MANAGING CUSTOMER EMOTION : A SURE WAY TO CUSTOMER LOYALTY FOR THE SERVICE INDUSTRIES IN NIGERIA

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ABSTRACT

We live in a time when customers want to be emotionally satisfied, hence, emotions are a critical component of decision making when it comes to customer satisfaction. Every interaction a customer has with an organization induces an emotion in the customer which affects the customer's total experience, perception of service quality and loyalty towards the organization. Emotions can be positive or negative. An unsatisfactory service encounter has the potential to quickly generate negative emotions and consequent negative behaviours. Negative emotions have been found to have stronger impact than positive emotion on customer satisfaction. Customer emotions have important practical implications because how a customer feels about a product or service impacts on customer satisfaction, repeat purchase, switching, negative word of mouth and complaining to third parties. Merely satisfying the customer is not enough as this may leave the door open for rethinking about possible alternative providers. Studies on emotional contagion confirm that customer's displayed emotions influence the quality of interaction between service provider and the customer. Better understanding of the central role of customer emotions in service consumption can increase the efficiency of generating demand from customers. In this paper we review the growing literature on customer emotions in employee-customer interaction. .

Key words: Customer emotions, Emotional contagion, Emotion regulation, Customer satisfaction, Emotional labour

CONCEPTUAL FRAMEWORK

Emotion is defined as a mental state of readiness that arises from cognitive appraisals of events or thoughts (Baggozzi, Gopinath and Nyer, 1999). Emotion is

characterized by three features, namely, intensity, duration and diffuseness (Frijda, 2000). Emotions can be separated into two categories, namely positive emotions and negative emotions (Weiss and Cropanzano, 1996). Emotions have been found to be a primary motivator of consumption behaviour in certain service contexts to influence customer behaviour and to influence the customer's evaluation of service (Dagger, 2005). Individuals buy items because of the emotions that they evoke in them. Emotions are a critical component of decision making. Every interaction a customer has with an organization induces an emotion in the customer which affects the customer's experience, perception, response, and loyalty towards the company.

The emotions we feel underlie almost all our decisions and actions, even ones that we think are rational and logical. Espana (2011) says "everything is an emotional buy; everything whether buying a cup of coffee, a holiday or a car or a house. Our emotional reaction to a service transaction is the fundamental driver of the purchasing decision". More importantly, it is a determining factor in customer satisfaction, retention and loyalty.

Customer Satisfaction and Customer Emotion

Customer satisfaction depends on a product's or service's perceived performance in delivering value relative to buyer's expectations (Kotler et al, 2006). In addition to the above, positive and negative affect have also been shown to be important determinant of customer satisfaction (Mano and Oliver, 1993). Increasingly companies have begun to realize that emotion regulation during employee-customer interaction is the core of a service experience that influences customers' perception of service quality that leads to satisfaction or dissatisfaction (Chu, 2002). Recent studies suggest that emotion is a fundamental attribute in satisfaction and that customer satisfaction should include a separate emotional component (Gonin et al, 2000; Wong, 2004). Lijander and Strandvik, (1997) suggest that customer satisfaction includes both affective (emotional) and cognitive components. These authors found that negative emotions have a stronger effect on satisfaction with service quality than positive emotions.

Wong (2004) finds relationship between emotion and customer behaviour, which support previous findings of Bagozzi et al, (1999), Lijander and Strandvik, (1997); and relationship between emotional satisfaction and customer loyalty which

supports findings of Bitner et al, (2000). Customer emotions influence perceived value in service (Zeithaml, 1988).

THE ROLE AND IMPORTANCE OF CUSTOMER EMOTION IN EMPLOYEE-CUSTOMER INTERACTION

Concerning the role of emotions in service quality, Berry et al, (2002) emphasize "managing total experience". They argue for two categories of service quality clue: recognizing clues of experience related to functionality and clues of experience related to emotions. An emotional reaction is part of a quality and favourable experience (Cronin, 2003; Sherry, 1998). Customer emotions have important practical implications because how customers feel about a product or service impacts on customer satisfaction, repeat purchase, complaining to third parties (Dewitt and Brady, 2003). Customer delight, defined as a profoundly positive emotional experience (Oliver, Rust and Varki, 1997) is considered as a critical factor to customer loyalty. Merely satisfying a customer is not enough to win his loyalty. Satisfying customers emotionally is a sure way to customer retention and customer loyalty.

Although research evidence suggests that strong positive emotions do not necessarily influence a customer's level of satisfaction with a service, Mattila and Enz (2002) found that observations of the customer's expressed emotions as demonstrated in their eye contact, smiling and thanking behaviour can be used to predict the customer's assessment of the service provider's performance during the interaction (Lijander and Strandvik, 1997). This finding is important as non-verbal communication is thought to comprise more than 60% of the interaction in service encounter.

As customers engage in interactions with service providers on daily basis, customers tend to remember mostly where their emotions are heightened particularly when things go wrong with service (defined as service failure) and during attempts to fix the problem (defined as service recovery). During these periods of encounter, customers experience negative emotions such as frustration, annoyance, anger, and sometimes rage (Andreassen, 2001). Anger is one of the most commonly expressed negative emotions in service encounter.

Antecedents of Customer Emotions

Key antecedents of customer emotions have been identified. These include: service surroundings, social surroundings, and service performance (Dagger, 2005).

Service Surrounding: This antecedent is based on the servicescape model (Baker, 1987) tangibles dimensions of the SERVQUAL model (Parasuraman, Zeithaml, and Berry, 1988), and physical surrounding of Belk's (1975), situational factors framework. Service surroundings are conceptualized as the tangibles in the interior and exterior facilities and also the atmospherics that exist during a service encounter. Researches have shown that service surrounding and its dimensions have a direct positive influence on customers emotions.

Social Surroundings: Social surroundings is based on the role of the environment model (Baker , 1987), social-servicecape model (Tombs and McColl-Kennedy, 2003), social dimensions of Balk's 1975), situational factors framework and the role of perceived crowding/density. Social surrounding refers to the social elements in the service setting that can affect a customer's experience. Specifically, social behaviour refers to the appearance and actions exhibited by the surrounding audience/co-customers in a service encounter (Migran and Toch, 1965). Social density is the perceived crowdiness of the place (Machleit, Kellaris and Eroglu, 1994). Social interaction refers to the verbal exchange between a customer and co-customers in the service setting (Hoffman and Turley, 2002).

Service Performance: Service performance is based on the SERVQUAL model (Parasuraman, et al, 1988), and service provider performance model (Price, Armould, and Deibler, 1995). From the service management literature, service performance is conceptualized to reflect the service delivery of the service provider at the service setting, including team performance (Pullman and Gross, 2003; Van-Leeuwen, 2001). Service performance is defined as how well the service provider rendered each step of the service process (Alford and Sherrel, 1996). This includes how he performed "emotional labour" which has been found to be "critical element in quality service delivery (Hochschild, 1983, Grandey, 2000, Humphrey and Ashforth, 1993; Davidoff, 1994). Emotional labour is at the heart of service. Empirical studies confirm the significance of emotional labour in the service encounter (Morris and Feldman, 1996; Ashforth and Humphrey, 1993).

In the hospitality industry, managing emotions (showing happiness and empathy, (not fear, or anger) is an important facet in customer retention strategies. Managing emotions results in good customer service performance. Emotional expressions such as smiles and friendly comments can lead to good work performance (Grandey, 2000; Ashforth and Humphrey, 1993; Alderman, 1995; Pugh 1998).

MANAGEMENT OF CUSTOMER EMOTIONS IN SERVICE

Customer-contact employees are critical to the management of customer emotions not only because they are the ones who can observe and respond to customers during service encounters, but also because employees behaviours are often the trigger or cause of customer emotions stemming from service encounter, especially those involving service failure and recovery (McColl-Kennedy and Smith, 2006). Therefore, the service management literature tends to focus on human resource issues in terms of managing customer service and service quality. Researches show that displayed emotions serve as cues (Rafaeli and Sutton, 1999) which can enable employees to respond more appropriately and effectively to customers during service encounters. Social aspects of service encounters (friendliness, personalization, self-disclosure) are critical to customer satisfaction and loyalty (Goodwin and Gremler, 1996).

Selection and Training Process

Organizations can hire employees who have the ability to decode emotional cues and also by providing training to enhance this ability in current employees. In other words, employers should be able to recognize when customers are angry, disappointed, anxious etc from their facial expressions, posture, voice tone. If cues are not evident service provider should encourage customers to verbalize their emotions so they can be recognized. Organizations should employ people who score high in emotional intelligence quotient (EQ).

Fostering emotional intelligence competences through training might also help employees to better understand the customers' perspective as well as to better understand organizational values and thus enhance interaction quality with their customers. Training sessions and workshops organized to discuss and exercise

emotion management (regulation) practices and protocols that set forth rules of emotional display and expression would serve to institutionalize this role. Employees could be taught how to reappraise situations (deep acting) thereby acquire the skills that will assist them transform emotions and handle difficult situations without becoming overwhelmed (Kiely, 2008). It is important that organizations select with the aim of achieving the best person-job-fit. Employee training should also focus on organizational service recovery strategies: Training also might address how to approach issues from the customer's perspective by using empathic training and asking employees to put themselves in the shoes of their customers and thereby view the world from their eyes (Waton, 1993). Emotion management training therefore encompasses identifying customer emotions, understanding the relationship of customer emotions with service provider's emotions, and then learning how to manage the emotions of both parties to create a pleasant service interaction. Service employees could be taught how to display positive emotions during service encounter. Emotion contagion research evidence shows that display of positive emotion by employees have been found to relate positively to customer satisfaction (Tan et al, 2006) and customers' positive emotional display (Pugh, 2001). The implication of the emotion contagion studies is that if the service provider serves with smile, the customer will equally smile, while on the other hand if the service provider is grumpy and heavy-handed, the customer will be unhappy. Furthermore the implication is that organizations should create a service environment where the employees would work with smiles. Addressing the emotional needs of service provider is a good starting point. The connection between emotional labour and customer service is obvious, thus, the economic consequences of not addressing customer-contact employees' emotions can be disastrous to an organization.

Job Autonomy or Empowerment

Job autonomy refers to the degree of discretion individuals have regarding the procedures they utilize and feel they can control the sequencing of their work activities and the degree to which workers have the ability to modify or choose the criteria used for evaluating performance (Cossette and Hess, 2009). Job autonomy

impacts on emotion regulation (Abraham, 1998; Grandey, 2000; Morris and Feldman, 1996). Empowering front-line employees in the service job enables them solve problems and to bend when appropriate. The ability to surprise customers by being responsive to unusual situation, or allowing them to do something they know they would normally be allowed to do has been described by customers as being very influential in causing them to return (Kushivan, Winsted, 2005). Job autonomy minimizes anti-service syndrome as its aim is to satisfy guest desires which is regarded as first priority (Power, 1992).

CONCLUSION

Organizations have been described as emotional arenas (Fineman, 1993). In these emotional arenas, there are challenges relating to how organization members (service providers) perform their roles. As we live in a time when the prospects of the service industries, particularly hospitality and tourism industries, is increasingly depending on managing our emotions and building relationships, emotions play crucial role in service excellence and successful leadership. Our emotional reaction to a service transaction is the fundamental driver of the purchasing decisions. The more we know about drivers of negative and positive (customer) emotions, the better we understand customer perceived service quality and the better is the basis for managing service quality. The practical implication is that we can no longer ignore the emotions of both the employees and customers if emotional satisfaction of customers is a priority. Managing emotions can achieve service excellence thereby repositioning the industries to meet the expectations of today's complex consumers.

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