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THE EFFECT OF SURPRISE ON CUSTOMER DELIGHT
AND THE ROLE OF EXPLANATIONS FOR MANAGING CUSTOMER EXPECTATIONS

A Dissertation in
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by
Min Gyung Kim

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The dissertation of Min Gyung Kim was reviewed and approved* by the following:

Anna S. Mattila
Marriott Professor of Lodging Management
and Professor-in-Charge Graduate Program
Dissertation Adviser
Chair of Committee

Karthik Namasivayam
Associate Professor of Hospitality Management
Professor-in-Charge International Programs

Breffni Noone
Assistant Professor of Hospitality Management

Harry Zinn
Associate Professor of Recreation, Park and Tourism Management

*Signatures are on file in the Graduate School.
ABSTRACT

Given the extremely competitive nature of the current global service industry, the transition from merely satisfying customers to delighting customers has become a strategic objective for many service firms. As previous studies have reported, many service organizations “pleasantly surprise their customers” in order to provide memorable consumption experiences.

However, delighting customers through a pleasant-surprise strategy is likely to heighten expectations for future consumption experiences. Such raised expectations might negatively impact customer satisfaction and future purchase intentions, particularly when the surprise event does not occur on the next visit. This dissertation focuses on determining whether heightened expectations following a surprise-delight event decrease the effectiveness of surprise strategies in ensuring customer loyalty in the long term and on exploring whether this possible negative effect, can be mitigated by using explanations as part of a surprise-strategy design. It was expected that the presence of explanations would help maintain realistic expectations and prevent customers from considering surprises as a normal part of the service process.

The empirical investigation of the hypotheses was conducted in two different service contexts: utilitarian and hedonic. Overall, the results support both the role of surprise in enhancing customer delight and the role of explanations in preventing an escalation of expectations in regard to future service. Therefore, this study can be used to help service firms effectively delight their customers over the long term without becoming engaged in a process whereby every shopping experience must include some kind of surprise experience. The relationship between expectations and customer satisfaction is also tested, and both the theoretical and managerial implications of the study’s findings are presented.
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CHAPTER I
INTRODUCTION

As the service industry becomes ever more competitive, its customers have become smarter about their purchase decisions and more demanding in their search for service providers (Gwynne, 2002). In these circumstances, the traditional goal of “satisfying customers” does not seem to be enough to ensure customer loyalty. Instead, service firms must skillfully and clearly differentiate themselves from their competitors in order to obtain a competitive advantage. In short, their customers must receive the highest possible level of satisfaction: they must be “delighted.” Only those firms that move from a philosophy of merely satisfying their customers to a philosophy—supported by appropriate strategies—of delighting their customers will be successful in this context (Oliver, Rust, & Varki, 1997).

Ultimately, the essential goal of service companies may be that of providing a complete service that renders the customer’s experience more meaningful and memorable. Pine and Gilmore (1999) argue that service providers should not only provide products and services, but also stage “experiences” to add value for customers. Experiential marketing, which focuses on customers’ sensory experiences, affective and cognitive experiences, actions, and relations (Schmitt, 1999), aims at maximizing an organization’s profits by providing unforgettable experiences to the customer (Pine and Gilmore, 1999).

To create better customer experiences, that is more memorable experiences, organizations should add new elements to already good products and services (Pine and Gilmore, 1999). Many service organizations recognize “surprising customers” as the most important strategy in creating memorable consumption experiences and customer delight (Hetzel, 2002; Pine and Gilmore, 1999; Schmitt, 1999; Vanhamme, 2008). Much
of the social psychology literature states that for delight to results, surprise must be combined with joy (e.g., Plutchik, 1980). In a consumption context, surprise occurs when people encounter unexpected or misexpected (occurring imprecisely) products or services (Ekman & Friesen, 1975; Izard, 1977; Scherer 1984; Vanhamme & Snelders, 2001). A customer will be surprised, for instance, by an unexpected prize draw, double points for a membership card, or an invitation to a special event (Lindgreen & Vanhamme, 2003). Previous empirical studies have demonstrated that by surprising customers, companies can also delight them (e.g., Finn, 2005; Oliver et al., 1997; Vanhamme & Snelders, 2003). Accordingly, if companies want to provide better customer experiences, providing customers with pleasant surprises could be a key strategy.

**Problem Statement (Gaps in the Literature)**

Despite the criticality of surprise in achieving customer delight, research on the topic is scarce (Vanhamme & Snelders, 2001). Although there are some efforts to build the conceptual relationships between surprise and delight related to customers’ behavioral intentions (e.g., Finn, 2005; Rust & Oliver, 2000; Vanhamme & Snelders, 2001), little empirical testing on these relationships has been conducted. Further studies about surprise and delight in the service industry context are warranted for several reasons.

First, although some view surprise as a necessary condition for delight, the nature of delight currently has various competing conceptualizations. Accordingly, the concept of delight especially in terms of its relationship with surprise requires clarification. Due to the lack of experiments, the role of surprise as a cause of delight
needs to be further examined (Vanhamme, 2008). This study empirically tests the causal relationship between surprise and delight in order to provide a better understanding of these unsettled concepts.

Second and most importantly, previous studies of surprise have not only emphasized its importance in delighting the customer, but they have also realized that there are potential downsides to surprise customers (e.g., Gwynne, 2002; Rust & Oliver, 2000). A pleasant surprise is likely to influence customers’ repurchase intentions (Pine & Gilmore, 1999). However, delighting customers using a surprise strategy might raise their expectations for future purchases (Vanhamme, 2008). Accordingly, raised expectations might negatively impact customer satisfaction, particularly when a similarly surprising event does not occur on the next visit. Despite this concern, there is no empirical study testing the long-term impact of surprise on customer expectations. Hence, this study focuses on testing the effectiveness of the surprise strategy in building customer expectations. To that end, this dissertation examines the importance of explanations in successfully implementing a surprise strategy. Because surprise strategies should be implemented selectively to sustain the quality of unexpectedness, it is important to make sure that customers do not take them for granted. Therefore, when providing a surprise event, service organizations may consider explaining why the surprise event is being offered and why customers have been selected to participate. This might help an organization to implement a surprise strategy without increasing customer expectations, thus allowing the organization to achieve the objective of customers making repeat visits and purchases.

Lastly, marketers should understand that some situations and services are more amenable to a surprise strategy. Delighting customers by surprising them is expensive (Vanhamme, 2008), and if such a strategy is ineffective, the result may be dissatisfied customers (Rust & Oliver, 2000). Hence, surprise strategies may not be appropriate for
every service organization, and marketers should consider and explore which service segments would benefit most and least from such surprise strategies. Also, providing a surprise element in a service transaction may not always be desirable or even possible in certain service transactions (Vanhame, 2008). Depending on its goal, a service institution focuses on providing either utilitarian or hedonic values to its customers (Chen, Kalra, & Sun, 2009). Because surprise is an emotion and has an arousing character, it could be an effective element in marketing strategies, particularly those in hedonic contexts (Babin & Attaway, 2000; Chebat & Michon, 2003). This dissertation is the first study to compare the effectiveness of surprise strategies implemented in different types in a service industry setting.

**Statement of Purpose and Research Questions**

The overall objective of this dissertation is to examine the strategy of surprise, its effects on and role in the service industry from four prominent perspectives; that is, this study:

1) supports the view that surprise is a necessary condition for delight, examines the role of surprise in obtaining delight, and emphasizes the importance of surprise in the consumption context.

2) tests whether surprise can raise customer expectations, and how those raised expectations might negatively influence future consumption. Providing explanations for the surprise event might lessen such adverse effects.

3) examines related concepts, such as satisfaction, and their possible relationships.
Contributions of the Dissertation

Theoretical Perspectives

This dissertation has valuable theoretical and managerial implications for the service industry: Its findings confirm the role of surprise in creating delight. Moreover, the study explores the impact of the surprise-delight construct on customer expectations. Expectations are another critical concept needed to understand the relationship between surprise and delight; therefore, the study clarifies how raised expectations due to initial surprise-delight might decrease the effectiveness of surprise strategies in ensuring repeat purchases. This approach broadens the study of surprise by including an indispensable but never tested concept—customer expectations.

This study also tests the role of explanation in avoiding raising customer expectations. As organizational behavior studies have shown, explanations influence customers’ perceptions of service organizations (Baron, 1990; Huang & Lin, 2005). And, in this study, explanations are expected to function as a communication tool that, by providing customers with an understanding of the business context, help control customer expectations. This study is the first study to explore the role of explanation; it is, therefore, also the first to empirically test the effects of explanations, considering them as a possible business solution to the downside of implementing surprise strategies. Along with the results, the theoretical implications from the relationship between surprise, expectation, and explanation will be discussed.

Managerial Perspectives

The hospitality industry knows that simply satisfying customers is not enough. As for managerial implications, this study shows marketers the importance of surprise in delighting customers and so ensuring customer loyalty. The service literature observes
that surprise strategies take various forms: teaser advertisements, unexpected coupons, double points, etc (Lindgreen & Vanhamme, 2003). This study provides and explores plausible surprise stimuli for different service contexts. Specifically, the results of the empirical tests offer service industries information relevant to determining the types of service contexts likely to benefit the more and the less from using surprise strategies to enhance customer loyalty.

Equally important is the possibility that surprise strategies may raise customer expectations overall. Oliver et al. (1997) express concern about delighting customers from a cost–benefit perspective. Although service companies recognize that surprise strategies could give them a competitive advantage, such strategies are expensive. This study investigates the effectiveness of explanations as elements of surprise activities. The results show that explanations used in concert with surprise strategies enable companies to both delight their customers and yet maintain an overall context in which customer expectations remain realistic. By informing customers about the surprise events, the possible downsides of surprise strategies can be mitigated.
CHAPTER II
REVIEW OF LITERATURE

Overview

This dissertation has two main purposes: (1) to empirically confirm the importance of using surprise to achieve customer delight, and (2) to mitigate the risk of raising customers’ expectations when delighting them with surprise strategies. The role of explanation as a possible solution for the risk associated with using a surprise strategy is also discussed. This chapter provides the theoretical background of and a discussion of the relevant concepts and hypothesized relationships among the concepts. It introduces the concept of emotion as it relates to cognition and behavioral intentions. The literature review of surprise is presented next, followed by a discussion of current views of surprise in the psychology literature, the components and functions of surprise, and some applications of surprise in the marketing context. The next section discusses customer delight and its relationship with surprise, after which discussions of the concept of explanation in the consumption context are provided. A review of customer expectations in terms of sources, conceptualization, management, and relationship with surprise follows. Also, the association between customer expectation and satisfaction is discussed.

Emotions

Emotions as complex assortments of affects go beyond merely feeling good or bad. Instead, they arise from interpretations of incidents, reactions of the body, information for communication, and they help people adapt to changing environments
(Plutchik, 2002). The duration of emotions varies, but in general, they last until preferences and evaluations are established (Fiske & Taylor, 2007). Describing emotions as intense feelings of short duration, Forgas (1992) attributes them to certain causes with cognitive content. As a common and functional reaction to an external stimulus, an emotion temporarily integrates physiological, cognitive, phenomenological, and behavioral channels to help a person negotiate the environment (Keltner & Shiota, 2003). In this regard, Izard claims that “emotions constitute the primary motivational system for human beings” (1977, p. 3). Similarly, Frijda (2007) explains that emotions work more effectively to create preferences and priorities compared to those created based on habit. Emotions in consumption experiences are defined as “the set of emotional responses” that are evoked by a specific experience in a consumption period (Westbrook & Oliver, 1991, p. 85). Consumption emotions are usually expressed as discrete categories or structural dimensions such as pleasant/unpleasant emotions (Westbrook & Oliver, 1991).

**Appraisal Theory of Emotion**

“*People are never in direct contact with the stimulus properties that they perceive. They are always in the position of constructing attitudes toward external stimuli, evaluating the variety of sensory input, imposing organization on it, and attributing identity and meaning to it. This is the production function of mind, controlled by a complex interaction among memory, stimulus structure, task, and context (Whittlesea & Williams, 2001).*”

The relationship between emotion and cognition is fundamental. Heider, a prominent social psychologist of the early 1900s, introduced the term, “circular feedback system” to describe emotion and cognition (Heider, 1958). Many other social
psychologists have assumed that affective responses are largely based on cognition (Fiske & Taylor, 2007). With the strong relation between emotion and cognition, psychologists infer that specific emotional experiences are associated with, caused by, and constituted by cognitive appraisals of certain events and situations (Ellsworth & Scherer, 2003; Frijda, Kuipers, & ter Schure, 1989; Lazarus, 1991; Roseman & Evdokas, 2004; Silvia, 2005).

Appraisal is “an evaluation of what one’s relationship to the environment implies for personal well-being” (Smith & Lazarus, 1993, p. 234). Appraised benefits produce positive emotions, whereas appraised harms produce negative emotions. With either appraised benefits or harms, individuals cope with a situation by seeking, maximizing, or maintaining benefits, and by avoiding, minimizing, or reducing harms (Smith & Lazarus, 1993). Through appraisal processes, emotions can be differentiated from one another (Fridja, 1986; Roseman, 1984; Smith & Lazarus, 1993). Appraisal theory, therefore, has emerged as a powerful interpretation for eliciting and differentiating emotional responses (Ellsworth & Scherer, 2003). The appraisal theory of emotion is supported with a growing number of both conceptual and empirical studies (e.g., Nezlek, Vansteelandt, Mechelen, & Kuppers, 2008; Smith & Ellsworth, 1985; Smith & Lazarus, 1993) including many in marketing contexts (e.g., Bagozzi, Gopinath, & Nyer, 1999; Johnson & Stewart, 2005; Watson & Spence, 2007). While McEachrane (2009) argues that appraisal is only one part of a given emotion, several studies find that appraisal is a necessary condition of emotion (e.g., Frijda, 2007). Moreover, some researchers argue that appraisal is a sufficient condition of emotions (e.g., Smith & Lazarus, 1993).
**Emotion and Behavioral Intentions**

The impact of human emotions on people’s behaviors has been widely studied in various fields (e.g., Carlson, Charlin, and Millar, 1988; Isen, 1993). Many distinct emotions such as happiness and anger have been discussed in relation to human cognition (e.g., Cacioppo and Gardner, 1999; Zajonc, 1980). In addition, both emotion and cognition are considered essential components that lead us to specific behaviors (e.g., Norem and Cantor, 1990). In consumption contexts, customer emotions have been explored in the relationship between customer satisfaction and future behavioral intentions (e.g., Martin, O’Neill, Hubbard, & Palmer, 2008; Mattila, 2001; Zeelenberg & Piters, 2004). Gardner (1985) suggests that affect is the key to understanding customers’ reactions to marketing stimuli, and previous studies found that emotions directly impact behavioral intentions such as word of mouth and switching (e.g., Zeelenberg & Piters, 2004). Mattila’s study (2001) shows that emotionally bonded customers are more likely to maintain a relationship with a service provider than are customers who are not bonded in this way. And, Fournier (1998) demonstrates that the emotional component of satisfaction is more strongly connected to purchase intentions than is the cognitive component.

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**The Emotion of Surprise**

**Surprise, a Short-Lived Neutral Emotion**

Although human emotions have been studied in the domain of psychology, there is little agreement on which emotions should be regarded as basic, primary, or fundamental (Ortony & Turner, 1990). There is debate regarding the status of surprise as an emotion. Many psychologists posit surprise as a basic emotion that serves an
adaptive function (e.g., Charlesworth, 1969; Darwin, 1965; Ekman, Friesen, & Ellsworth, 1982; Izard, 1977; Meyer & Niepel, 1994; Plutchik, 1980; Stanley, 1895). However, others do not accept this view (e.g., Mees, 1985; Ortony & Turner, 1990), stating that surprise lacks valence; that is, it is neither a positive nor negative response to a stimuli, unlike emotions such as happiness (positive) and anger (negative) (e.g., Ortony, Clore, & Collins, 1988). Recent studies of surprise in psychology, though, predominantly view surprise as a short-lived (or the “briefest” emotion according to Ekman & Friesen, 1975) neutral emotion (e.g., Reisenzein and Studtmann, 2007; Schützwohl, 1998; Vanhamme and Snelders, 2001) with an “intensity from mild to extreme” (Ekman & Friesen, 1975, p36). Some argue that the fundamental reason for regarding surprise as an emotion is its relationship to evolutionary biological processes, noting that in particular, surprise is expressed through distinctive facial expressions (Meyer & Niepel, 1994). Along with facial feedback in response to given stimuli, surprise consists of all the other components that other basic emotions possess (e.g., Reisenzein, 2001; Schützwohl, 1998; Vanhamme & Snelders, 2001).

Among the components of surprise is a cognitive dimension. Surprise arises when a person encounters an unexpected element; hence, he or she experiences a discrepancy in his/her schema (Ekman & Friesen, 1975; Vanhamme, 2008). Ortony, Clore, and Foss (1987) emphasize that surprise is more a cognitive state than a purely affective one due to its affectively neutral character. Recently, psychologists introduced the terms “knowledge emotion” and “epistemology-based emotion” to further explain emotions that are associated more with thinking and comprehension (Keltner & Shiota, 2003; Silvia, 2009). Knowledge emotions such as interest, confusion, and surprise share their metacognitive nature with functions that motivate thinking and learning and relate to the growth of knowledge (Silvia, 2009). As noted earlier, according to appraisal theory, any given emotion has a cause (i.e., appraisal theory) and cognitive content
Therefore, the cognitive nature of the knowledge emotions supports the idea that surprise, too, is properly considered to be an emotion.

**Components of Surprise**

The principal components of surprise experiences are the individual’s mental awareness of surprise and the resulting behavioral feedback. Regarding principal theories of other emotions (Reisenzein, 2000a), many psychologists explain syndromes of surprise by combining the cognitive and behavioral aspects of surprise; cognition of unexpectedness (e.g., Ortony et al., 1988), a subjective feeling of surprise which is distinctive from other emotions (Reisenzein, 2000b); feedback from physiological or facial changes (e.g., Izard, 1977), and some behavioral reactions, such as interruption of ongoing activities (e.g., Meyer & Niepel, 1994). More specifically, an individual must encounter something that he or she perceives to be unexpected (Meyer et al., 1997), then experience a subjective feeling—“it is something surprising” (Nagel, 1974)—with some physiological or muscular changes. In particular, the surprised person’s facial expression may change (Izard, 1977) and show distinctive behavioral consequences such as a delayed response (Reisenzein, 2000a) to the incident may occur.

However, social psychologists have no agreed-on classification system or terminology on which to draw in order to explain the components of emotions. For example, in their consideration of reactions to surprise stimuli, Meyer and Niepel (1994) introduced three types of components of surprise: verbal reports about a surprise experience, physiological reactions that include changes in neural activation and cortical responses in the brain’s waveform, and behavioral reactions such as changes in facial expressions and action delay. Vanhamme and Snelders (2001) also draw on the same three components of surprise. Reisenzein (2000a), however, adds a cognitive component to the surprise syndrome, thereby establishing a system with four
categories: cognitive, experiential, expressive, and behavioral. Most recently, Silvia (2009) introduced five components of surprise by separating facial expressions and physiological changes into two different categories: cognitive, subjective feeling, expressive, physiological, and behavioral components. Based on the literature introduced here, this dissertation considers surprise in terms of four categories with the titles of: cognitive, subjective feeling, expressive, and behavioral.

**Cognitive Responses**

Focusing on mental processes elicited by a surprising incident, a cognitive-psychoevolutionary model offers a way to explain the cognitive component of surprise (e.g., Meyer & Neipel, 1994; Meyer et al., 1997). According to this model, the emotion of surprise starts when a person perceives an event as unexpected (Meyer et al., 1997), and this perception causes a discrepancy in his/her schema or knowledge structure (explained in more detail in the next paragraph). The perceived surprise event interrupts the person’s ongoing information processes, causing him/her to investigate the unexpected event and reallocate processing resources. This cognitive process culminates in analysis and evaluation, which are followed by immediate reactions to the event and/or updates of revised schemas (Reisenzein, 2000b).

Schemas are “organized knowledge structures representing concepts such as situations, objects, events, and actions at various levels of abstractness” (Schützwohl, 1998, p.1183). To provide an accurate account of surroundings, schemas must be monitored continuously to establish their compatibility with current available data. Surprise is elicited by unexpected events that by virtue of being unexpected, deviate (schema-discrepancy) from a schema (Meyer & Niepel, 1994). According to Whittlesea and Williams (2001), expectation is the core concept of surprise. And, certainly many empirical studies have shown relationships between unexpectedness and surprise by
manipulating the degree of unexpectedness and using a variety of methods to achieve it (e.g., Reisenzein, 2000b; Schützwohl, 1998; Schützwohl & Reisenzein, 1999; Stiensmeier-Pelster, Martini, & Reisenzein, 1995). All these experiments are based on the assumption that unexpectedness is the cognitive appraisal cause of surprise, and that there is a positive relationship between the degree of unexpectedness and the intensity of the emotion of surprise (Reisenzein, 2000b). Relevant to this discussion, too, is that in consumption contexts, surprise is elicited either by unexpected (vague and not well-defined) or by misexpected (imprecise occurrence of expectation) products or services (Vanhamme & Snelders, 2001).

**Subjective Feelings**

Subjective feeling is a central component of surprise and is most salient to the individual (Reisenzein, 2000b). In experiencing a surprise event, the individual feels that “something” surprising has happened (Nagel, 1974), or he/she feels surprised in a particular way (Reisenzein, 2000b). Some scholars also include verbal reports (Meyer & Niepel, 1994) or spontaneous vocalizations such as “Why” or “Oh” in their assessments of subjective experience levels of surprise (Vanhamme & Snelders, 2001).

**Facial and Physiological Responses**

Facial feedback is generally thought to be a conspicuous component of the emotion of surprise: a surprised person’s facial expressions can involve wide-open eyes and mouth, raised eyebrows, and wrinkles across the forehead (Darwin, 1965; Ekman & Friesen, 1975; Meyer & Niepel, 1994). In addition, some define the three major components of a full facial display of surprise as raised eyebrows, widened eyes, and opened mouth/jaw drop (Reisenzein, Bördgen, Holtbernd, & Matz, 2006). These are
typical facial expressions of the surprised individual that are common to many it not all cultures (Meyer & Niepel, 1994).

However, the relationship between surprise and facial expressions is a controversial topic (Reisenzein, et al., 2006). In fact, recent empirical studies fail to confirm the relationship between surprise and facial feedback (Reisenzein, et al., 2006; Reisenzein & Studtmann, 2007). In Reisenzein et al.’s (2006) study, their subjects did not evince the major 3-component facial display of surprise when subjected to a surprise event. Specifically, this study found that the subjects did not show the 3-component facial display at different levels of intensity, sociality, and duration of the given surprise. Reisenzein’s later study with Studtmann (2007) also indicates weak statistical reliability for facial expressions. The authors account for this finding by pointing to the neutral character of surprise as a possible reason for the weak relevance of facial display; that is, facial feedback might only take place with a hedonic or valence mechanism (Reisenzein & Studtmann, 2007).

Other researchers have noted physiological reactions associated with surprise, including changes in heart and respirational rates, increases in skin conductivity and in neural activation, and different cortical response wave patterns in the brain (Meyer & Niepel, 2004).

Behavioral Responses

The interruption of ongoing activities and the action delay due to a surprise event are the behavioral responses most agreed upon for emotion of surprise (Tomkins, 1962; Meyer & Niepel, 1994; Reisenzein, 2001). When a person is surprised, he/she probably experiences some disruption in ongoing activities, which leads, in turn, to a delay in his/her current action. Additionally, surprise may make people focus on the
surprise event in a sudden and involuntary way, and it may heighten consciousness of
the incident (Meyer & Niepel, 1994; Vanhamme & Snelders, 2001).

**Functions of Surprise**

When surprised, people are immediately motivated to attempt to find out the
source or the cause of the surprise (Whittlesea & Williams, 2001). This motivational
function of surprise enables people to manage the surprise event and its consequences
effectively (Izard, 1977; Meyer & Niepel, 1994). Hence, surprise assists individuals in
successfully negotiating environmental transactions by allowing them to predict and
control the environment; that is, the motivational and adaptive function of surprise is
realized through revised schemas and updated knowledge (Schützwohl, 1998). And
schema revisions and knowledge updates are closely related to “cognitive
development.” They serve an important role in learning (Meyer & Niepel, 1994, p.356),
encouraging curiosity and exploration (Charlesworth, 1969; Vanhamme & Snelders,
2001). In addition, the fact that a surprise event might make people focus their
attention on the event may result in better memory retention of the surprise stimulus
(e.g., Meyer et al., 1997).

As a neutral emotion, surprise becomes valenced by the emotions that closely
follow it. Neutral surprise becomes pleasant when a positively valanced emotion (e.g.,
joy) follows, whereas it becomes unpleasant when a negatively valanced emotion (e.g.,
anger) follows. And in many cases, surprise does not become valenced as either a
pleasant or unpleasant—it remains neutral (Ekman and Friesen, 1975; Meyer et al.,
1991; Vanhamme and Snelders, 2003). That surprise, always neutral at first, can remain
so or become either positive or negative, supports the idea that surprise acts as an
amplifier of the emotion that follows it (Westbrook and Oliver, 1991). According to this
idea, a person who has received a positive surprise is more joyful than a person who has
not received such. Similarly, a person who has received a negative surprise will feel worse than one who has not received such (Kim & Mattila, 2010). In this regard, when applied in the consumption setting, customers’ emotions will be stronger when they receive a surprise than when they do not. And, if this is indeed the case, a customer who has received a surprise is likely to rate a given product or service more highly than one who has not received a surprise. In addition, for the purposes of this study, a configuration that involves both the objective quality of the product or service, the receipt or nonreceipt of a surprise, and customer expectations built from prior shopping experiences of receiving such must be considered.

**Surprise in Marketing**

The emotion of surprise has been studied in consumption contexts based on its distinctive nature as discussed so far. In particular, consumption contexts have considered surprise in terms of unexpectedness, its major cause, and in terms of its arousing character and role as an amplifier of following emotions—all of which qualify the approach of surprising customers as a marketing strategy. In the retail context, for instance, surprise can be induced by an unanticipated in-store instant coupon. This type of surprise coupon increases sales because customers may feel good that the unexpected coupon has given them extra money to spend, which naturally relates to an intention to spend more (Heilman, Nakamoto, & Rao, 2002).

Gift giving is also closely related to eliciting surprise (Ruffle, 1999; Vanhamme & de Bont, 2008). People assume that they can surprise gift receivers by offering an unexpected gift. Such a gift may be especially valued by the recipient, whose pleasure in receiving it is amplified by its very unexpectedness (Areni, Kiecker, & Palan, 1998; Vanhamme & de Bont, 2008). Gift as a surprise enhances the recipient’s pleasure, and it is found that providing a gift without a particular occasion (birthdays or anniversaries)
can bring additional surprise (Areni et al., 1998; Belk, 1996; Vanhamme & de Bont, 2008). Major studies about the emotion of surprise in marketing are mostly related to the concepts of satisfaction and delight. Surprise has been tested as a strategy for achieving customer satisfaction or delight, with positive results. The next section provides a review of the literature that explores these concepts.

**Customer Delight**

**Customer Delight with Two Conceptualizations**

A recent study of Vanhamme (2008) presents two conceptualizations of delight: delight as surprise and joy, and delight-as-extreme-satisfaction. Delight as surprise and joy views delight as mainly an emotional response. As early as 1980, through his “psychoevolutionary theory of emotion” model, Plutchik (1980, 2002) suggested that delight is a function and a combination of two emotions: surprise and joy. Other psychologists identify delight as a high-arousal positive (pleasure) emotion (e.g., Russell, 1980; Watson & Tellegen, 1985). Verma (2003) states that in the consumption context, the mix of joy (a positive emotion) and surprise (a neutral emotion without valence) creates a feeling of delight (an arousal positive emotion), and this explains why delight will not accrue if surprise and joy are not both present. Therefore, in this conceptualization, surprise, as a means of arousal, is a necessary condition of delight.

The conceptualization of delight-as-extreme-satisfaction (Vanhamme, 2008) originates from the concept of satisfaction, a psychological state that derives from the cognitive and affective aspects inhering in consumption processes (Oliver, 1997; Price, Arnould, & Deibler, 1995; Vanhamme, 2008). Literature that takes this view does not fundamentally differentiate between satisfaction and delight. Instead, it views delight as
an extreme level of satisfaction—the highest level of satisfaction. According to this view, surprise is not a necessary ingredient of delight, but just one possible antecedent among others (Vanhamme, 2008).

This dissertation supports the first view, according to which surprise (arousal) is a necessary component for delight. This view considers surprise as a core element of customer delight, such that customers can only be delighted by providing them with experiences that are surprising and joyful.

The Role of Surprise in Delighting Customers

It has been argued that the transition from merely satisfying customers to delighting them has become a strategic objective in consumption experiences (St-James & Taylor, 2004; Vanhamme, 2008). As Plutchik (1980, 2002) explains, the delight emotion combines surprise and joy; therefore, a positive (pleasant) surprise in the consumer context is considered the necessary condition for, and is most often associated with, obtaining customer delight (Berman, 2005; Finn, 2005; Oliver, Rust & Varki, 1997; Rust & Oliver, 2000; Vanhamme, 2008). Based on the discussions of the concepts with surprise and delight, the following hypotheses are proposed:

Hypothesis 1. Customers provided with a pleasant surprise event in a service setting will be more delighted than customers who are not provided with the event.
Explanations

The majority of studies about explanations are concentrated in the organizations literature (e.g., Conlon & Murray, 1996; Crant & Bateman, 1993; Elsbach, 1994; Shapiro, Buttner, & Berry, 1994). Studies of explanation applied in consumer-related fields are relatively scant (Huang & Lin, 2005). Overall, studies of explanations show that an explanation might influence reactions to a certain event, by for example supporting perceptions of fairness in regard to it (Baron, 1990; Huang & Lin, 2005). In the organizational behavior context, explanation is found to be relevant to employee satisfaction and commitment (Bies, 1987; Huang & Lin, 2005). It should also be noted that in the consumer context, providing reasonable explanations might have positive effects on customer perceptions in regard to perceived justice, satisfaction, and loyalty (Bitner, Booms, & Tetreault, 1990; Mattila, 2006). For instance, customers may not automatically feel positive when they receive pleasant services for free; they might even wonder why they are receiving free offers (Whittlesea & Williams, 2001), even if the offers appear to offer them benefits. In particular, when free offers are provided in an unexpected way as a surprise, customers will be instantly motivated to look for the reason or the cause of the surprise as discussed. Providing explanations for certain services, therefore, may help customers understand the situation better such that their feelings in regard to the service provide become positive or more positive. Moreover, explanations can be used simply and cost-effectively for enhancing perceptions of fairness (Greenberg, 1990; Huang & Lin, 2005; Mattila, 2006), although explanations should be provided with care so that they maintain a sense of credibility and sincerity (Conlon & Murray, 1996; Shapiro et al., 1994). Therefore:
Hypothesis 2. When an explanation is provided for the pleasant surprise event, the customers’ delight level will be higher than when an explanation is absent.

Although the effect of an explanation on delight when the surprise event is provided is assumed, the effect of an explanation on delight when there is no-surprise event is not assumed. This is because providing an explanation for the absence of a surprise event would not be more influential than providing an explanation for the presence of a surprise event. Hence:

Hypothesis 2a. The effect of providing an explanation on delight will be stronger for the surprise condition than for the no-surprise condition.

Expectations

Expectations in a consumption experience are pretrial beliefs or anticipations about a product (Olson & Dover, 1979) based on one’s own prior experiences, external information, and/or present circumstances (Oliver, 1997). They provide the standards whereby a person can compare a current experience with previous ones and so evaluate the level of quality of and hence his/her satisfaction with the current experience of the product or the service (Cardozo, 1965; Zeithaml, Berry, & Parasuraman, 1993). Furthermore, expectations often supply customers with predictions they will receive in a specific future consumption experience (Woodruff, Cadotte, & Jenkins, 1983). Oliver emphasizes the importance of expectations by stating that “the expectation, not the need, is what consumers bring to the purchase” (Oliver, 1997; p.68). Accordingly, if a company manages customers’ expectations effectively, it might by such means enhance
the predictability of its customers’ behavior in regard to brand choice (Kalwani, Yim, Rinne, & Sugita, 1990; Yi & La, 2004). In services marketing, expectations are an integral aspect of evaluating service quality (Ojasalo, 2001). Many agree that customers perceive service quality based on their judgment of how closely their actual experiences match their expectations of the service (Grönroos, 1982; Parasuraman, Zeithaml, & Berry, 1988). Due to characteristics such as intangibility, inseparability, heterogeneity, and perishability, though, it is particularly challenging and important to manage expectations for services products (Zeithaml, et al., 1993; Yi & La, 2004). Additionally, because of these characteristics, expectations of service quality differ from expectations of product quality (Coye, 2004). Expectations of services accrue in a holistic way—the entire event and all its components, including actors, actions, their order (sequence), and settings, all contribute to these perspectives (Schank & Abelson, 1977; Smith & Houston, 1983).

**Sources of Expectations**

On the whole, expectations in consumption experiences come from two sources: internal and external (Oliver, 1997). Internal sources are mainly based on the individual’s past experiences (Oliver, 1997; Zeithamal, et al., 1993). Past experiences include not only the service providers with which the customer has had experiences, but also those service providers’ competitors across the business sectors (Woodruff et al., 1983; Robledo, 2001). Internal sources come from a person’s retrieval mechanism based on memory, and they depend upon the ease and vividness of recall (Oliver, 1997). External sources can come from various channels. First, the companies’ promotional mix including advertisements and sales statements comprise a major part of external sources of customer expectations (Oliver, 1997; Robledo, 2001; Teboul, 1991). Third-party information (Oliver, 1997) or formal recommendation (Robledo, 2001) is another
external source that forms customer expectations for a certain company. Word of mouth, which means an informal communication among customers, is indicated as the most influential source of external expectations (Grönroos, 1990; Oliver, 1997; Robledo, 2001; Teboul, 1991). In addition, customers may also build expectations based on product cues, such as price, scarcity, corporate image, and brand name (Grönroos, 1984; Oliver, 1997; Robledo, 2001). However, Zeithaml et al., (1993) point to a consumer’s personal needs and the relative importance of a given product/service to a given consumer as other key sources of customer expectations.

**Conceptualizations of Expectations**

The majority of conceptual studies to date agree that customer expectations can be categorized as either predictive expectation or desired expectation (Boulding, Kalra, Staelin, & Zeithaml, 1993; Coye, 2004; Yi & La, 2004).

Predictive expectation is based on Oliver’s (1980) expectation–disconfirmation paradigm. It is conceptualized as a consumer’s beliefs about what will happen or is likely to happen (Oliver, 1980; Yi & La, 2004; Boulding et al., 1993) and what is tolerable (Zeithaml et al., 1993) as the consequences of an event (Oliver, 1980; Yi & La, 2004; Boulding, et al., 1993). Predictive expectation is also called “will” expectation.

Desired expectation, based on the gap-based service-quality model (Parasuraman et al., 1988), views expectation as inhering in what customers really want, hope for (Zeithaml, et al., 1993), and should be offered given the best situations (Boulding, et al., 1993). Desired expectation is normative (Prakash, 1984); therefore, it is also referred to as “should” expectation. However, Boulding et al. (1993) have pointed out a problem in terminology. They argue that “should” has different connotations from that the term “want,” which is prevalent in the service-quality literature (Zeithaml et al, 1993). They argue that what customers desire or want in service encounters does not
necessarily accord with what they think should happen. Changes in customers’ should expectation are possibly made by what a company or its competitors actually provide and tell the customers to expect. Ideal expectation, in contrast, represents what customers ideally want regardless of whether it is reasonable or feasible (Boulding, et al., 1993). Therefore, though two conceptualizations of customer expectations are generally accepted, a further distinction is required: the “want” expectation should be distinguished from the “should” expectation. However, this study focuses on expectations of a specific pleasant surprise event, not customers’ overall expectations of a service establishment or an industry.

**Expectations and Explanations**

Customer expectations not only come from cumulative previous experiences, but also from various sources such as marketing communications (Johnson, Anderson, & Fornell, 1995; Yi & La, 2004). In the process of building customer expectations, a service organization must ensure that its customers build realistic expectations about what the organization can offer (Coye, 2004). Particularly, for an event that is either surprising (joyful) or surprising (negative), people tend to search for an explanation (Weiner, 2000). *Merriam-Webster’s Dictionary* (2009) provides the definition of “explain” as “making things plain or understandable” or “giving the reason for or a cause of something”. This definition indicates that providing an explanation for a given situation helps people to understand the situation better and so accept it by letting them know the reason for or the cause of what they have encountered. Hence, by providing explanations, an organization can help establish and maintain realistic positive expectations on the part of its customers.

Surprise events are not regular practices; most should be selectively given to specific customers and/or made available only in specific situations. That is, the careful
selection of when and to whom to provide a surprise event helps ensure that such events remain surprising. Organizations use surprise strategies to differentiate themselves from and, therefore, obtain a competitive advantage over other organizations in the marketplace. However, managers would do well to consider that providing surprising events might increase expectations too much, such that if on their next visit customers are not selected for a similar event, this may negatively impact (e.g., disappoint them) their experience and even their view of the organization. As discussed, providing an explanation for any given surprise event as it is being offered may help customers understand what the event is about and why they have been selected to take part in it. This explanation will help to reduce undesirable expectations on the part of customers. Therefore,

**Hypothesis 3.** Providing an explanation for the given pleasant surprise event will lower the level of customers’ overall expectations in regard to receiving similar types of surprise events in the future.

More specifically, regarding the three levels of customer expectations—“should,” “will,” and “want” (ideal)—an explanation for a given surprise will affect the “should” expectation more than it will affect the “will” and “want” expectations (Boulding et al., 1993). That is, the “should” expectation is more likely to change than are the “will” and “want” expectations. Customers might expect something to happen based on the ways in which a new experience differs from previous ones. Of the three levels of expectations, the “want” expectation has been found to be the most stable expectation over time. This is because it expresses customers’ enduring needs and wants (Boulding et al., 1993). Although there are explanations provided that the provided surprise event was for a special occasion, therefore happens rarely, customers
might still wants that event would happen next time when they visit again. In other words, customers may still hope to experience the same or a similar surprise event when they use the service in the future. Also, although perceived probability will be lower with than without provided explanations, customers still might think that a similar surprise event can (will) occur. However, when provided with explanations for a surprise event, customers might understand that the event is not a regular practice; therefore, they would not likely think that the event “should” happen for their next visit. This indicates that customers’ “should” expectation will not be negatively affected by the lack of a similar event. Therefore,

**Hypothesis 3a.** An explanation for the pleasant surprise event will have a more significant effect on the “should” expectation than on the “will” or “want” expectations.

**Expectations and Customer Satisfaction**

Expectations provide customers with important reference points for evaluating service performance, and these reference points are dynamically updated as new information is acquired and new services are experienced (Rust, Inman, Jia, & Jahorik, 1999; Yen, Gwinner, & Su, 2004). Customers learn from experiences in service encounters, and learning processes update existing beliefs (Hoch & Deighton, 1989; Yi & La, 2004). Hence, because of their cumulative nature, customer expectations must continue to be accounted for in adjustment processes (Fornell, Johnston, Anderson, Cha, & Bryant, 1996). Yi and La (2004) indicate that expectations updated from previous experiences with newly acquired information are “adjusted expectations” (p.354). Adjusted expectations play a role in determining the extent of customer satisfaction and their purchase behaviors in the next consumption period (Yi & La, 2004). Considering the dynamic and changing characteristics of expectations, service organizations need to put
consistent effort into maintaining desirable levels of customer expectations. Accordingly, if a service provider does not provide consistent services, it will negatively influence the customer satisfaction.

Customer satisfaction is one of the most studied concepts in consumer literature due to its importance in the post-purchase phase (Westbrook & Oliver, 1991). Positioned at the very core of marketing concepts and practices (Churchill & Surprenant, 1982), satisfaction is recognized as a crucial determinant of long-term customer behaviors such as loyalty, customers’ attitude, and repeat purchase intentions for a certain brand (Bearden & Teel, 1983; Oliver, 1980, 1997; Ryu, Han, & Kim, 2008; Yi, 1990).

Numerous studies show that customer satisfaction judgments are determined by both cognitive and affective perspectives (e.g., Liljander & Strandvik, 1997; Mattila & Wirtz, 2000). Oliver (1997, p. 13) defines satisfaction as consumer fulfillment feedback based on the consumer’s judgment of whether a product or service performance is or is not pleasurable. Many satisfaction researchers have adopted Oliver’s expectation–disconfirmation paradigm (Churchill & Suprenant, 1982; Oh, 1999; Oliver, 1980, 1997). According to this cognitive framework, customers judge their satisfaction level by comparing their perceptions of the performance of products and services with their existing pre-consumption standards (Mattila & Wirtz, 2000). The expectation–disconfirmation paradigm explains that consumers perceive disconfirmation in a positive way (i.e., satisfied) when desirable events of low probability occur and undesirable events of high probability do not occur (Oliver, 1997, p. 104). Despite its weakness in terms of its conceptual robustness and measurements (Martin et al., 2008), the disconfirmation paradigm framework has been applied frequently because it offers strong practical and psychometrical values (Danaher & Haddrell, 1996; Martin et al., 2008). Recently, the affective element of satisfaction has been emphasized as an
important aspect along with the cognitive element (Grönroos, 2001). Therefore, researchers in the field generally agree that both cognitive and affective aspects of customer satisfaction must be considered if reliable predictions of customer responses are to be obtained (e.g., Barsky & Nash, 2003; Yu & Dean, 2001).

As discussed, providing a pleasant surprise event as a marketing strategy certainly will raise customers’ expectations. If customers who have updated expectations due to a pleasant surprise event are not invited to participate in a similar event on their next visit, their satisfaction level will be lower. Therefore,

**Hypothesis 4.** Customers’ overall expectations based on a previous pleasant surprise experience will be negatively related to satisfaction.
The hypotheses are proposed in this dissertation are summarized as below:

**Hypothesis 1.** Customers provided with a pleasant surprise event in a service setting will be more delighted than customers who are not provided with the event.

**Hypothesis 2.** When an explanation is provided for the pleasant surprise event, the customers’ delight level will be higher than when an explanation is absent.

**Hypothesis 2a.** The effect of providing an explanation on delight will be stronger for the surprise condition than for the no-surprise condition.

**Hypothesis 3.** Providing an explanation for the given pleasant surprise event will lower the level of customers’ overall expectations in regard to receiving similar types of surprise events in the future.
**Hypothesis 3a.** An explanation for the pleasant surprise event will have a more significant effect on the “should” expectation than on the “will” or “want” expectations.

**Hypothesis 4.** Customers’ overall expectations based on a previous pleasant surprise experience will be negatively related to satisfaction.

In the following chapter, research methodology to empirically test these hypotheses is proposed.
Overview of Method and Design

This dissertation tests the effectiveness of a surprise strategy in enhancing customer delight and examines the role of explanations for the provided surprise strategy in minimizing possible customer expectations in regard to surprise experiences during future visits. This chapter includes the methodology and results of the pilot study. The main test used in this study was conducted in two contexts in order to establish the effectiveness of implementing surprise strategies in different service contexts. The purpose of the pilot study was to establish whether the manipulated surprise event would manifest a similar magnitude across the two selected service contexts. In addition, the pilot test examined the credibility of the scenarios and the ease with which the experiment instruments could be used.

Pilot Study

Overview

One of the goals of this dissertation is to test the effectiveness of surprise in achieving customer delight. To test the effectiveness of surprise strategies in different service contexts, the study was replicated and tested in two different service contexts: hedonic and utilitarian.

Consumer products, including both goods and services, generally combine both hedonic and utilitarian values (Chen, Kalra, & Sun, 2009; Dhar and Wertenbroch 2000;
Okada 2005). Utilitarian goods and services focus on providing functional and instrumental benefits, whereas hedonic ones focus on providing experiential benefits such as excitement, fun, and pleasure (Bigne, Mattila, & Andreu, 2008; Chen, Kalra, & Sun, 2009; Chitturi, Raghunathan, & Mahajan, 2008). Therefore, the emotional responses from the consumption of hedonic and utilitarian goods and services are qualitatively different (Chitturi, et al., 2008). Previous research indicates that this difference in emotional response may lead to significant differences in customer delight and behavioral intentions (Chitturi, et al., 2008). Evaluations of products and services characterized chiefly by utilitarian attributes derive mainly from functional and instrumental satisfaction (Mano & Oliver, 1993; Vanhamme, 2008), whereas evaluations of goods and services characterized chiefly by hedonic values derive mainly from consumers’ emotional responses (Yeung & Wyer, 2004).

Surprise strategies can be applied in both hedonic and utilitarian services. However, due to the nature of surprise as an emotion and especially due to its characteristic of arousal, surprise strategies may be more effective in providing positive emotions in hedonic services (Bigne, Mattila, & Andreu, 2008; Babin & Attaway, 2000; Chebat & Michon, 2003; Wakefield & Baker, 1998). This study, therefore, compares the effectiveness of surprise strategies applied to different service settings. And, to provide richer implications to the service industry, the study replicates the study design in two service contexts: hedonic service (restaurant) and utilitarian service (auto service).

The purpose of the pilot study was to balance the magnitude of provided surprise events in two selected service contexts. To compare the effectiveness of surprise strategies for customer delight in different service contexts, it is important to provide a similar magnitude of surprise stimulus in each. In the pilot study, each of the participants was provided with the study instrument with a scenario offering a surprise
event in one of the two separate study contexts. In addition, the pilot study included questions for checking the believability of the study instruments.

Participants

The 57 participants in the pilot study were all undergraduate students who had responded to announcements about the study made in hospitality management classes at the Pennsylvania State University. No further selection process was used; therefore, all 57 students participated in the study: 29 were assigned to the restaurant context and 28 to the auto service shop context. Of the participants, 59.6% of the participants were female while 40.4% were male. The average age of the participants was 20.63; the age range was 19 to 25.

Procedures

Participants were randomly assigned to one of the two service contexts. They responded to the questions asking the magnitude of the emotion of surprise they experienced after reading provided scenarios that contain the surprise event for each context. The content of the scenarios is presented in Appendix A. They also responded to the questions regarding believability of the scenarios.

Measures

The Emotion of Surprise to the Stimuli

A free dessert offer in the restaurant context and a free carwash offer in the auto service were introduced as manipulation stimuli for a surprise strategy in each context. The three items of the emotion of surprise from Izard’s DES-II scale (1977) were measured on a seven-point scale for each service context: “I am surprised by the free dessert/ deluxe carwash offer”, “I am astonished by the free dessert/ deluxe carwash
offer”, and “I am amazed by the free dessert/ deluxe carwash offer” (1 = strongly disagree, 4 = neutral, 7 = strongly agree).

Believability of the Scenarios

Two items were included to serve as manipulation checks for the believability of the scenarios in each context. The two items were “How realistic are the scenarios?” (1 = not realistic at all, 7 = very realistic) and “How easy is it for you to imagine yourself in the scenarios?” (1 = very difficult, 7 = very easy).

Results

Manipulation Checks for Magnitude of Surprise Stimuli

The surprise measurement was formed by averaging the ratings of the three surprise response items (Izard, 1977) for each context (restaurant: α = .82, auto service: α = .6). An independent t-test of the surprise response in the two contexts was performed to examine whether the magnitudes of each surprise event were manipulated in a similar way. The means and standard errors of surprise ratings are presented in Table 3.1. The results of the independent t-test show that surprise responses to the stimuli introduced in the restaurant context were significantly higher than those in the auto service (M = 5.6 vs. 4.82; t(55) = 3, p < .05).

<table>
<thead>
<tr>
<th>Dependent measure</th>
<th>Restaurant</th>
<th>Auto service</th>
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<tbody>
<tr>
<td>Surprise Rating</td>
<td>5.6*</td>
<td>4.82*</td>
</tr>
<tr>
<td></td>
<td>(1.00)</td>
<td>(.95)</td>
</tr>
</tbody>
</table>

Notes: * statistically significant at p < .05.
Manipulation Checks for Believability of the Scenarios

For both two contexts, participants indicated that the scenarios were realistic (Restaurant M = 5.24 and Auto service M = 5.07 on a 7-point scale) and were easy to imagine (Restaurant M = 5.55 and Auto service M = 5.36 on a 7-point scale).

Discussion

The pilot study’s major goal was to test the magnitude of surprise stimuli for two study contexts in preparation for the main test. To replicate the study design, it is important to provide a similar magnitude of the surprise stimuli in the study settings, so that the effects of surprise in different settings can be measured and compared accurately. However, the results of the pilot test indicate that the surprise stimuli used in the two contexts have different magnitudes; that is, the impact of the surprise event in the restaurant context is greater. To solve this issue, the previous surprise event applied in the auto service context, “providing free hand wash for inside and outside of the car,” was changed to “Deluxe Carwash Package including quality exterior hand-wash-and-dry car care, wax, and polish” in order to gain a greater effect for the surprise strategy in the main study. The full scenarios for the revised auto service context are presented in Appendix B.
CHAPTER IV

METHODOLOGY OF THE MAIN STUDY

This chapter presents the methodology of the main study for testing hypotheses. The chapter explains the experimental design of the main study with detailed information about the manipulation of the independent variables, measures of the dependent variables, and the control variables.

Overview of Method and Design

The main study of this dissertation examines the effect of a surprise strategy in obtaining higher levels of overall customer satisfaction. The effect of providing explanations for the surprise event as a means of avoiding inflated future expectations was also tested. To that end, a surprise situation with an explanation option was experimentally manipulated. Customer delight, expectations, and satisfaction were measured based on the given surprising experience options. Hypotheses were tested in two service contexts, a restaurant and an auto service shop, in order to represent hedonic and utilitarian service types.

Methodology of the Main Study

Experimental Design and Instrument

The main study adopted a replicated 2 X 2 between-subjects full factorial design, manipulating the surprise event option (a service experience with a surprise event vs.
one without a surprise event) and the explanations option for the surprise event (explanation vs. no-explanation). To test the effectiveness of surprise strategies in different service contexts, the experiment was replicated across the two service contexts: restaurant and auto service. Participants were randomly assigned to the eight experimental conditions.

The experiment instruments of this study involved scenarios likely to occur during ordinary consumption experiences in a restaurant and an auto service shop, respectively. In both contexts, the first part of the scenario introduced a consumption experience either with or without a surprise event. Different from no-surprise conditions, surprise conditions included a free dessert offer in the restaurant context and a free deluxe carwash offer in the auto service shop context (see Appendix C). The free dessert offer was provided instantly while the free deluxe carwash offer was provided as a coupon that a customer can redeem anytime when he/she returns. In the surprise–explanation condition of both contexts, the server/agent provided an explanation for the given surprise. The explanation included the reason the customer (the participant) had received the free dessert or deluxe carwash, emphasizing that only a limited number of customers were eligible for this special treatment. In the non-surprise condition of both contexts, the explanation option is also provided. That is for the non-surprise and explanation condition, the explanation noted that the free dessert or deluxe car wash offer would be available to customers in the next visit.

The experiment instrument consisted of two time phases: the first visit to the restaurant/auto service shop with a surprise event condition, and the second visit to the restaurant/auto service shop with the no-surprise event condition. With this experimental design of two time phases, customer satisfaction was measured as well as the effectiveness of proving explanations for the surprise event through that satisfaction level. The experiment instruments were composed of six sections. Each started with a
scenario that included the surprise and explanation options. Then manipulation checks of the surprise event and explanations including a reality and sincerity check were given. The measurement of delight as well as the measurement of expectation was provided.

Next, the second scenario which lacked a surprise event, identical across all the conditions, was provided followed by satisfaction and behavioral measurements. Lastly, the participants were asked demographic questions.

**Participants**

Through technology services at Penn State, 2,000 faculty and staff members at the university were randomly selected to receive an invitation to participate through the campus mail in this study. All potential participants received a package including a cover letter, informed consent form, and a study instrument. The cover letter stated that 5 participants would be selected and would receive compensation in the form of 25 dollars' worth of restaurant certificates. In total, 435 (21.75%) participated in the study by returning the experiment instrument. Of these, 391 were selected for the analysis after outliers for major variables and incomplete answers (missing answers for more than 30% of the questions had been removed). Among 391, 251 were females (64.2%), and the participants were between the ages of 21 and 72 (M= 45.01, SD = 11.16). Table 4.1 summarizes the demographic characteristics of the participants. The number of observation per experimental condition is presented in Table 4.2.
### Table 4.1
Demographic Characteristics of the Two Service Contexts

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Restaurant</th>
<th>Auto Service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>139 (68.8%)</td>
<td>112 (59.3%)</td>
<td>251 (64.2%)</td>
</tr>
<tr>
<td>Male</td>
<td>63 (31.2%)</td>
<td>77 (40.7%)</td>
<td>140 (35.8%)</td>
</tr>
<tr>
<td><strong>Age (average)</strong></td>
<td>45.34 yrs</td>
<td>44.64 yrs</td>
<td>45.01 yrs</td>
</tr>
<tr>
<td><strong>Ethnicity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caucasian</td>
<td>190 (94.1%)</td>
<td>175 (92.6%)</td>
<td>365 (93.4%)</td>
</tr>
<tr>
<td>African American</td>
<td>4 (2%)</td>
<td>5 (2.6%)</td>
<td>9 (2.3%)</td>
</tr>
<tr>
<td>Asian</td>
<td>5 (2.5%)</td>
<td>3 (1.6%)</td>
<td>8 (2%)</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1 (0.5%)</td>
<td>2 (1.1%)</td>
<td>3 (0.8%)</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>19 (9.4%)</td>
<td>15 (7.9%)</td>
<td>34 (8.7%)</td>
</tr>
<tr>
<td>College Credit (no earned degree)</td>
<td>26 (12.9%)</td>
<td>21 (11.1%)</td>
<td>47 (12%)</td>
</tr>
<tr>
<td>College degree</td>
<td>71 (35.1%)</td>
<td>69 (36.5%)</td>
<td>140 (35.8%)</td>
</tr>
<tr>
<td>Graduate school</td>
<td>85 (42.1%)</td>
<td>81 (42.9%)</td>
<td>166 (42.5%)</td>
</tr>
<tr>
<td><strong>Household Income ($)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 10,000</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>10,000-20,000</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>21,000-35,000</td>
<td>16 (7.9%)</td>
<td>18 (9.5%)</td>
<td>34 (8.7%)</td>
</tr>
<tr>
<td>36,000-50,000</td>
<td>28 (13.9%)</td>
<td>25 (13.2%)</td>
<td>53 (13.6%)</td>
</tr>
<tr>
<td>51,000-75,000</td>
<td>45 (22.3%)</td>
<td>51 (27%)</td>
<td>96 (24.6%)</td>
</tr>
<tr>
<td>76,000-100,000</td>
<td>51 (25.2%)</td>
<td>46 (24.3%)</td>
<td>97 (24.8%)</td>
</tr>
<tr>
<td>More than 100,000</td>
<td>51 (25.2%)</td>
<td>31 (16.4%)</td>
<td>82 (21%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>202</td>
<td>189</td>
<td>391</td>
</tr>
</tbody>
</table>

### Table 4.2
Number of Observation per Condition (Cell)

<table>
<thead>
<tr>
<th>Service Context</th>
<th>Surprise</th>
<th>No-Surprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
<td>Explanation</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>No-Explanation</td>
<td>49</td>
</tr>
<tr>
<td>Auto Service</td>
<td>Explanation</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>No-explanation</td>
<td>42</td>
</tr>
</tbody>
</table>
Procedures

The survey instrument with the cover letter and informed consent form were distributed in sealed envelopes directly to the addresses of recruited staff and faculty members through campus mail (a copy of the informed consent form is provided in Appendix D). Those who agreed to participate in the study were asked to return the instrument to the researcher through campus mail.

Participants were instructed to imagine themselves in the service encounter described in the provided scenarios and to answer the set of accompanying questions. Participants were randomly assigned to one of the eight between-subjects conditions with different surprise events and explanation conditions. Eight scenarios are listed in Appendix C. Approximately fifteen minutes were expected to complete to participate.

Independent Variables

Manipulation of the Emotion of Surprise

The emotion of surprise aroused from the scenario given was measured by three items, “I am surprised with the free dessert offer/Deluxe carwash”, “I am astonished with the free dessert/Deluxe carwash offer”, and “I am amazed by the free dessert/Deluxe carwash offer” (Izard, 1977). These questions were answered on a 7-point bipolar scale anchored at 1 = strongly disagree, and 7 = strongly agree. The Cronbach’s Alpha for the three surprise items was 0.75 for the restaurant context, 0.72 for the auto service context.

Manipulation of Explanation for the Given Surprise

To check the manipulation of the explanation for the explanation conditions, one question was provided; “The server/agent explained why I received the free dessert/Deluxe carwash”. Also, sincerity of the explanation was checked with the question, “I
think the explanation about the free dessert/Deluxe carwash from the server/agent was sincere”. Both were measured with a 7-point bipolar scale (1= strongly disagree, 7 = strongly agree).

**Dependent Variables**

**Delight**

Delight is the emotion expected to be achieved from a positive surprise (or a type of arousal) (Oliver et al., 1997; Pluchik, 2007). After the surprise level from the given surprise event in the scenarios had been measured, the emotion of delight was measured using Finn’s 3 items (i.e., elated, delighted, gleeful) with a 7-point bipolar scale (1=wouldn’t feel like this much at all, 7 = would feel like this very much). Delight measurement provided across all surprise conditions (with or without the surprise event) to compare the level of delight across the surprise conditions. Delight was measured twice—immediately after the surprise event was offered and immediately after the explanation of the surprise event had been provided. This was necessary to test whether providing an explanation enhances the delight level. The Cronbach’s Alpha for the Delight1 measure was 0.78 for the restaurant context, and 0.69 for the auto service context. And the Cronbach’s Alpha for the Delight2 measure was 0.81 and 0.75 for the two contexts respectively.

**Satisfaction**

Overall customer satisfaction with the dining/auto service experience—including the surprise event—was measured. The experiment design has two parts with two different times of consumption experiences: a customer visits a service establishment for the first time with the option of a surprise event, and the customer visits the service establishment later but without the surprise event. Customer satisfaction was measured after the second
visit, so that the instrument could measure participants’ overall satisfaction with the entire experience in the given service establishment.

The customer satisfaction measurement was adopted from Oliver and Swan’s (1989) semantic differential 6 items with 7-point bipolar scale (α= .93). Those six items are: “displeased/ pleased, disgusted/ contended, dissatisfied/ satisfied, did a poor job/ did a good job, poor choice/ wise choice, unhappy/ happy”. And they were measured in 7-point bipolar scale (1= strongly disagree, 7 = strongly agree). According to Wirtz and Lee’s study (2003), this semantic differential scale performs best across service contexts with the highest loading on satisfaction, item reliability, and lowest error for variances. The Cronbach’s Alpha for the surprise measure was 0.97 for the restaurant context and 0.96 for the auto service context.

**Expectations**

Three types of expectations (will, should, & desired) towards the possibility of experienced surprise event occurring in the future were measured by asking participants questions that are “I will receive a free dessert/ Deluxe carwash again when I come back to this restaurant/ auto service shop”, “I should receive a free dessert/ Deluxe carwash again when I come back to this restaurant/ auto service shop” and “I want to receive a free dessert/ Deluxe carwash again when I come back to this restaurant/ auto service shop” with 7-point bipolar scale (1= strongly disagree, 7 = strongly agree).

**Control Variables**

Oliver et al. (1997) emphasized the importance of considering possible mediation and moderation effects in explaining customer delight. Customer skepticism and previous experience of the same or similar surprise events were used as control
variables. Two service contexts were also examined to determine whether the context has any controlling effect on the study model.

**Customer Skepticism about the Surprise Events**

In consumer psychology, the relationship between customers’ personal traits and their behaviors is well supported (Mooradian & Olver, 1997; Singh, 1990). In addition, several empirical studies have proposed that has a moderating impact of on customers’ behavioral intentions (e.g., Hardesty, Carlson, & Bearden, 2002). Obermiller and Spangenberg (1998) define skepticism in regard to advertisements as a tendency to disbelieve the advertisement’s contents. This dissertation focuses on promotions about which customers might be expected to be skeptical, particularly as such promotions are offering something for free.

Measuring customer skepticism, the scale from the study of Babin, Boles, and Darden (1995) was adopted and measured in 7-point bipolar scale. There are three items: “In general, about the promotions that a service institution provides, I feel skeptical”, “I feel suspicious”, and “I feel distrustful”. The Cronbach’s Alpha for the skepticism measure was 0.91 for the restaurant context and 0.88 for the auto service context.

**Previous Experiences of the Same or a Similar Surprise Event**

Specific customer knowledge of or previous encounter with a certain kind of consumption experience has been identified as a possible factor influencing the relationship between surprise events and the level of felt surprise (Vanhamme & Snelders, 2001). A person experiences the emotion of surprise from unexpected occurrences (e.g., Meyer & Niepel, 1994; Ortony et al., 1988). Thus, a person experiencing a surprise event similar to one previously experienced, would be likely to
have a lower level of felt surprise in regard to the second surprise event. That is, the person’s second experience would be informed by the first experience: he or she would draw on expectations established by the first surprise event. Therefore, previous experiences that are identical or similar to the surprise event introduced in the scenarios of this study may have an impact on the participants’ level of felt surprise in their experiences of the surprise events presented herein.

The main study tests whether the previous experience actually influences the level of felt surprise in the given scenarios. Therefore, the decision to eliminate responses with the same or similar surprise events was made depending on the results.

**Hedonic/Utilitarian Dimensions of Service Products**

This dissertation examines the effect of surprise events in the two contexts: hedonic and utilitarian. Restaurant and auto service are selected to reflect the two dimensions. To confirm this, participants in the two control conditions responded to a hedonic/utilitarian measurement. The nine semantic differentials from Voss, Spangenberg, and Grohmann (2003) were measured on a 7-point scale (i.e., ineffective/effective, unhelpful/helpful, not functional/functional, unnecessary/necessary, impractical/practical, not fun/fun, dull/exciting, not delightful/delightful, and not thrilling/thrilling). Five items (effective, helpful, functional, necessary, and practical) were utilitarian items with the Cronbach’s Alpha of 0.82 for the restaurant context and 0.90 for the auto service context. And the rest four items were hedonic items with the Cronbach’s Alpha of 0.83 and 0.94 for the two contexts respectively.

**Believability (Reality and Easiness of the Scenarios) Check**

“How realistic are the scenarios?” with a 7-point bipolar scale (1 = not realistic at all, 7 = very realistic) and “How easy is it for you to imagine yourself in the scenarios?” with a 7-
point bipolar scale (1 = very difficult, 7 = very easy) were measured to test the believability of the study instruments.

The participants were asked to indicate how often which they patronized restaurants and auto service shops. In addition, the participants’ were asked to provide demographic information including gender, age, ethnic background, education, and income level, as these aspects might be important to the analysis.

Summary

This chapter presented the information of the methodology of the main study. The study design and the experimental stimuli were introduced. Measurements of the independent, the dependent, and the control variables were also presented. The results of the statistical analyses of the main study are reported in Chapter 5.
CHAPTER V
RESULTS OF THE MAIN STUDY

OVERVIEW

This chapter presents the results of the statistical analyses with data from the main test. The impact of the suggested control variables which was tested before the hypotheses were tested is discussed. And the results of the manipulation checks and hypothesis testing are presented.

The Impact of Control Variables

Previous Experience of the Surprise Event

As discussed, a person who has experienced a certain surprise event and is able to recall it vividly thereby draws on an experience that can influence the level of the emotion of surprise the person experiences in relation to a current surprise event. To avoid this possibility, the study instrument asked the participants to indicate whether they had already experienced an event similar to or the same as the provided surprise event in the study instrument. The valid data (data in conditions with the surprise event or the surprise introduction, and excluding missing data) comprised 284 responses. Of these, 235 (82.7%) responded that they hadn’t experienced a surprise even that was the same as or a similar to the one in the scenario, while 59 (restaurant: 45) indicated that they had experienced such an event. However, the results from the independent $t$-test show that there was no significant difference ($t(187) = .12, p > .05$) in the level of the emotion of surprise between the group with the previous surprise experience ($M = 5.97$)
and the group without the experience (M = 5.95). There was also no difference when the results for each context were analyzed separately (restaurant: $M_{\text{surprise experience}} = 6.02$, $M_{\text{no-surprise experience}} = 6.09$, $t(101) = -0.37$, $p > .05$ / auto service: $M_{\text{surprise experience}} = 5.78$, $M_{\text{no-surprise experience}} = 5.81$, $t(84) = -0.12$, $p > .05$). The results indicate that the emotion of surprise was not influenced by previous experience for each context. Therefore, the following hypothesis testing was conducted using all data; the data from participants who had reported experiencing a previous same or similar surprise event were, therefore, included.

**Two Study Contexts: Hedonic and Utilitarian Service Contexts**

Based on the literature (e.g., Chebat & Michon, 2003; Wakefield & Baker, 1998; Yeung & Wyer, 2004), this dissertation assumed that the pleasant surprise would have a different effect in terms of its extent on customer delight according to the different service contexts. And, one of the purposes of this study is to determine which service context is most conducive to successfully using marketing strategies that rely on evoking emotion, in particular those that rely on evoking surprise. The two contexts, restaurant and auto service, were selected as representative of the hedonic and utilitarian contexts. The nine semantic differentials items (Voss et al., 2003) were given to confirm that each service context was described appropriately by the term assigned to it. The five-utilitarian items were averaged as were the four-hedonic items in order to compare the results of the two scenarios, and an independent t-test was conducted for both utilitarian and hedonic dimensions. The results show that the mean of the utilitarian measurement items in the auto service context (M = 5.81) was significantly higher than the mean in the restaurant context (M = 4.96) ($t(368) = -8.97$, $p < .001$). On the other hand, the mean of the hedonic items in the restaurant context was significantly higher (M = 5.4) than the mean in the auto service shop context (M = 3) ($t(378) = 21.5$, $p < .001$).
The results indicate that the restaurant and the auto service shop appropriately present the hedonic and utilitarian contexts, respectively, as expected.

**Skepticism**

Customer skepticism was also measured, and the results indicate that the level of customer skepticism in regard to a surprise event has a different effect on customer delight depending on the context: customer skepticism was significant in the restaurant context, but not significant in the auto service context. Detailed results are presented with hypothesis testing below. In this study, the relevant analyses controlled for customer skepticism by treating it as a covariate.

**Manipulation Checks**

**Manipulation Checks for the Emotion of Surprise**

To check the efficacy of surprise manipulation from the surprise event, three items (surprised, astonished, and amazed) from Izard’s DES-II scale (1977) were used. Successful manipulations of the emotion of surprise were done with 5.16 on a 7-point scale for both contexts (Restaurant: 5.31 and Auto service: 4.98). The difference between the magnitude of surprise in the restaurant and the auto service was detected from the pilot study. To examine if the magnitude of surprise level in the two contexts has been balanced, the independent t-test was conducted with the revised scenario in the auto service. The difference between the level of surprise in the two contexts was not significantly different (t(187) = 1.92, p > .05) which indicates the manipulation of was surprise event is well balanced for the two contexts for the further analyses.
Manipulation Checks for Explanation to the Surprise Event

One question item, “The server/agent explained why I received the free dessert/Deluxe carwash” which directly asks participants if the explanation was given or not for the provided surprise event or the future surprise promotion was provided. Manipulation of explanation in explanation conditions was successful (Both Contexts: $M = 5.99$, Restaurant: $M = 6.38$, Auto service: $M = 5.58$ on a 7-point scale). Also, through the question, “I think the explanation about the free dessert/Deluxe carwash from the server/agent was sincere”, participants expressed that they perceived the provided explanation as quite sincere (Both Contexts: $M = 5.84$, Restaurant: $M = 6.1$, Auto service: $M = 5.58$ on a 7-point scale).

Manipulation Checks for the Believability of the Scenarios

Overall, participants indicated that the scenarios were realistic (Both Contexts: $M = 5.27$, Restaurant: $M = 5.24$, Auto service: $M = 5.3$ on a 7-point scale) and were easy to imagine themselves in the given situation with the scenarios (Both Contexts: $M = 5.71$, Restaurant: $M = 5.73$, Auto service: $M = 5.69$ on a 7-point scale).

Results of Hypotheses Testing

Hypotheses were tested in the two contexts to examine whether and to what extent they were supported in the two different service contexts. The results of the hypotheses in the two contexts were compared and contrasted.
The Effects of the Surprise Event on Customer Delight

Hypotheses 1 and 2 compare the level of customer delight according to the different conditions, whereby surprise events were or were not provided and explanations likewise. Hypothesis 1 tests whether providing a surprise event increases customer delight. An ANOVA test on customer delight was performed with the surprise condition and service context as between-subject factors both to test the effect of the surprise event on delight and to establish any systematic differences between the two service contexts. The homogeneity assumption associated with the ANOVA test, Levene’s test of equality of variance was performed. The insignificant results (F(3,375) = .7 , p > .5) suggested that the assumption of equal variances was successful.

Table 5.1 presents the main effects of surprise and context on delight and the interaction effect between these two factors. The main effect of service context was insignificant (F(1, 375) = 1.136, p > .5, partial η² =.003), however the two-way interaction between surprise and service context was significant (F(1, 375) = 8.63, p < .05, partial η² =.022).The interaction is visualized in Figure 5.1.

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>Sig.</th>
<th>Partial η²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>83.594*</td>
<td>3</td>
<td>27.865</td>
<td>21.788</td>
<td>.000</td>
<td>.148</td>
</tr>
<tr>
<td>Intercept</td>
<td>7633.655</td>
<td>1</td>
<td>7633.655</td>
<td>5968.804</td>
<td>.000</td>
<td>.941</td>
</tr>
<tr>
<td>Surprise</td>
<td>70.586</td>
<td>1</td>
<td>70.586</td>
<td>55.191</td>
<td>.000</td>
<td>.128</td>
</tr>
<tr>
<td>Context</td>
<td>1.453</td>
<td>1</td>
<td>1.453</td>
<td>1.136</td>
<td>.287</td>
<td>.003</td>
</tr>
<tr>
<td>Surprise * Context</td>
<td>11.035</td>
<td>1</td>
<td>11.035</td>
<td>8.628</td>
<td>.004</td>
<td>.022</td>
</tr>
<tr>
<td>Error</td>
<td>479.597</td>
<td>375</td>
<td>1.279</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8248.444</td>
<td>379</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>563.191</td>
<td>378</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. R Squared = .148 (Adjusted R Squared = .142)
To examine the mean difference between means of delight in the two contexts for both surprise condition and no-surprise condition, the independent t-test was performed. While the mean difference of delight from the two contexts was not significantly different in the surprise condition ($M_{\text{restaurant}} = 5.04$ vs. $M_{\text{auto context}} = 4.82$, $t(188) = 1.29, p > .05$), the means of delight were significantly different between restaurant and auto service in no-surprise condition ($M_{\text{restaurant}} = 4.30$ vs. $M_{\text{auto context}} = 3.83$, $t(187) = -2.92, p < .05$). Table 5.2 exhibits the means and standard errors of the dependent variable (Delight1).
Table 5.2
Means and Standard Errors of Delight1

<table>
<thead>
<tr>
<th>Dependent Measure</th>
<th>Surprise</th>
<th>No-Surprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
<td>4.94 (1.16)</td>
<td>4.07 (1.12)*</td>
</tr>
<tr>
<td>Auto Service</td>
<td>4.82 (1.17)</td>
<td>3.83 (1.12)</td>
</tr>
<tr>
<td>Delight</td>
<td>5.04 (1.16)</td>
<td>3.83 (1.12)</td>
</tr>
<tr>
<td></td>
<td>4.30 (1.08)</td>
<td></td>
</tr>
</tbody>
</table>

*Means are significantly different between Surprise and No-Surprise conditions at p < .001
**Significantly different between the two contexts in No-Surprise condition at p < .05

Although the service contexts had slightly different patterns, these results show that providing the surprise event in both contexts increased customer delight, thus supporting H1. The delight level was higher in the auto service context when no surprise event was offered.

The Effects of Explanations for the Surprise Event on Customer Delight

As its most important test, this study examined whether providing an explanation for a surprise event would raise the level of customer delight. To establish whether any systematic differences obtained between the two service contexts, an ANCOVA test on customer delight2 was performed with 2 (surprise vs. no-surprise) X 2 (explanation vs. no-explanation) between-subject factors, with the service context considered as the third factor. Skepticism was included as a covariate in the model. Levene’s test was performed in order to check that the homogeneity assumption was insignificant (F(7,365) = 1.95 , p > .5), suggesting that the equality of error variances was as assumed.

Table 5.3 presents the ANCOVA results. The main effect of surprise (F(1, 364) = 34.02, p < .001, partial η² = .085) and explanation (F(1, 364) = 6.27, p < .05, partial η²
on customer delight were significant; however, the main effect of context was not significant (F (1, 364) = 1.31, p > .05, partial \( \eta^2 = .004 \)). Skepticism, the covariate, was significant (F (1, 364) = 6.23, p < .05, partial \( \eta^2 = .017 \)). The two significant interaction effects were observed as well: the interaction between surprise and explanation was significant (F (1, 364) = 18.11, p < .001, partial \( \eta^2 = .047 \)) as well as the interaction between explanation and context (F (1, 364) = 6.27, p < .05, partial \( \eta^2 = .017 \)). The two interactions are visualized in Figure 5.2 and Figure 5.3.

### Table 5.3

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>Sig.</th>
<th>Partial ( \eta^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>105.782(^a)</td>
<td>8</td>
<td>13.223</td>
<td>10.392</td>
<td>.000</td>
<td>.186</td>
</tr>
<tr>
<td>Intercept</td>
<td>1013.377</td>
<td>1</td>
<td>1013.377</td>
<td>796.427</td>
<td>.000</td>
<td>.686</td>
</tr>
<tr>
<td>Skepticism</td>
<td>7.932</td>
<td>1</td>
<td>7.932</td>
<td>6.234</td>
<td>.013</td>
<td>.017</td>
</tr>
<tr>
<td>Surprise</td>
<td>43.291</td>
<td>1</td>
<td>43.291</td>
<td>34.023</td>
<td>.000</td>
<td>.085</td>
</tr>
<tr>
<td>Explain</td>
<td>7.975</td>
<td>1</td>
<td>7.975</td>
<td>6.268</td>
<td>.013</td>
<td>.017</td>
</tr>
<tr>
<td>Context</td>
<td>1.663</td>
<td>1</td>
<td>1.663</td>
<td>1.307</td>
<td>.254</td>
<td>.004</td>
</tr>
<tr>
<td>Surprise * Explain</td>
<td>23.045</td>
<td>1</td>
<td>23.045</td>
<td>18.111</td>
<td>.000</td>
<td>.047</td>
</tr>
<tr>
<td>Surprise * Context</td>
<td>2.170</td>
<td>1</td>
<td>2.170</td>
<td>1.705</td>
<td>.192</td>
<td>.005</td>
</tr>
<tr>
<td>Explain * Context</td>
<td>7.979</td>
<td>1</td>
<td>7.979</td>
<td>6.271</td>
<td>.013</td>
<td>.017</td>
</tr>
<tr>
<td>Surprise * Explain * Context</td>
<td>1.065</td>
<td>1</td>
<td>1.065</td>
<td>.837</td>
<td>.361</td>
<td>.002</td>
</tr>
<tr>
<td>Error</td>
<td>463.155</td>
<td>364</td>
<td>1.272</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8069.778</td>
<td>373</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>68.937</td>
<td>372</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) R Squared = .186 (Adjusted R Squared = .168)
Figure 5.2
Interaction Effect of Surprise and Explanation on Delight2

Figure 5.3
Interaction Effect of Explanation and Context on Delight2
A series of independent t-tests was conducted to compare the mean of the explanation with that of the no-explanation conditions in the two service contexts and in the two explanation conditions. Table 5.4 presents the means and standard errors of delight2 in the two surprise conditions and the two explanation conditions. The results show that customer delight was higher in the surprise event conditions that included an explanation ($M_{\text{no-explanation}} = 4.39$ vs. $M_{\text{explanation}} = 5.25$, $t(185) = 5.14$, $p < .001$) than it was in the surprise condition without an explanation.

**Table 5.4**

<table>
<thead>
<tr>
<th>Dependent Measure</th>
<th>Surprise Explanation</th>
<th>Surprise No-Explanation</th>
<th>No-Surprise Explanation</th>
<th>No-Surprise No-Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delight</td>
<td>5.25</td>
<td>4.39*</td>
<td>4.03</td>
<td>4.22</td>
</tr>
<tr>
<td></td>
<td>(1.2)</td>
<td>(1.09)</td>
<td>(1.3)</td>
<td>(.95)</td>
</tr>
</tbody>
</table>

*Significantly different between the two explanation conditions at $p < .001$

Table 5.5 presents the means and standard errors of delight2 in the two service contexts and two explanation conditions. The results show that customer delight was higher when provided with an explanation ($M_{\text{no-explanation}} = 4.13$ vs. $M_{\text{explanation}} = 4.80$, $t(190) = 4.02$, $p < .001$) in the restaurant context.

**Table 5.5**

<table>
<thead>
<tr>
<th>Dependent Measure</th>
<th>Restaurant Explanation</th>
<th>Restaurant No-Explanation</th>
<th>Auto Service Explanation</th>
<th>Auto Service No-Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delight</td>
<td>4.80</td>
<td>4.13</td>
<td>4.49</td>
<td>4.49</td>
</tr>
<tr>
<td></td>
<td>(1.39)</td>
<td>(1.02)</td>
<td>(1.37)</td>
<td>(.99)</td>
</tr>
</tbody>
</table>

*Significantly different between the two explanation conditions at $p < .001$
Based on these results, providing explanations significantly enhanced customer delight for the surprise condition \((M_{\text{no-explanation}} = 4.39\) vs. \(M_{\text{explanation}} = 5.25, t(185) = 5.14, p < .001\)). Hence, H2 is supported. However, providing an explanation when the customer had not been offered a surprise did not make any difference to level of customer delight \((M_{\text{no-explanation}} = 4.22\) vs. \(M_{\text{explanation}} = 4.03, t(187) = -.92, p > .05\)). More specifically, the moderating effect of explanation was supported in surprise condition but not in no-surprise condition. Therefore, H2a is supported.

Besides hypotheses testing, the interaction between service context and explanation was observed. The results indicate that in the restaurant context, regardless of whether a surprise event had been offered, the explanation increased customer delight \((M_{\text{no-explanation}} = 4.13\) vs. \(M_{\text{explanation}} = 4.80, t(190) = 4.02, p < .001\)). This was not so in the auto service context, where the explanation did not make any difference at all to customer delight.

In addition, a simple regression was conducted to learn more about the relationship between customer skepticism and delight based on the significant covariate effect of skepticism in the model. The results of the regression indicate that skepticism predicts delight in a negative direction \((R^2 = .032 (1, 184), p < .05)\). Table 5.6 presents the result of the simple regression.

**Table 5.6**
The Results of Regression Analysis: Skepticism on Delight

<table>
<thead>
<tr>
<th>Variable</th>
<th>Delight</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Skepticism</td>
<td>B</td>
<td>SE B</td>
<td>(\beta)</td>
</tr>
<tr>
<td></td>
<td>-.15</td>
<td>.06</td>
<td>-.18*</td>
</tr>
</tbody>
</table>

*\(p < .05\)
The Effects of Explanations on Controlling Customer Expectations

The Effect of Explanations on Overall Expectations

For the surprise event, providing an explanation was expected to control customer expectations in regard to future occurrences of similar events. To compare the levels of expectations from providing different conditions of explanations, an independent t-test between the explanation condition and the no-explanation condition was conducted on overall expectations. As in the previous hypotheses testing, prior to the t-test, an ANOVA test to check if the study context would have any effect was conducted. Different from the insignificant main effect of the study context for testing H1 and H2, the result shows that the study context is significant ($F(1, 181) = 8.24, p < .001$). Also, the interaction between context and explanation was not significant ($F(1, 181) = 0.00, p > .05$). Based on this result, H3 and H3a were tested in the two study contexts separately.

In the restaurant context, the results of the independent t-test show that level of the average expectation from three expectation items was lower when the explanation was given ($M_{\text{explanation}} = 2.84$ vs. $M_{\text{no-explanation}} = 3.34$, $t(94) = -2.84, p < .05$). With the results, H3 which assumed the effect of explanation would lower the expectation level was supported. Like in the restaurant, the level of the average expectation from three expectation items in the auto service context was also significantly lower for the explanation condition as compared to the non-explanation condition ($M_{\text{explanation}} = 3.22$ vs. $M_{\text{no-explanation}} = 3.73$, $t(87) = -2.54, p < .05$). Therefore, H3 was supported for both study contexts.

The Effects of Explanations on Three Types Expectations

In general, the literature argues that there are different types of customer expectations (e.g., Boulding, et al., 1993; Coye, 2004; Zeithaml, Berry, & Parasuraman,
More specifically, the three types of expectations (“should,” “will,” and “want”) were identified and measured in this study. The study assumed that “should” expectations would be more influenced than would “will” and “want” expectations when an explanation was provided. If the service provider explains why the customer (participant) had been invited to participate in the surprise event, the customer would not think that the surprise “should” happen again. However, the customer may still “want” the surprise event to happen again, and may also think that there is a possibility that it “will” happen again.

A series of independent t-test were conducted to compare the levels of different types of expectation depending on the explanation conditions for the restaurant context first. Table 5.7 presents the means and standard errors of different types of expectations in the restaurant context. First, the “should” expectation was significantly different between the explanation condition and the no-expectation condition ($t(96) = -3.24, p > .05$). When an explanation was provided, the “should” expectation was lower ($M = 1.53$) than when an explanation was not provided ($M = 2.22$). The “will” expectation also differed significantly depending on the explanation conditions ($M_{\text{explanation}} = 1.98$ vs. $M_{\text{no-explanation}} = 2.47, t(97) = -2.09, p < .05$). Lastly, the “want” expectation was compared between the two explanation conditions. As expected, the “want” expectation did not differ significantly according whether an explanation had or had not been provided ($M_{\text{explanation}} = 5.02$ vs. $M_{\text{no-explanation}} = 5.1, t(101) = -.26, p > .05$).

This suggests that explanation of the surprise event has little impact on the customers’ “want” expectation, his or her desire to experience the surprise event again. H3a assumed that the presence of an explanation would have a greater effect on the “should” expectation than on the other two expectations; therefore, H3a was partially supported in the restaurant context.
### Table 5.7
Means and Standard Errors of Different Types of Expectations (Restaurant)

<table>
<thead>
<tr>
<th>Dependent Measure</th>
<th>Surprised</th>
<th>No-Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Expectation</td>
<td>2.84 (.82)</td>
<td>3.34* (.94)</td>
</tr>
<tr>
<td>“Should” Expectation</td>
<td>1.53 (.87)</td>
<td>2.22* (1.24)</td>
</tr>
<tr>
<td>“Will” Expectation</td>
<td>1.98 (1.12)</td>
<td>2.47* (1.78)</td>
</tr>
<tr>
<td>“Want” Expectation</td>
<td>5.02 (1.65)</td>
<td>5.10 (1.69)</td>
</tr>
</tbody>
</table>

*Significantly different between the two explanation conditions at p < .05*

The levels of three types of expectations were also analyzed through a series of the independent t-test to examine the efficacy of providing the explanations for the auto service context. Table 5.8 presents the means and standard errors of different types of expectations. For the auto service context, only should expectation was significantly different depending on the explanation conditions (M explanation = 1.79 vs. M no-explanation = 2.52, t(87) = -2.95, p < .05). Other two types of expectation, “will” (M explanation = 2.34 vs. M no-explanation = 2.74, t(87) = -1.58, p > .05) and “want” (M explanation = 5.53 vs. M no-explanation = 5.93, t(87) = -1.25, p > .05) expectations were not significantly different between explanation and non-explanation conditions. Hence H3a was supported in the auto service condition.
Table 5.8
Means and Standard Errors of Different Types of Expectations (Auto Service)

<table>
<thead>
<tr>
<th>Dependent Measure</th>
<th>Explanation</th>
<th></th>
<th>No-Explanation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Expectation</td>
<td>3.22</td>
<td>.88</td>
<td>3.73*</td>
<td>1.02</td>
</tr>
<tr>
<td>“Should” Expectation</td>
<td>1.79</td>
<td>.97</td>
<td>2.52*</td>
<td>1.37</td>
</tr>
<tr>
<td>“Will” Expectation</td>
<td>2.34</td>
<td>1.2</td>
<td>2.74</td>
<td>1.17</td>
</tr>
<tr>
<td>“Want” Expectation</td>
<td>5.53</td>
<td>1.54</td>
<td>5.93</td>
<td>1.44</td>
</tr>
</tbody>
</table>

*Significantly different between the two explanation conditions at p < .05

The Relationship between Expectation and Satisfaction

If a customer had high expectations of his/her next visit based on a very pleasant previous experience that for instance included a surprise event, he/she would be disappointed on their next visit if another similar event were not offered. And, such an experience would have implications not just for the customer’s current experience but also in regard to future experiences and his/her assessment of a company. Therefore, this study assumed that overly high expectations might lower the satisfaction level when the same or a similar pleasant experience does not occur. The overall expectation (the averaged value of the three expectation items) was used to examine the relationship with satisfaction here.

A simple regression analysis was performed, with expectation as an independent variable and satisfaction as a dependent variable. The service context was added as another independent variable to check if the study context introduced any systematic differences. The results from the regression showed that the effect of the study context was not significant indicating that there is no need to do a separate analysis. Also, the
results showed that expectation did not predict satisfaction \( (R^2 = .014 \ (1, \ 273), \ p > .05) \).

Hence, H4 was not supported. Table 5.9 shows the result of regression analysis.

<table>
<thead>
<tr>
<th>Table 5.9</th>
<th>The Results of Regression Analysis: Expectation on Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
<td>Satisfaction</td>
</tr>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>Overall Expectation</td>
<td>-.12</td>
</tr>
</tbody>
</table>

\*p >.05

Summary

This chapter presented the results of the statistical analyses for the main study. The effect of the study context as another factor was considered to decide whether or not to conduct the analyses in each respective study context. Based on this, the results observed in the two study contexts were exhibited respectively or together. Chapter 6 provides a discussion of the results.
CHAPTER VI
DISCUSSION OF THE RESULTS

This chapter provides a general discussion of the results. An overview of the empirical study is provided first, followed by a discussion of the results. The discussion includes comparisons between the results from the two study contexts.

Overview of the Empirical Study

The objectives of this dissertation were to (1) examine and confirm the positive effect of surprise on customer delight; (2) test whether surprising customers can raise customer expectations, which might negatively influence future consumption; (3) determine whether providing explanations for the surprise event might lessen their possible adverse effects on future consumption; and (4) test the relationship between expectations and satisfaction involved in the surprise event.

The pilot study was conducted in order to test the experimental stimuli and to suggest improvements to it for use in the empirical study. The empirical study was then performed to test the proposed hypotheses. The surprise event and explanation were experimentally manipulated through service encounter scenarios. Customer delight, expectations, and satisfaction were measured. Hypotheses were tested in two selected service contexts: restaurant and auto service.
Discussion

The Effects of the Surprise Events on Customer Delight

Hypothesis 1 assumed that customer delight would be higher, if a surprise event were provided during the service encounter. The results show that the service context was not a statistically influential factor; hence, the testing for H1 was conducted with the data without separating the two contexts. However, an interaction between the surprise and the service context was found. For the no-surprise condition, the delight level was higher in the auto service context. This might indicate that to enhance delight especially in the hedonic service context, the service provider must provide better than average services. In general, the results show that customers were more delighted when a surprise event was offered than when no such surprise was offered. The results indicate that regardless of the study context, either hedonic or utilitarian, providing a pleasant surprise event can enhance customer delight. This suggests that providing a pleasant surprise event is an effective way of enhancing the level of customer delight.

The Effects of Explanations on Customer Delight in the Surprise Event Conditions

In the surprise event condition, providing an explanation was effective in increasing customer delight regardless of the study contexts. Because the restaurant context has stronger hedonic goals, the effect of the surprise strategy was expected to be more effective here than in the utilitarian auto service context. However, no significant difference was found. The results demonstrate that customers were happier when provided with an explanation for a pleasant surprise event than they were when they did not receive an explanation for the event. Specifically, this study introduced the surprise event as a free offer for promotion purposes. Due to the nature of surprise, people might wonder why they had been invited to participate in the surprise event.
And, though receiving freebies is pleasant for most of people, some might feel a little guilty at receiving extras without any reason being given. Additionally, providing explanations can make a positive impact on customers’ perceptions of the service provider (e.g., Bitner et al., 1990). Customers might feel they are special, even unique, when offered a surprise from the service provider; hence, by providing an explanation for the offered surprise, a provider might even enhance the level of customer delight.

This study also examined the possible interaction effect of surprise and explanation. In this regard, explanation was considered as a moderator on the relationship between surprise and delight. The impact of providing an explanation was assumed to enhance customer delight in the surprise condition, but this assumption was not made for the no-surprise condition. Although an explanation moderates the effect of providing a pleasant surprise event on customer delight, the moderating effect of explanations was limited to the case in which the surprise event was provided. Customer delight was not influenced by the presence or lack of an explanation in the no-pleasant surprise event condition. This demonstrates that providing an explanation for the surprise event is effective in enhancing customer delight, but an explanation presented as an advertisement for a future promotion, as provided in the no-surprise condition, did not enhance or detract from customer delight.

An interaction between the study context and the explanation was found. Regardless of whether the customers received a surprise event, the presence of an explanation worked positively in the restaurant context. Perhaps the relationship between a customer and a service provider is more important in a hedonic service context than it is in a utilitarian setting; if so, this would help account for this result. More than simply providing a rationale for the surprise even or the no-surprise event, an explanation can serve as a way to communicate with customers; therefore, it enables the service provider to build a better relationship with customers.
This study considered customer skepticism as another possible control variable. The negative significant regression result between skepticism and delight shows that customer skepticism did have an actual impact on customer delight, and if an individual had a higher level of skepticism, he or she was harder to please. Put in a different way, customers who are less skeptical about service might be more delighted with marketing strategies than are those who are highly skeptical.

The Effects of Explanations on Controlling Customers’ Expectations

This dissertation proposed that providing an explanation for the surprise event would avoid raising customer expectations to unrealistic and unsustainable levels. Expectation was measured as the overall expectation combining three types of expectations (“should,” “will,” and “want”). The effect of explanation was also compared in regard to the three types of expectations. For both the restaurant and auto service contexts, providing explanations for the surprise event was effective in lowering customer expectations. In this study, the explanation for the surprise event informed the participants that it was selectively given, thereby indicating that the surprise event was not to be considered an everyday business practice. With this explanation, the participants might have understood that they would not necessarily have the opportunity to engage in the same or a similar experience again; however, they might still hope to experience the surprise event again, and may even think that they will actually get a chance to do it at some time in the future.

This possible rather complicated customer response is reflected in the results of the comparison of the three types of expectations. When measured separately, the “want” expectation for both contexts was the same, whether or not there was an explanation for the surprise event. This suggests that even when an explanation is given, the customer’s desire (“want”) to participate in the experienced pleasant event does
not diminish. The “will” expectation indicates the possibility that the experienced pleasant event will occur again. The results show that the “will” expectation was significantly lowered when an explanation was given in the restaurant context but that it did not lower the “will” expectation in the auto service context. Given that the same type of explanation was provided across the contexts, this mixed result suggests that the participants had different concepts of possibility. For example, if the possibility of the surprise event occurrence dropped to 5% from 50% due to the explanation, some might perceive 5% as very low indicator of probability; however, others might consider 5% as still offering a reasonable probability. Finally, the provision of an explanation significantly lowered the “should” expectation in both contexts. This indicates that the participants did not insist that the surprise event should happen to them, especially when they had been offered an explanation for it in the first instance. Overall, although there was a difference across the levels of three types of expectations, the provision of an explanation for the surprise event was an effective way to control expectations.

Relationship between Expectations and Satisfaction

This study expected the proposition that inflated expectations negatively influence satisfaction, if the experienced surprise event does not happen in the service contexts. This argument was based on the fact that if the service provider raises customer expectations by providing an unexpected pleasant event and then fails to meet the customer’s now-inflated expectations at the next visit, as in this study, customer satisfaction is lowered. However, the expected negative relationship between raised expectations and satisfaction was not supported. This might indicate that although expectations might influence the level of customer satisfaction, there are other stronger determinants of customer satisfaction. For instance, quality of food and service might be the major determinants in the dining experience. And, the accuracy
and quality of the auto service could be the most important elements that decide the level of customer satisfaction. This study controlled these possible major determinants of satisfaction such as quality of food, accuracy, and overall service by providing the scenarios in each service context to the participants. Overall, all these other possible determinants were described as pleasant and accurate (refer to the experiment instruments; Appendix C). Based on the results, these embedded variables are far more influential in comparison with the effects of expectations on satisfaction.
CHAPTER VII
THEORETICAL CONTRIBUTIONS AND MANAGERIAL IMPLICATIONS

In this chapter, theoretical contributions and managerial implications from this dissertation are presented. Limitation of the study and suggestions for the future study are also included.

Theoretical Contributions

Overview

Starting from the role of surprise in delight, this dissertation provides a theoretical framework of how to provide surprise such that customers would return for repeat business and engage in positive word of mouth—the ultimate business goals in service encounters. Specifically, this study (1) confirms and supports the role of surprise in enhancing customer delight; (2) introduces and proposes explanations for controlling expectations in order to boost the effects of surprise on customer delight; and (3) tests the impact of providing explanation for controlling expectation for better customer satisfaction. This dissertation, therefore, produces meaningful theoretical contributions. Detailed implications are discussed in the following section.

Role of Surprise in Enhancing Delight

In the psychology literature, surprise is identified as a necessary condition of delight (Plutchik, 2002). Studies in the consumption context (e.g., Kim & Mattila, 2010; Vanhamme & Snelders, 2001) supported the relationship by empirically testing. However, not all studies of the surprise–delight relationship supported the idea that surprise is a necessary condition for delight (e.g., Finn, 2005). In this research, the
delight level in the surprise condition was significantly higher than it was in the no-surprise condition, indicating that surprise enhances delight compared to the condition without the surprise stimuli. The strong empirical evidence of this study confirms and supports the role of surprise in increasing the level of delight for customers. And, considering both study contexts (restaurant and auto service) in the analysis model enhance the robustness of the finding.

Role of Explanation for the Surprise in Enhancing Delight and Avoiding the Escalation of Expectations

As the most important finding and implication of this study, the role of explanation in the surprise event and no-surprise event was examined. Several studies have noted the possible downside of using surprise strategies (Gwynne, 2002; Rust & Oliver, 2000), but the present study is the first to actually test possible solutions for overcoming the possible downside of creating unrealistic customer expectations in the long term. This research, therefore, is per force the first empirical study to propose and examine the use of explanation as a possible solution for problems associated with surprise strategies. Specifically, the study found that providing an explanation for the given surprise event was effective for controlling expectations. The negative relationship between explanation and expectations was established through hypothesis testing. This demonstrates that customers’ expectations of future surprise events became less when they had been provided with a proper explanation about the surprise event regardless of the study context.

Additionally, this study also found an interaction effect between surprise and explanation on delight. This suggests that for the surprise condition, the explanation was more significant for increasing delight compared to the condition without the surprise. This moderating role of explanation is robust across the two service contexts.
**Relationships between Expectations and Satisfaction**

Prior studies have examined the relationship between expectations and satisfaction (Yi & La, 2004). However, few studies have investigated how expectations of a specific event might negatively influence customer satisfaction when that event or something similar does not occur at the next visit. Although the negative direction between expectations and satisfaction was observed, the result was not significant. Therefore, with this study result, we cannot predict that raised expectations influence customer satisfaction negatively when inconsistent service practices are encountered.

**Summary**

The body of research on surprise strategies is growing due to the recognition of the importance of delighting customers. And, this study contributes to this research stream by investigating concepts of central importance to the study model. This dissertation addresses several knowledge gaps by confirming the role of surprise in eliciting delight, by proposing the role of explanation for controlling expectations for better customer satisfaction.

**Managerial Implications**

Along with theoretical contributions, this dissertation also provides several meaningful managerial implications for practitioners. Such implications are discussed in the following sections.
Importance of Developing and Implementing Surprise Strategies

In the face of ever-escalating competition, many service firms are making concerted efforts to differentiate themselves from competitors by providing unique experiences to their customers (Pine & Gilmore, 1999; Schmitt, 1999). Providing surprise events is one promotion strategy used for this purpose. Likewise, the findings of this study demonstrate the importance of implementing surprise strategies. When a service establishment provides a certain type of pleasant surprise, customer delight will be enhanced due to the arousing nature of the emotion of surprise. This study’s findings also emphasize the importance of developing new surprise strategies. Surprise strategies in service firms are not new, and many customers are becoming smarter as they have more surprise experiences (both direct and indirect). Hence, it is becoming more challenging to impress (or surprise) customers particularly those who have experienced such surprises already. Even in this study, for the provided surprise, nearly 30% of participants in the restaurant context and 10% of participants in the auto service context indicated that they had already experienced the same or a similar surprise event. And, this previous experience was connected to customer skepticism. It seems that when customers experience a surprise event that is similar to or the same as a previous experience, they consider it another business tactic, and hence, their skepticism in regard to the current and any future surprise event is sharpened. Therefore, this study emphasizes the criticality of both implementing and updating surprise strategies.

Explanation as a Possible Solution for Better Implementation of Surprise Strategies

This dissertation clearly tested and analyzed the role of explanations in the surprise event context. As discussed, by offering a sincere explanation, service providers can obtain two business benefits. First, service providers should note that providing an explanation can even enhance customer delight when surprise events are offered. This
study’s results indicate that the provision of a surprise event increases customer delight, and that adding an explanation for the event can further enhance customer delight. It is important for service practitioners to realize that by providing explanations, they can make their customers feel special and, therefore, more satisfied with the service they receive. This study as well as offering service providers a way to improve their marketing strategies also provides a way for them to explain their promotional decisions. Like other promotions, surprise events are generally expensive, and in this study they were provided to the customer free of charge. However, high cost is not the only reason why surprise events should be limited. Simply put, when surprise events are offered too frequently, customers become habituated to them and they are no longer surprising; therefore, surprise strategies should be offered infrequently and randomly. Under such an overall design, many customers who have received a surprise event will have little chance of receiving another when they come back in the future. Explaining when providing the surprise event might help customers understand this situation, hence preventing them from forming overly high expectations likely to lead to lower satisfaction at the next visit when no-surprise event occurs. An important merit of the explanation is that it is inexpensive. And, training service providers to provide sincere and accurate explanations would be an easy step to implement in the interest of creating successful surprise events.

**Effectiveness of Surprise Strategies in Hedonic and Utilitarian Services**

This study assumed that surprise strategies would work better in service contexts that focus on hedonic values than in service contexts with utilitarian values. However, in contrast to this assumption, the results show that the two study contexts (restaurant and auto service) were not different to implement a surprise strategy for enhancing customer delight. Also, it should be emphasized that most of the hypotheses
were supported for both contexts. Although more testing in different service contexts should be conducted, the results of hypotheses testing from this study indicate that surprise strategies can be effective regardless of service context.

**Summary**

This dissertation examined the effectiveness of the surprise event with and without an explanation with plausible examples in two distinct service contexts. By illustrating how the results of this study can be used in a managerial perspective, this dissertation provides a realistic framework that industry practitioners can draw on in designing their approach to customers.

**Limitations and Suggestions for Future Research**

This dissertation does have several limitations, the presence of which suggest future necessary research directions. First, although the participants perceived the study instrument to be very realistic, adopting scenarios as stimulus material might have threatened the validity of the study. In this study, the experiment method with scenarios was used for two main reasons. Although using real consumption situations would have been preferable as a real-world situation, it would have been challenging and perhaps even unethical to manipulate business practices for the purpose of this study. Further, conducting the experimental research in a real setting would have been less controllable than the method chosen. However, conducting a field study with observations or interviewing customers would be a useful addition to the research and might produce interesting and somewhat different results as well. Or to take into
account the advantages and disadvantages of the two methods, a future study could consider adopting video for vivid manipulation.

This study is composed of two imagined time phases whereby the participants had a service experience that was divided into two parts and asked to imagine them taking place at different times. Obviously, the validity of the experiment study with scenarios is threatened more than a similar study undertaken in real consumption settings would be, as it is difficult to imagine the written scenarios. This experiment instrument for this study not only involved participants in imagining themselves in a given situation, it also involved two different time settings. Even though the instrument asked participants particularly to focus on the time change by inserting a blank page indicating the time change, this method may have weakened the validity of the results. If the situation allows it, a different method such as the repeated measure could be used to solve this issue.

This study provided the surprise event in order to measure the effect on customer delight. The level of delight was compared in the two surprise conditions. For the surprise condition, the pleasant surprise event provided an overall satisfactory service experience, whereas only the overall satisfactory service experience was provided for the no-surprise condition. In this regard, the factor that enhanced delight is actually not clear. Delight in the surprise condition might have been higher only because of free dessert/carwash, rather than because either of these offers were surprising. To solve this issue, a future study could design a no-surprise condition with a free offer that is not surprising and thereby test whether surprise is or is not the factor that is most salient in increasing delight.

To represent hedonic and utilitarian service contexts, this study selected restaurant and auto service contexts. Most of the hypotheses were well supported with some variations across the two contexts. However, to draw conclusions about hedonic
and/or utilitarian contexts based on a single study of a single context would not be advisable. Future replications in different service settings that represent both contexts would bolster the generalizability of the results and their implications.

Finally, although this research recruited participants with some variety in terms of their age, the educational background (more than 40% of the participants had graduated from graduate school) and household income were comparatively high. Studies using participants with more diverse or different educational and income levels might produce quite different results. Therefore, future research should consider recruiting participants from different environments and with different backgrounds.
REFERENCES


their perceived adequacy? Organizational Behavior and Human Decision Processes, 58, 346-368.


Appendices

Appendix A
Two Scenarios Used in the Pilot Study

Two conditions

Restaurant Surprise Explanation

It’s Friday night, and you are having a dinner with your friends at a nice restaurant. This is your first time to visit this restaurant. The restaurant has a comfortable atmosphere and quality food. Your food comes in a reasonable amount of time, and your server checks on your table to see if you need anything. When you are almost done with your food, your server comes to the table. He tells you excitedly, “Congratulations! Your table is selected to receive a free dessert of your choice. You can select any dessert item you want.”

You recall that you heard about the famous dessert selections in this restaurant before. After the server tells you about the free desserts, he explains why you are getting the free dessert. He says the restaurant randomly selects 5 teams of patrons each month to receive free desserts in order to express appreciation for their patronage. Today is one of the five days in this month, and your table is the only one that gets this special treatment. You all gladly order your favorite desserts. Having finished your meal and the dessert, the server brings you the bill and asks if there is anything else that you want. You pay the bill, and you are now ready to leave.

Auto Service Surprise Explanation

One day, you realize that your car needs an oil change, so you bring your car to an auto service shop. This time, you decided to try a new auto service shop that you’ve never been before. You find the atmosphere of the shop is welcoming and comfortable, and the service is provided in a timely manner. When your oil change is finished and your agent hands the bill to you, he tells you excitedly, “Congratulations! You are selected to receive our deluxe car wash for free. It includes a hand-wash for both the outside and inside of the car. You can come back to us anytime at your convenience for it.”

You recall that you heard that the shop also has a car wash service. After the agent tells you about the free carwash offer, he explains why you are getting the free deluxe carwash. He says the auto service shop randomly selects 5 customers each month and provides their signature car wash service to express appreciation for their patronage. He says today is one of the five days in this month, and you are the only one that gets this special treatment. You gladly think you would come back later for the car wash. You pay your bill, and you are now ready to leave.
Appendix B
Revised Scenario for Surprise Manipulation in Auto Service Context

One day, you realize that your car needs an oil change, so you bring your car to an auto service shop. This time, you decided to try a new auto service shop that you’ve never been before. You find the atmosphere of the shop is welcoming and comfortable, and the service is provided in a timely manner.

When your oil change is finished and your agent hands the bill to you, he tells you excitedly, “Congratulations! You are selected to receive our Deluxe Carwash Package for free. It includes our quality exterior hand wash-and-dry car care plus WAX and POLISH! You can come back to us anytime at your convenience for it.”

You recall that you heard that the shop also has a car wash service. After the agent tells you about the free carwash offer, he explains why you are getting the free deluxe carwash. He says the auto service shop randomly selects 5 customers each month and provides their signature car wash service to express appreciation for their patronage. He says today is one of the five days in this month, and you are the only one that gets this special treatment. You gladly think you would come back later for the car wash. You pay your bill, and you are now ready to leave.
Appendix C

Eight Scenarios Used in the Main Study

Restaurant Context

Restaurant – Surprise – Explanation Condition

It’s Friday night, and you are having a dinner with your friends at a nice restaurant. This is your first time to visit this restaurant. The restaurant has a comfortable atmosphere and quality food. Your food comes in a reasonable amount of time, and your server checks on your table to see if you need anything. When you are almost done with your food, your server comes to the table. He tells you excitedly, “Congratulations! Your table is selected to receive a free dessert of your choice. You can select any dessert item you want.”

You recall that you heard about the famous dessert selections in this restaurant before. After the server tells you about the free desserts, he explains why you are getting the free dessert. He says the restaurant randomly selects 5 teams of patrons each month to receive free desserts in order to express appreciation for their patronage. Today is one of the five days in this month, and your table is the only one that gets this special treatment. You all gladly order your favorite desserts. Having finished your meal and the dessert, the server brings you the bill and asks if there is anything else that you want. You pay the bill, and you are now ready to leave.

(Time2 - A Few Weeks Later: Common Part for Three Restaurant Conditions)

You find the restaurant still has a comfortable atmosphere and quality food. Your food comes in a reasonable amount of time as before, and your server checks on your table to see if you need anything. You finish your dinner and you and your friends are ready to leave. You recognize, however, the event of getting free dessert does not happen this time.

Restaurant – No-Surprise – Explanation Condition

It’s Friday night, and you are having a dinner with your friends at a nice restaurant. This is your first time to visit this restaurant. The restaurant has a comfortable atmosphere and quality food. Your food comes in a reasonable amount of time, and your server checks on your table to see if you need anything. When you are almost done with your
food, your server comes to the table. Now, you are almost done with your food, and the
server brings you the bill and asks if there is anything else that you want.

Then, he also mentions that starting next week, the restaurant will randomly select 5
parties of customers each month and provide free desserts of the customers’ choice, in
order to express appreciation for the customers’ patronage. You pay your bill, and you
are now ready to leave.

**Restaurant – Surprise – No-Explanation Condition**

It’s Friday night, and you are having a dinner with your friends at a nice restaurant. This
is your first time to visit this restaurant. The restaurant has a comfortable atmosphere
and quality food. Your food comes in a reasonable amount of time, and your server
checks on your table to see if you need anything. When you are almost done with your
food, your server comes to the table. He tells you excitedly, “Congratulations! Your table
is selected to receive a free dessert of your choice. You can select any dessert item you
want.”

You recall that you heard about the famous dessert selections in this restaurant before.
You all gladly order your favorite desserts. Having finished your meal and the dessert,
the server brings you the bill and asks if there is anything else that you want. You pay
the bill, and you are now ready to leave.

**Restaurant – No-Surprise – No-Explanation Condition**

It’s Friday night, and you are having a dinner with your friends at a nice restaurant. This
is your first time to visit this restaurant. The restaurant has a comfortable atmosphere
and quality food. Your food comes in a reasonable amount of time, and your server
checks on your table to see if you need anything. When you are almost done with your
food, your server comes to the table. You finish your dinner, and you and your friends are ready
to leave.

*(Time2 - A Few Weeks Later)*

You find the restaurant still has a comfortable atmosphere and quality food. Your food
comes in a reasonable amount of time as before, and your server checks on your table
to see if you need anything. You finish your dinner, and you and your friends are ready
to leave.
Auto Service Context

Auto Service – Surprise – Explanation Condition

One day, you realize that your car needs an oil change, so you bring your car to an auto service shop. This time, you decided to try a new auto service shop that you’ve never been before. You find the atmosphere of the shop is welcoming and comfortable, and the service is provided in a timely manner. When your oil change is finished and your agent hands the bill to you, he tells you excitedly, “Congratulations! You are selected to receive our Deluxe Carwash Package for free. It includes our quality exterior hand wash-and-dry car care plus WAX and POLISH! You can come back to us anytime at your convenience for it.”

You recall that you heard that the shop also has a car wash service. After the agent tells you about the free carwash offer, he explains why you are getting the free Deluxe Carwash Package. He says the auto service shop randomly selects 5 customers each month and provides their signature car wash service to express appreciation for their patronage. He says today is one of the five days in this month, and you are the only one that gets this special treatment. You gladly think you would come back later for the deluxe carwash. You pay your bill, and you are now ready to leave.

(Time2 - A Few Months Later: Common Part for Three Auto Service Conditions)

You find the atmosphere of the shop is still welcoming and comfortable, and the service is provided in a timely manner as before. Now, your car is ready. You pay your bill, and you are now ready to leave. You recognize, however, the event of getting free deluxe carwash does not happen this time.

Auto Service – No-Surprise – Explanation Condition

One day, you realize that your car needs oil change so you bring your car to an auto service shop. This time, you decided to try a new auto service shop that you’ve never tried before. You find the atmosphere of the shop is welcoming and comfortable, and the service is provided in a timely manner. Now your car is done and the bill is ready.

When you check out, your agent mentions that starting next month, the shop will randomly select 5 customers each month and provides their Deluxe Carwash Package for free to express appreciation for their patronage. He mentions that package includes quality hand wash-and-dry car care, plus WAX and POLISH. You pay your bill, and you are now ready to leave.
Auto Service – Surprise – No-Explanation Condition

One day, you realize that your car needs an oil change, so you bring your car to an auto service shop. This time, you decided to try a new auto service shop that you’ve never been before. You find that the atmosphere of the shop is welcoming and comfortable, and the service is provided in a timely manner. When your oil change is finished and your agent hands the bill to you, he tells you excitedly, “Congratulations! You are selected to receive our Deluxe Carwash Package for free. It includes our quality exterior hand wash-and-dry car care plus WAX and POLISH! You can come back to us anytime at your convenience for it.”

You recall that you heard that the shop also has a carwash service. You gladly think you would come back later for the deluxe carwash. You pay your bill, and you are now ready to leave.

Auto Service – No-Surprise – No-Explanation Condition

One day, you realize that your car needs an oil change so you bring your car to an auto service shop. This time, you decided to try a new auto service shop that you’ve never tried before. You find that the atmosphere of the shop is welcoming and comfortable, and the service is provided in a timely manner. Now your car is done. You pay your bill, and you are now ready to leave.

(Time2 - A Few Months Later)

You find the atmosphere of the shop is still welcoming and comfortable, and the service is provided in a timely manner as before. Now, your car is ready. You pay your bill, and you are ready to leave.
Appendix D
Informed Consent Form

Implied Informed Consent Form for Social Science Research
The Pennsylvania State University

Title of Project: The effect of surprise on customer delight and the role of explanations for managing customer expectations

Principal Investigator: Min Gyung Kim, Ph.D. Candidate
201 Mateer Building
University Park, PA 16802
(814) 933-7322; mxk470@psu.edu

Advisor: Dr. Anna S. Mattila
224 Mateer Building
University Park, PA 16802
(814) 863-5757; asm6@psu.edu

1. Purpose of the Study: This study is to investigate customers’ responses to a specific service encounters.

2. Procedures to be followed: After reading written scenarios about service encounters, you will be asked to response to paper-and-pencil questionnaires.

3. Duration: It will take about 10 to 15 minutes to complete the survey.

4. Statement of Confidentiality: Your participation in this research is confidential. That is, respondents' names or other identifying information will not be linked in published reports or presentations. Your responses on paper-and-pencil questionnaires will be stored and secured in a locked file cabinet at a locked office.

5. Right to Ask Questions: Please contact Min Gyung Kim at (814) 933-7322 with questions or concerns about this study.

6. Payment for participation: Among completed and returned surveys, five will be selected for receiving a restaurant certificate of $25.

7. Voluntary Participation: Your decision to be in this research is voluntary. You can stop at any time. You do not have to answer any questions you do not want to.

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

Completion and return of the survey implies that you have read the information in this form and consent to take part in the research. Please keep this form for your records or future reference.
VITA

Min Gyung (Min) Kim was born in Busan, Korea. She received a dual Bachelor of Arts degree in English and International Studies from Pusan National University in 2002. She also spent a year at the University of British Columbia, Canada, as an exchange student during her undergraduate program. After working at the Westin Hotel in Korea, Min returned to graduate school on a Rotary Foundation Ambassadorial Scholarship and obtained a Master of Science degree in Hospitality Business from the Eli Broad College of Business, Michigan State University. With industry experience that included meaningful internship experiences in diverse fields, Min discovered that she was most interested in teaching and research. She, therefore, studied for and obtained a doctoral degree in Hospitality Management at the Pennsylvania State University. As a counterpoint to her educational interests, Min also enjoys playing the violin and has performed with a number of orchestras.

In Fall 2010, Min Kim will begin an assistant professor appointment at Johnson and Wales University, RI, where she will teach and research in the hospitality MBA program for the Alan Shawn Feinstein Graduate School.