positive emotion authenticity on customers.

The two guiding questions of this dissertation are addressed in three research papers. Figure 5-1 shows the integrated conceptual framework of this dissertation.



Figure 5-1: Conceptual Framework of this Dissertation

Source: Own depiction.

Regarding guiding question 1 (see upper part of Figure 5-1), this dissertation first demonstrates the importance of perceived authenticity in customer reactions to frontline employee positive emotion authenticity. Perceived authenticity is found to mediate the relationship of positive emotion authenticity and customer satisfaction (Lechner and Paul 2019). This finding adds to the study of the processes by which positive emotion authenticity affects customers (Grandey et al. 2005; Hennig-Thurau et al. 2006; Houston, Grandey, and Sawyer 2018) and identifies perceived authenticity as a basic, yet essential mediator of display authenticity effects.

This dissertation furthermore presents evidence for two biasing factors that influence customer authenticity perception independent from positive emotion authenticity. As research on authenticity perceptions is still in an early stage, this dissertation brings two basic factors into focus, affect and thinking style. Affect and thinking style represent feeling and thinking, which are two key domains of the human mind (Forgas 2001). Drawing on truth bias (Zuckerman, DePaulo, and Rosenthal 1981), this dissertation finds that customers high in positive affect perceive emotion displays as more authentic regardless of display authenticity. This finding is in alignment with the research on affect-as-information models (Forgas 1995), which shows that affect significantly alters information processing. Regarding the effect of thinking style, this dissertation builds on the Pollyanna principle (Matlin and Stang 1978) and finds that customers high in rational and experiential information processing (i.e., combined processing) perceive positive displays as more authentic regardless of positive emotion authenticity. This finding adds to the scarce literature on combined processing in marketing (Sojka and Giese 1997). Extant studies have shown that combined processors respond more positively to advertisements that are emotional and informational (Ruiz and Sicilia 2004; Sojka and Giese 2006). However, marketing research does not provide insights into biases associated with combined processing. This dissertation contributes to the literature by demonstrating perceptual biases in authenticity perception associated with combined processing.

Scholars have called for research on boundary conditions that explains when, where, and for which customers frontline employee positive emotion authenticity has effects (Grandey and Gabriel 2015). Following this call, this dissertation shows the importance of differences in thinking style among customers and situational affective states that affect customer reactions to positive emotion authenticity through perceived authenticity. This dissertation thus adds to emotional labor theory, as it fosters a more complete understanding of the particularities of

positive emotion authenticity effects on customers by demonstrating the important role of perceived authenticity, and affect and thinking style as biasing factors.

This dissertation also demonstrates that customers, on average, perceive frontline employee positive emotion authenticity. Whereas previous studies have reported low detection accuracies (e.g., Ekman and O'Sullivan 1991), this dissertation shows across 14 samples with a total N of 1,733 that customers perceive authentic emotion displays as more authentic than inauthentic displays. Furthermore, employees' smile characteristic plays an important role in authenticity perception. Asymmetry (vs. symmetry) of inauthentic displays facilitates detection accuracy. This finding adds to literature on the role of smile characteristics in authenticity perception, which previously has studied smile intensity, eye muscle activation, and mouth opening (e.g., Frank, Ekman, and Friesen 1993; Gunnery and Ruben 2016).

In light of the evidence for customer authenticity perception presented in this dissertation, moderators of the effects of frontline employee positive emotion authenticity on customers are studied. As seen in the lower part of Figure 5-1, this dissertation studies the moderating role of prevention focus and choice confidence to "provide important insights about the theoretical processes of emotional labor" (Grandey and Gabriel 2015, p. 342). This dissertation also implements recent calls for research to address the "limited evidence that positive emotions are "good for business" and that "research linking emotional labor and performance would benefit from testing assumptions about financial [...] gains" (Grandey and Gabriel 2015, p. 339).

This dissertation demonstrates the moderating role of customers' prevention focus in the effects of frontline employee positive emotion authenticity on tipping and customer satisfaction with the employee (research paper 2; Lechner and Mathmann 2018). Drawing on regulatory focus theory (Higgins et al. 1994), this dissertation shows that customers high in prevention focus tip more and experience higher satisfaction when encountering authentic vs. inauthentic positive emotion displays. No such effect is found for customers with a low prevention focus. These results generalize to prevention states (primed before and during service delivery) and individual differences in prevention. The moderating effect of prevention focus is explained by customer-employee rapport. Only for customers with a high prevention focus positive emotion authenticity exhibits an effect on rapport.

The results help explain the heterogeneous findings regarding the main effects of positive emotion authenticity on customers (Andrzejewski and Mooney 2016; Grandey et al. 2005; Wang, Seibert, and Boles 2011) and show limits of the generalizability of the effects of positive emotion authenticity on customers. Although customers perceive positive emotion authenticity independent from their prevention focus, this dissertation shows that authenticity affects customers differently based on their prevention focus. Only customers with a high prevention focus react to positive emotion authenticity with respect to tipping, satisfaction, and rapport. This dissertation thus advances emotional labor theory by demonstrating an important boundary condition of positive emotion authenticity.

Lastly, this dissertation demonstrates the moderating role of choice confidence in the effects of frontline employee positive emotion authenticity on tipping and customer satisfaction with the employee (research paper 3; Lechner 2018). Drawing on decision regret theory (Bell 1983; Tsiros and Mittal 2000), this dissertation shows that customers with high (vs. low) choice confidence tip more and experience higher satisfaction when employees display inauthentic emotions. Choice confidence does not influence customer reactions to authentic displays. The moderating effect of choice confidence is explained by decision regret. Whereas choice confidence does not influence less decision regret when encountering inauthentic displays, customers with high choice confidence experience less decision regret when encountering inauthentic emotion displays.

The study of the moderating role of choice confidence contributes to emotional labor theory development by demonstrating another important boundary condition of positive emotion authenticity. Specifically, as choice confidence exclusively influences customer reactions to inauthentic emotion displays, this dissertation presents an explanation for the mixed findings regarding the effects of inauthentic emotion displays on customers reported in the literature (e.g., Chi et al. 2011; Hennig-Thurau et al. 2006). Although customers perceive positive display authenticity independent from their choice confidence, this dissertation shows that choice confidence explains why some customers react negatively to inauthentic displays (low choice confidence), whereas other customers react less negatively or do not negatively at all (high choice confidence).

This dissertation further adds to emotional labor theory by demonstrating the key mediating role of decision regret in customer reactions to positive emotion authenticity. This finding not

only explains the interaction of choice confidence and positive display authenticity but also fosters our understanding of mediators of positive emotion authenticity effects (Grandey et al. 2005; Houston, Grandey, and Sawyer 2018). In addition to perceived authenticity as a mediator, this dissertation adds to literature on the role of affective mediators (Hennig-Thurau et al. 2006) in advancing our understanding towards the mediating role of negative affective states such as decision regret.

Overall, this dissertation studies four novel customer-related factors that serve as boundary conditions of customer reactions to frontline employee positive emotion authenticity. Two factors, affect and thinking style, relate to customer perceptions of authenticity, which is the prerequisite for authenticity effects to occur (Groth, Hennig-Thurau, and Walsh 2009). Customers' prevention focus and choice confidence are investigated as two moderating factors of the effect authenticity has on tipping and satisfaction.

## 5.2 Future Research

This dissertation tests the proposed relationships in multiple contexts, which follows recent calls for the need of replication (Woodside 2016). The author presents a series of studies in three research papers, which use experimentation and field data. All experiments rely on experimental manipulations that were either validated in previous research (e.g., Pham and Avnet 2004; Schaefer et al. 2010) or are developed for this dissertation. Specifically, novel video and photographic stimuli to manipulate frontline employee positive emotion authenticity are developed and validated across ten samples. For the manipulations of positive emotion authenticity, two female actors are casted, extensively trained, and professionally recorded. The experimental stimuli are FACS-coded, which allows an objective assessment of the facial muscle activity (Ekman, Friesen, and Hager 2002). The FACS-coding attests to the quality of the experimental stimuli. Thus, this dissertation presents researchers with a reliable resource to manipulate employees' positive emotion authenticity in future research.

This dissertation uses two randomized experiments to investigate the influence of affect and thinking style on authenticity perceptions. As affect is manipulated in these two studies, the reported effect on authenticity perceptions is causal. However, thinking style is measured as an individual difference and not manipulated. This is in alignment with research on combined processing, which consistently operationalizes combined processing as an individual difference (Ruiz and Sicilia 2004; Sojka and Giese 1997; Wolfradt et al. 1999). Thus, the effect of thinking

style is not causal, which limits the strength of evidence to a certain degree. Future research may thus develop an experimental manipulation of combined processing to further strengthen the empirical evidence of its biasing effects. In addition, empirical support for the proposed mechanisms of the effects of affect and thinking style is needed to ensure that truth bias and the Pollyanna principle actually explain the reported effects.

While the conducted experiments are generally characterized by high control and causal inference, the field data reported in the study of moderators of authenticity effects (guiding question 2) is not (Smith and Albaum 2005). However, it is important to acknowledge that each study in a multi study research paper addresses limitations of the other studies. The non-causal survey-based field study, which relies on two information sources and measures a consequential dependent variable (Inman et al. 2018), thus adds to the empirical package as it establishes the relevance of prevention focus and choice confidence in the field using real customer spending behavior. Future research should, however, conduct field experiments to add to the generalizability of the findings.

This dissertation presents evidence for perceived authenticity and decision regret as mediators of the effects of positive emotion authenticity on customers. The two novel mediators add to the literature, which identifies positive affect and rapport (Hennig-Thurau et al. 2006), perceived friendliness (Grandey et al. 2005), and expectation disconfirmation and perceived trustworthiness (Houston, Grandey, and Sawyer 2018) as explanatory variables for the effects of positive emotion authenticity has on customers. Future research is needed to jointly investigate the mediators to reveal potential serial mediation and account for dependencies among the mediators. A deeper study of the mediating effects should also include previously untested mediators. Scholars have proposed extra role behavior (Grandey et al. 2005) and customer orientation (Chi et al. 2011) as further explanatory variables. In researching mediators of display authenticity, future research should also control for important moderating factors identified in this dissertation (i.e., prevention focus and choice confidence) and in previous research (e.g., race; Houston, Grandey, and Sawyer 2018). This is important, because mediation effects are potentially bound to moderating variables. For example, this dissertation shows that

rapport does not universally mediate the effect of display authenticity on satisfaction, but rather only for customers with a high prevention focus.<sup>14</sup>

All studies reported in this dissertation investigate services in the hotel, gastronomy (restaurants, cafés), and massage industries. These industries are exemplary for the occurrence of organizationally prescribed positive emotions and representative for brief to medium-length service interactions (Grandey et al. 2005). Thus, the findings reported in this dissertation should generalize to brief and medium-length service encounters, which is the general focus of emotional labor research (Grandey et al. 2005; Hennig-Thurau et al. 2006; Houston, Grandey, and Sawyer 2018). Future research should, however, investigate long interaction services. Furthermore, this dissertation largely focuses on transactional services. An investigation of the impact of relationship variables in the researched effects could further add to the generalizability of the results.

With respect to the study of moderating factors, future research should investigate the moderating effects of prevention focus and choice confidence with neutral emotion displays (Houston, Grandey, and Sawyer 2018). The study of neutral emotion displays would show whether employees' emotion regulation efforts in displaying inauthentic emotions produces different customer reactions than no emotions displayed at all. If the effects are not different for neutral and inauthentic emotion displays, employees would not need to suppress negative emotions and fake positive emotions (i.e., the two dimensions of surface acting; Wang and Groth 2014). Instead, employees would then only have to suppress negative emotions without faking positive emotions, which would save scarce emotion regulation resources (Groth, Hennig-Thurau, and Walsh 2009).

In conclusion, this dissertation advances emotional labor theory by following calls for research to study boundary conditions of the effects of frontline employee positive emotion authenticity on customers (Grandey and Gabriel 2015; Groth, Hennig-Thurau, and Walsh 2009). Specifically, two guiding questions constitute the research program of this dissertation: What factors influence customer perceptions of frontline employee positive emotion authenticity? What factors moderate the effects of frontline employee positive emotion authenticity on customers? Four novel factors are studied to answer these guiding questions. Positive affect and

<sup>&</sup>lt;sup>14</sup> Hennig-Thurau et al. (2006) present evidence for the mediating role of rapport. However, the authors do not report controlling for customers' prevention focus, which may explain their finding.

combined processing thinking style are found to upwardly bias customer perceptions of authenticity. Customers high in prevention focus are found to tip more and experience higher satisfaction when encountering authentic vs. inauthentic positive emotion displays. No such effect is found for customers with a low prevention focus. Lastly, customers with high (vs. low) choice confidence react less negatively to inauthentic positive emotions from frontline employees. Specifically, customers with high (vs. low) choice confidence tip more and experience higher satisfaction when encountering inauthentic positive emotion displays. Choice confidence does not influence customer reactions to authentic displays. Overall, these findings provide insights to the range of emotional labor theory and limitations with respect to its generalizability. Future research should continue studying factors that influence authenticity perception and moderators of positive emotion authenticity effects to further advance emotional labor theory.

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## **Appendix A: Appendix to Research Paper 1**

Experimental stimuli for customer pre-consumption affect and scales are reported in the order they appeared in the studies. The authenticity manipulation was part of the main text.

Customer pre-consumption affect manipulation (Study 1) (adapted from Wright and Mischel 1982)

Please remember an important event from your past, which made you feel very happy/ sad/ bored. Please chose an experience that you perceived as pleasant and positive/ unpleasant and negative/ boring and that still evokes the same feelings when you think about it today.

Please remember the situation as vividly as you can. Picture the events happening to you. See all the details of the situation. Picture in your "mind's eye" the surroundings as clearly as possible. See the people or the objects; hear the sounds; experience the event happening to you. Think the thoughts you actually felt in this situation. Feel the same (happy, sad, neutral) feelings you would feel. Let yourself react as if you were actually there.

Please describe your experience, which made you feel very happy/sad/bored vividly and rich in detail. Describe your experience in a way that a reader of your report could experience the emotions you experienced in the described situation.

*Customer pre-consumption affect manipulation* (Study 2) (Rottenberg, Ray, and Gross 2007; Schaefer et al. 2010)

Positive affect	When Harry met Sally: Sally simulates an orgasm in a restaurant (length
	2:35)
	There is something about Mary: Ben Stiller fights with a dog (length
	3:30)
	The dead Poets Society: By the end of the movie, all the students climb
	on their desks to manifest their solidarity with Mr. Keating (Robin
	William), who has just been fired. (length 2:45)
Negative affect	Leaving Las Vegas: The main character is raped and beaten by three
	drunk men (length: 2:29)
	The Champ: A boy's father dies after suffering a severe beating in the
	ring. (length: 2:33)

Neutral affect	Noncommercial Screen Saver: Abstract shapes (length 2:30)
	Alaska's Wild Denali: The narrator talks about the scenery and the
	wildlife (length 2:16)

*Customer satisfaction* (<sup>a</sup>Burnham, Frels, and Mahajan 2003; <sup>b</sup>Keh et al. 2013)

I am pleased with the overall service provided by the employee.<sup>b</sup>

I am completely satisfied with the experience by the employee.<sup>b</sup>

I feel delighted with the overall service provided by the employee.<sup>b</sup>

What I get from my service employee meets what I expect for this type of service.<sup>a</sup>

Perceived authenticity (aCôté, Hideg, and van Kleef 2013; bGrandey et al. 2005)

The emotions that the server was showing were real.<sup>a</sup>

The server displayed emotions that she did really feel inside.<sup>a</sup>

This server seemed to be faking how she felt in this interaction. (reverse scored)<sup>b</sup>

This server seemed to be pretending, or putting on an act, in this interaction. (reverse scored)<sup>b</sup>

*Customer pre-consumption affect manipulation check* (Watson, Clark, and Tellegen 1988) (positive affect) I feel this way right now... interested/ alert/ excited/ inspired/ strong/ determined/ attentive/ enthusiastic/ active/ proud.

(negative affect) I feel this way right now... irritable/ distressed/ ashamed/ upset/ nervous/ guilty/ scared/ hostile/ jittery/ afraid.

Scenario realism (Dabholkar 1996)

The restaurant visit described was realistic.

Rational thinking style (Pacini and Epstein 1999) I am very good in solving problems that require careful logical analysis.<sup>Study 1,2</sup> I'm good at figuring out complicated problems.<sup>1,2</sup> I like to have to do a lot of thinking.<sup>1,2</sup> Thinking is my idea of an enjoyable activity.<sup>1,2</sup> Reasoning things out carefully is not one of my strong points. (reverse scored) <sup>1</sup> I try to avoid situations that require thinking in depth about something. (reverse scored) <sup>1</sup> Reasoning things out carefully is one of my strong points.<sup>2</sup> I am a very analytical thinker.<sup>2</sup> I enjoy intellectual challenges.<sup>2</sup>

I enjoy solving problems that require hard thinking.<sup>2</sup>

*Experiential thinking style* (Pacini and Epstein 1999)
Using my "gut-feelings" usually works well for me figuring out problems in my life.<sup>Study 1,2</sup>
I believe in trusting my hunches.<sup>1,2</sup>
When it comes to trusting people, I can usually rely on my gut feelings.<sup>1,2</sup>
I like to rely on my intuitive impressions.<sup>1,2</sup>
I often go by my instincts when deciding on a course of action.<sup>1,2</sup>
If I were to rely on my gut feelings, I would often make mistakes. (reverse scored)<sup>1 (deleted)</sup>
I don't like situations in which I have to rely on intuition. (reverse scored)<sup>1</sup>
I trust my initial feelings about people.<sup>2</sup>
I like situations in which I have to rely on intuition.<sup>2</sup>
Intuition can be a very useful way to solve problems.<sup>2</sup>

*Smile intensity* (only in pretest) (Barr and Kleck 1995) The smile of the frontline employee was big/ intense/ extreme.

Cheek raiser activity (only in pretest) (Ekman and Friesen 2003)The frontline employee smiled with her eyes.When smiling, the frontline employee had wrinkles around her eyes.The eyes of the frontline employee were smiling.The eyes of the frontline employee were inexpressive. (reverse scored)

*Attractiveness* (only in pretest) (Argo, Dahl, and Morales 2008) The frontline employee is attractive.

*Task performance* (only in pretest) (Grandey et al. 2005) This frontline employee seems competent in required skills.

*Servicescape aesthetics* (only in pretest) (Lam and Mukherjee 2005) The interior design of the restaurant was pleasing. All items were translated to German and back-translated to English to ensure equivalence. German items are available upon request.

## **Appendix B: Appendix to Research Paper 2**

Experimental stimuli and scales are reported in the order they appeared in the respective study.

## Study 1\*

<u>Customer survey</u> Bill total (Chi et al. 2011) What was the bill total (excl. tip)?

*Tip* (Chi et al. 2011) How much did you tip?

*Trait Regulatory Focus* (Lockwood, Jordan, and Kunda 2002) In general, I am focused on preventing negative events in my life.

*Group Size* (Chi et al. 2011) How many people accompanied you to your visit today?

*Café Busyness* (Grandey et al. 2005) How crowded was the café during your visit?

Employee survey Positive display authenticity (Yagil 2014) The emotions I expressed to these customers were genuine.

## Study 2\*

Trait Regulatory Focus (Higgins et al. 2001)

Compared to most people, are you typically unable to get what you want out of life? (promotion, reverse scored)

Growing up, would you ever ``cross the line" by doing things that your parents would not tolerate? (prevention, reverse scored)

How often have you accomplished things that got you ``psyched" to work even harder? (promotion)

Did you get on your parents' nerves often when you were growing up? (prevention, reverse scored)

How often did you obey rules and regulations that were established by your parents? (prevention)

Growing up, did you ever act in ways that your parents thought were objectionable? (prevention, reverse scored)

Do you often do well at different things that you try? (promotion)

Not being careful enough has gotten me into trouble at times. (prevention, reverse scored, item removed)

When it comes to achieving things that are important to me, I find that I don't perform as well as I ideally would like to do. (promotion, reverse scored, item removed)

I feel like I have made progress toward being successful in my life. (promotion)

I have found very few hobbies or activities in my life that capture my interest or motivate me to put effort into them. (promotion, item removed)

Positive display authenticity manipulation: exemplary stills (Lechner and Paul 2019)





High positive display authenticity

Low positive display authenticity

Source: Adapted from Lechner and Paul (2019).

# *Customer satisfaction with the employee* (<sup>a</sup> Burnham, Frels, and Mahajan 2003; <sup>b</sup> Keh et al. 2013)

I am pleased with the overall service provided by the employee.<sup>b</sup>

I am completely satisfied with the experience by the employee.<sup>b</sup>

What I get from my service employee meets what I expect for this type of service.<sup>a</sup>

*Positive display authenticity manipulation check* (Côté, Hideg, and van Kleef 2013) The employee displayed emotions that she did really feel inside. This employee seemed to be pretending, or putting on an act, in this interaction. (reverse scored)

## Study 3

*Prevention focus manipulation* (control condition in square brackets) (Pham and Avnet 2004) This first study is about how people's sense of duty and obligations [hopes and goals] evolve over time. Think about the duties and obligations [hopes and goals] that you had in the <u>past</u> (e.g., as you were growing up). By duties and obligations, we mean the things that you were expected or required to do, your responsibilities, the things you were trusted to do, the things you knew you ought to do. [By hopes and goals, we mean the things you really wanted to achieve or obtain, your aspirations, your dreams.] Please write <u>at least two</u> of these past duties and obligations [hopes and goals] in the space below.

<u>An example:</u> When I was in junior high, my parents really expected me to have good grades in every single class. They also expected me to take care of my baby sister all the time. [When I was 17 years old, I wanted to have fun and travel around the world.]

Now think about your duties and obligations [hopes and goals] as they are <u>today</u>. What are the things expected to do now? What are your new responsibilities? What are your commitments, the things you know you ought to do? [What are the things you really want to achieve now, the things you are aspiring to, dreaming of, for the future.] Please write at <u>least</u> two of these <u>present</u> duties and obligations [hopes and goals] in the space below.

<u>An example:</u> Today, I need to get a job soon because I have to pay back loans and I also feel I need to make my Parents proud of me. [Today I am an MBA student and I hope to have a successful career in investment banking.]

Positive display authenticity manipulation: exemplary pictures (Lechner and Paul 2019)



Source: Adapted from Lechner and Paul (2019).

*Customer satisfaction with the employee* (<sup>a</sup>Burnham, Frels, and Mahajan 2003; <sup>b</sup>Keh et al. 2013) I am pleased with the overall service provided by the employee.<sup>b</sup>

I am completely satisfied with the experience by the employee.<sup>b</sup>

What I get from my service employee meets what I expect for this type of service.<sup>a</sup>

Positive display authenticity manipulation check (Côté, Hideg, and van Kleef 2013) The employee displayed emotions that she did really feel inside. This employee seemed to be pretending, or putting on an act, in this interaction. (reverse scored)

*Prevention focus manipulation check* (only in pretest) (Pham and Avnet 2004) At this moment, I want to do whatever I want rather than to do what is right. (reverse scored) At this moment, I would rather take a trip around the world than to pay back loans. (reverse scored)

## Study 4

Pre-delivery positive affect (Hennig-Thurau et al. 2006)At this moment, I feel elated.At this moment, I feel peppy.At this moment, I feel enthusiastic.At this moment, I feel excited.

## Positive display authenticity manipulation: exemplary pictures





Low positive display authenticity

Source: Own depiction.

*Prevention focus manipulation* (text presented in speech balloons; control condition in square brackets) (adapted from Lee and Aaker 2004)

Have you noticed the recent addition of Purple Grape Juice to our menu?

Preliminary medical research suggests that drinking purple grape juice may contribute to healthy cardiovascular function. Growing evidence suggests that diets rich in antioxidants may reduce the risk of some cancers and heart disease. [Preliminary medical research suggests that drinking purple grape juice may contribute to the creation of greater energy! Growing evidence suggests that diets rich in Vitamin C and iron lead to higher energy levels.]

According to research by the United Kingdom Department of Agriculture, Welch's Purple 100% Grape Juice has more than three times the naturally-occurring antioxidant capacity of other juices. Purple grape juice's antioxidants are commonly attributed to the flavonoids contained in the juice that help keep arteries clear so that blood can flow freely. [According to research by the United Kingdom Department of Agriculture, Welch's Purple 100% Grape Juice has more than three times the naturally-occurring Vitamin C and iron than other juices. Our Concord grapes and Niagara grapes are harvested only at the peak of flavor so that Welch's Grape Juice is great tasting as well as energizing.]

Therefore, it is healthy to drink! I highly recommend trying Purple Grape Juice. [Plus, it is simply pleasurable to drink! I highly recommend trying Purple Grape Juice.]

*Post-delivery positive affect* (Hennig-Thurau et al. 2006)At this moment, I feel elated.At this moment, I feel peppy.At this moment, I feel enthusiastic.At this moment, I feel excited.

*Customer satisfaction with the employee* (<sup>a</sup> Burnham, Frels, and Mahajan 2003; <sup>b</sup> Keh et al. 2013)

I am pleased with the overall service provided by the employee.<sup>b</sup> I am completely satisfied with the experience by the employee.<sup>b</sup> What I get from my service employee meets what I expect for this type of service.<sup>a</sup>

Customer-employee rapport (Hennig-Thurau et al. 2006)

In thinking about my relationship with this person, I enjoyed interacting with this employee. This employee created a feeling of warmth in our relationship. This employee related well to me. I was comfortable interacting with this employee.

Positive display authenticity manipulation check (Côté, Hideg, and van Kleef 2013)The employee displayed emotions that she did really feel inside.This employee seemed to be pretending, or putting on an act, in this interaction. (reverse scored)

*Prevention focus prime manipulation check* (Lee and Aaker 2004) The juice helps keeping arteries unclogged.

The juice is healthy to drink.

\* All items in Study 1 and 2 were translated to German and back-translated to English to ensure equivalence. German items are available upon request. Studies 3 and 4 were conducted in the UK.

## **Appendix C: Appendix to Research Paper 3**

Experimental stimuli and scales are reported in the order they appeared in the respective study.

## **Experiment 1\***

Choice confidence manipulation

Low choice confidence

Hotel name	Hotel stars	Average rating	Number of reviews	Distance to city center	Price per night
A	**		approx. 500	approx. 30 min. on foot	60€
В	**	$\overset{\star}{\star} \overset{\star}{\star} \overset}{\star} \overset{\star}{\star} \overset{\star}{\star$	approx. 750	approx. 15 min. on foot	70€
С	***		approx. 750	approx. 30 min. on foot	70€
D	***		approx. 250	approx. 30 min. on foot	70€
E	**	$\overset{\star}{\star} \overset{\star}{\star} \overset{\star}$	approx. 250	approx. 15 min. on foot	60€
F	***		approx. 500	approx. 15 min. on foot	60€
G	***		approx. 500	approx. 15 min. on foot	60€
Н	***		approx. 250	approx. 15 min. on foot	60€
Ι	**		approx. 750	approx. 15 min. on foot	70€
J	***		approx. 750	approx. 30 min. on foot	60€

Note: The hotel star rating in Europe is similar to the AAA diamond rating in the USA.

## High choice confidence

Hotel D was replaced with the following option. Everything else remained unchanged.

Hotel	Hotel stars	Average	Number of	Distance to city	Price per
name		rating	reviews	center	night
D	****	★★★★	approx. 1,000	approx. 5 min. on foot	50€*

\* special offer.

Positive display inauthenticity manipulation (exemplary) (Lechner and Paul 2019)



Source: Adapted from Lechner and Paul (2019).

Customer satisfaction with the employee (aBurnham, Frels, and Mahajan 2003; bKeh et al. 2013)

I am pleased with the overall service provided by the employee.<sup>b</sup>

I am completely satisfied with the experience by the employee.<sup>b</sup>

I feel delighted with the overall service provided by the employee.<sup>b</sup>

What I get from my service employee meets what I expect for this type of service.<sup>a</sup>

Positive display inauthenticity manipulation check (pretest) (Grandey et al. 2005)This employee seemed to be faking how she felt in this interaction.This employee seemed to be pretending or putting on an act, in this interaction.

*Choice confidence manipulation check* (pretest) (Heitmann, Lehmann, and Herrmann 2007) It was possible to be certain which service provider fits my preferences best. I felt confident when identifying one service provider that best matches my preferences. I was convinced to find a service provider that best fulfills my needs.

*Perceived choice overload* (pretest) (Heitmann, Lehmann, and Herrmann 2007) There were so many hotels to choose from that I felt confused.

*Task performance* (pretest) (Grandey et al. 2005) This employee seems competent in required skills.

*Employee attractiveness* (pretest) (Argo, Dahl, and Morales 2008) This employee is attractive.

## **Experiment 2**

Choice confidence manipulation Low choice confidence

Massage Studio	Average Rating	Number of reviews	Business Hours	Distance
Asian Touch Thai Massage	****	50	open to 8 pm	2 km
The Rebalance Clinic	****	25	open to 7 pm	3 km
Ben Massage Therapy Centre	• <b>★★★</b> ★★	50	open to 8 pm	2 km
Michael Massage Therapy	****	50	open to 8 pm	2 km
Santé Massage	****	25	open to 7 pm	3 km

## High choice confidence

Ben Massage Therapy Centre was replaced with the following option. Everything else remained unchanged.

Massage Studio	Average Rating	Number of reviews	<b>Business Hours</b>	Distance
Ben Massage Therapy Centre	****	100	open to 11 pm	1 km

# *Positive display inauthenticity (authentic/ inauthentic; italics added)* (adapted from Houston, Grandey, and Sawyer 2018)

You arrive at the massage studio. You walk in and notice an adult male with a strong build behind the reception. He has brown hair, and is dressed in white pants and a white shirt. He *greets you with a warm smile/ "puts on" a big smile and greets you* as you approach the reception. "Hi, I'm Mathew, and I'll be your masseur this evening", he *says cheerfully/ with forced cheer*. He asks you "How can I help you today?" *with a sincere interest in his voice and a smile on his face/ in an upbeat voice with his big smile on*. You describe your back pain and ask for advice. Mathew *thinks and says thoughtfully/ immediately responds* "I think a deep tissue massage is best for your back." You decide to follow his suggestion. Mathew accompanies you to the massage bench and *says with a warm smile/* "Here you go! I'll be with you in a moment.", *putting back on a broad smile*.

You undress and lie down on the bench. Mathew returns and starts the deep tissue massage. Within the minute, he *asks in a concerned tone/ in an upbeat voice* whether the intensity is alright. You nod. Mathew continues the massage while you relax.

Half an hour later, Mathew completes the massage. He asks *earnestly/-* how your back is feeling *as if he really wants to know/ with his big smile on*. You feel refreshed and relaxed. *Mathew smiles wholeheartedly and says sincerely/ Mathew says with a smile* on his face "I am very pleased to hear that", *-/though his smile fades quickly as he leaves the cabin.* 

Back at the reception, Mathew *smiles/ puts on a smile*, offers you a glass of water, and says -/ *in a helpful tone* that sufficient hydration and daily stretching will further help relieve your back pain. You drink the glass of water and prepare to pay. "I hope your back is getting well soon", says Mathew *with a warm smile/ with his big smile on*. "That will be £40, please."

## *Customer satisfaction with the employee* (<sup>a</sup>Burnham, Frels, and Mahajan 2003; <sup>b</sup>Keh et al. 2013)

I am pleased with the overall service provided by the employee.<sup>b</sup>

I am completely satisfied with the experience by the employee.<sup>b</sup>

I feel delighted with the overall service provided by the employee.<sup>b</sup>

What I get from my service employee meets what I expect for this type of service.<sup>a</sup>

Decision regret (Voorhees, Brady, and Horowitz 2006)

My decision for the massage studio was a regrettable decision.

I have many doubts about my choice of massage studio.

I feel sorry I made the decision for this massage studio.
Positive display inauthenticity manipulation check (pretest) (Grandey et al. 2005)This employee seemed to be faking how she felt in this interaction.This employee seemed to be pretending or putting on an act, in this interaction.

Choice confidence manipulation check (pretest) (Heitmann, Lehmann, and Herrmann 2007)It was possible to be certain which service provider fits my preferences best.I felt confident when identifying one service provider that best matches my preferences.I was convinced to find a service provider that best fulfills my needs.

*Perceived choice overload* (pretest) (Heitmann, Lehmann, and Herrmann 2007) There were so many hotels to choose from that I felt confused.

*Task performance* (pretest) (Grandey et al. 2005) This employee seems competent in required skills.

*Employee attractiveness* (pretest) (Argo, Dahl, and Morales 2008) This employee is attractive.

## Field Study\*

<u>Customer survey</u> <u>Choice confidence</u> (Heitmann, Lehmann, and Herrmann 2007) It was possible to be certain which service provider fits my preferences best. I felt confident when identifying one service provider that best matches my preferences. I was convinced to find a service provider that best fulfills my needs.

*Bill total* (Chi et al. 2011) What was the bill total (excl. tip)?

*Tip* (Chi et al. 2011) How much did you tip?

*Group size* (Chi et al. 2011) How many people accompanied you to your visit today? *Café busyness* (Grandey et al. 2005) How crowded was the café during your visit?

Patronage frequency (Wang and Groth 2014)

On how many occasions have you been at this café in the past 12 months?

## Employee survey

*Positive display inauthenticity* (Groth, Hennig-Thurau, and Walsh 2009) I just pretended to have the emotions I needed to display to this customer.

\* All items in Experiment 1 and the field study were translated to German and back-translated to English to ensure equivalence. German items are available upon request. Experiment 2 was conducted in the UK.

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