# “Behaviors of Employees in the Frontlines: Implications for Customer-Based Strategy”

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## DEDICATION

The work reflected in these pages reflects a collective effort of those (namely, my family) who have provided support and encouragement along the way. To my wife, Kristin, without you this lofty career transition would have never taken place. You have supported me through every opportunity I have ever sought and picked up the slack when I was stretched too thin. Thank you for your unwavering support and unconditional love.

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## ABSTRACT

This dissertation examines customer responses to frontline employee (FLE) behaviors during customer-FLE encounters. Customer interaction strategy, when properly leveraged, plays an integral role in helping to elicit desired customer responses, such as satisfaction and repeat patronage. This dissertation, and its findings, are thus intended to help managers craft customer interaction strategies that evoke customer responses which benefit the firm and create more meaningful interactions between customers and employees. Two essays explore phenomena in which FLE behaviors shape critical outcomes for customers and the firm. In the first essay, I explore instances of FLEs deviating from the manager-prescribed script when interacting with customers, and thus exhibiting behaviors (e.g., complaining to customers) that run counter to firm objectives. A series of experiments in the laboratory and field reveal that customers perceive script deviations as key indicators of authenticity and therefore evaluate such behaviors more favorably. The second essay explores the emerging practice of checkout charity, in which customers are solicited to donate at point-of-purchase transactions. Across a qualitative exploratory study and a series of experiments, I demonstrate that when employees solicit customers for donations at retail checkouts, it heightens feelings of anxiety and leads to a host of detrimental interaction outcomes that are conditioned by FLE attributes and the type of interaction interface. Theoretical and managerial implications of the research are discussed.

## TABLE OF CONTENTS

INTRODUCTION ..... 1
Chapter I ..... 2
Chapter II ..... 4
Conclusion ..... 6
References ..... 7
CHAPTER I: DITCH THE SCRIPT ..... 9
Abstract ..... 10
Introduction ..... 11
Theoretical Background ..... 15
Script Theory ..... 15
Complaining in Service Interactions ..... 16
FLE Authenticity ..... 18
FLE Status ..... 19
Customer-FLE Rapport ..... 20
Summary and Predictions ..... 21
Overview of Studies ..... 22
Study 1A: FLE Complaining in Simulated Face-to-Face Interactions ..... 23
Procedure ..... 24
Results and Discussion ..... 25
Study 1B: Replication Using a Qualitatively Different Actor ..... 26
Procedure ..... 26
Results and Discussion ..... 27
Study 2: FLE Complaining in Technology-Mediated Interactions ..... 28
Procedure ..... 29
Results and Discussion ..... 30
Study 3: The Role of Employee Status in FLE Complaints ..... 32
Procedure ..... 33
Results and Discussion ..... 34
Study 4: FLE Complaining in the Field ..... 37
Results and Discussion ..... 41
Post Hoc Analyses ..... 44
Results Summary ..... 46
Theoretical Implications ..... 47
Managerial Implications ..... 49
Limitations and Future Research ..... 50
References ..... 52
Appendix ..... 57
CHAPTER II: CUSTOMER ANXIETY IN FRONTLINE RELATIONSHIPS ..... 62
Abstract ..... 63
Introduction ..... 64
Study 1: Critical Incident Technique ..... 68

Method and Procedure .....69
Results .....70
Group 1: Negative Psychological Response to the Solicitation .....71
Group 2: Neutral Psychological Response to the Solicitation .....72
Group 3: Positive Psychological Response to the Solicitation .....73
Discussion .....74
The Role of Anxiety in Checkout Charity .....75
Anxiety's Impact on Interaction Outcomes .....77
Study 2: Effect of Checkout Charity Solicitations on Interaction Outcomes .....80
Procedure.....80
Results and Discussion.....81
Study 3: The Moderating Role of the Frontline Interface .....83
Procedure.....85
Results and Discussion .....86
Study 4: The Moderating Role of Frontline Employee Attributes .....90
Procedure.....92
Results and Discussion .....93
General Discussion .....99
Theoretical Contributions .....99
Managerial Contributions .....102
Limitations and Future Research .....103
References .....105
Appendix .....120
CONCLUSION .....127
VITA .....128

## LIST OF TABLES

CHAPTER I
Table 1.1. Overview of Studies. .....57
Table 1.2. Summary of Study Results. .....58

CHAPTER II
Table 2.1. Summary of Studies. .....111
Table 2.2. Construct Measurement Items. .....112
Table 2.3. Summary of Study Results: Direct and Indirect Effects of Checkout Charity Solicitation on Interaction Outcomes. .....113

## LIST OF FIGURES

CHAPTER I
Figure 1.1. Conceptual Model. .....59
Figure 1.2. FLE Authenticity as a Function of FLE Complaining and FLE Status. .....60
Figure 1.3. Study 4: Illustration of Post-Hoc Interaction Effects. .....61

CHAPTER II
Figure 2.1. Study 2 Results. .....114
Figure 2.2. Study 3 Results. .....115
Figure 2.3. Solicitation Interface as Moderator of the Relationship between Checkout Charity and Customer Anxiety. .....116
Figure 2.4. Donation Likelihood as Moderator of the Relationship between Customer Anxiety and C-C Identification. .....117
Figure 2.5. Study 4 Results. .....118
Figure 2.6. Competence as Moderator of the Effects of Checkout Charity Solicitation on Customer Anxiety. .....119

# INTRODUCTION

This dissertation is comprised of two papers in the field of frontline marketing with focus given to the customer interaction. The frontline marketing literature emphasizes the role of the customer contact employee (Berry 1981). Frontline marketing represents the intersection of firms and customers, with frontline employees (FLEs) acting as reconciling intermediaries (Singh 2000). One cannot overestimate the importance of FLEs as the caretakers of customers' experience and agents of the firm's brand and interests. However, striking a balance between often conflicting customer and firm interests can present challenges for FLEs (Singh 2000). Amid navigating their role as firm-customer middlemen, FLEs incur added job demands (e.g., displaying firm-directed behaviors such as smiling and greeting customers) that require increased physical and psychological effort (Zablah et al. 2012). Firms trust that FLEs fulfill these job demands while creating quality customer touchpoints that hold important implications for the firm.

This dissertation examines customer responses to FLE behaviors in customer-FLE interactions. Prior research supports that FLE expressivity and behaviors during customer-FLE interactions shape customers' affective and behavioral responses (Lam, Kraus, and Ahearne 2010). Likewise, customer interaction strategy, when properly leveraged, plays an integral role in helping to elicit desired customer responses, such as satisfaction and repeat patronage. This dissertation, and its findings, are thus intended to help managers craft customer interaction strategies that evoke customer responses which benefit the firm and create more meaningful interactions between customers and employees.

## Chapter I

The first chapter of my dissertation investigates occurrences in which FLEs violate firm expectations and display negative behaviors, namely, complaining, when interacting with customers. Extant research in complaining has focused exclusively on the role of FLEs as complaint receivers and, hence, managers of customer complaints (e.g., Maxham and Netemeyer 2003). Though customer review sites are replete with instances of FLEs complaining to customers, such FLE failures to regulate their emotions are mostly absent from the marketing literature, thus revealing a conspicuous gap. Grandey (2003) found that employees indeed break character and fail to regulate their emotions, however, customer consequences of employee emotional breakdowns remain unstudied. Instead, the emotional regulation literature has primarily emphasized the imperative for FLEs to regulate their emotions on the job via acting (e.g., surface acting) strategies (Wang and Groth 2014). Research has yet to explore how customers react to FLEs complaining and how managers should respond to negative behavioral displays in the frontlines.

Despite efforts to manage and standardize FLE behaviors in the frontlines (Sirianni et al. 2013), continuous customer interfacing leads FLEs to experience emotional exhaustion and, ultimately, emotion regulation breakdowns (Wang and Groth 2014). When FLEs fail to regulate their emotions, they break from the managerially-prescribed script that is designed to facilitate interactions with customers, thus exposing customers to the consequences of unscripted FLE behaviors. For instance, a disgruntled FLE may complain to customers about their manager's decision to keep service employees beyond their normal shift hours if the company is understaffed. This so-called break in script warrants exploration as two distinct customer responses can emerge from FLE complaining behavior. On one hand, research into emotional

labor suggests that inserting negativity into customer-FLE interactions may harm the customer experience (Bailey and McCollough 2000). On the other hand, emotion suppression failure may signal that employees are indeed authentic, which may have beneficial effects on interaction outcomes (Hennig-Thurau et al. 2006).

The first chapter reconciles these divergent views by examining the net effect of FLE complaining on important customer interaction outcomes valued by the firm. I find that FLE script violations, even in the presence of negative emotional display (e.g. complaining), do not unequivocally engender negative customer valuations. Instead, the negative effects of FLE complaining are often countered (if not exceeded) by the increased perceptions of FLE authenticity that result when interaction scripts are violated. Specifically, a series of five experiments (four in the lab and one in the field) supports a serially-mediated model in which FLE complaining increases interaction quality and manifest influence, defined as FLEs' ability to shape customers' "purchase decision-related opinions and behaviors" (Kohli and Zaltman 1988, p. 198). The indirect effect (through FLE authenticity and rapport) offsets, and in some instances reverses, the negative direct effect of FLE complaining on customer outcomes. Further, the positive effect of complaining on FLE authenticity is amplified among low-status FLEs (e.g., cashiers, retail sales associates), as customers perceive low-status FLEs to lack the autonomy to break the script, if they so desire. I conclude that complaining directly to customers endows FLEs with authenticity that nullifies any potential negative effect generated by the complaint. This finding implies that, unless it is a pervasive problem within a service unit, managers should avoid policing employee complaining behaviors as doing so offers little benefit to customers and negates the cathartic release FLEs experience when they vent their frustrations on the job

(Kowalski 1996). More broadly, this finding also suggests that managers should encourage FLEs to express themselves genuinely and forge meaningful connections with customers.

## Chapter II

In the second chapter, I investigate FLEs' essential role in facilitating checkout charity, the solicitation of customer donations at retail checkout points. In checkout charity interactions, the FLE directly solicits customers to contribute to an identified charitable cause. Checkout charity campaigns differ from other traditional corporate social responsibility campaigns in that: (1) the financial burden of contributing is passed on to the customer rather than borne by the firm, (2) donation solicitation occurs at a point in which customers have already revealed they intend to spend money, and (3) the solicitation for donations often occurs without customers expecting it. Although prior research has found corporate social responsibility efforts can elicit positive ("warm glow") feelings from customers following a donation (Habel et al. 2016), I argue that the unique aspects of checkout charity account for key differences in how customers respond to the act of solicitation.

Checkout charity solicitations unfold between FLEs and customers. Therefore, when FLEs solicit customers for donations, the customers must respond to the FLE's request in one of two ways: donating to the charity or withholding contribution. The nascent stream of research into checkout charity has predominantly focused on customer donation behavior (Obeng, Nakhata, and Kuo 2019). However, I argue that by overly-emphasizing customers' prosocial responses to checkout charity solicitations (e.g., Giebelhausen et al. 2017), the literature has largely ignored the critical mechanisms that precede customers' donation decision. Plainly stated, we have yet to determine what leads to the donation decision. Thus, the second essay of

my dissertation explores the process by which customers psychologically respond to checkout charity solicitations.

I employ a critical incident technique as an initial exploration into checkout charity to gain a better understanding of the phenomenon by building theory (Olsen and Thomasson 1991). I leverage the anxiety literature to theoretically formalize the insights derived from the qualitative inquiry and, in so doing, establish a conceptual foundation for the research. The anxiety literature suggests that a heightened state of anxiety results from how individuals perceive themselves and how they believe others judge them (Leary et al. 1998). Anxiousness, or feelings of discomfort, arise and impel the individual to escape the undesirable state (Clegg 2012). In the context of checkout charity, customers experience a negative psychological response to the solicitation, which detrimentally impacts several interaction outcomes. Further, the effect of solicitation on customer anxiety is intensified when desirable FLE attributes are examined. Specifically, customers experience a sense of indebtedness when they are provided with a valued benefit (i.e., high service quality from competent FLEs) and thus feel socially obligated to the FLE (Mathews and Green 2010).

I conclude that FLE solicitations of customers for donations may be inherently incompatible with providing a quality service experience that managers desire. My second essay determines that negative psychological responses of customers to solicitations explain, in part, prosocial behavioral responses. The anxiety literature and findings from my qualitative inquiry support that, in many instances, individuals donate when solicited because they fear others' negative judgments. As such, managers should altogether avoid implementing checkout charity campaigns or determine methods for reducing customer anxiety (i.e., soliciting customers for donations via technology-mediated interactions).

## Conclusion

This dissertation contributes to the frontline marketing literature by examining customers' perceptual and behavioral responses to FLE behaviors. I examine the relational nature of the FLE's role within customer-FLE interactions and how firms can benefit from creating optimal exchanges with customers. More specifically, this research stresses the imperative of creating authentic connections with customers and leveraging checkout charity initiatives under the correct conditions. The findings from this dissertation provide managers with two primary insights. First, managers should allow FLEs to "be themselves" when interacting with customers, even if it means occasionally exposing customers to negative FLE behaviors. Second, managers should be aware of checkout charity's negative psychological effects on customers which impact several important interaction outcomes. Unlike other corporate social responsibility efforts, checkout charity implies a performance trade-off that may not be worth the risk for firms.

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# CHAPTER I
# DITCH THE SCRIPT: WHY AND WHEN CUSTOMERS RESPOND FAVORABLY TO FRONTLINE EMPLOYEE DISPLAYS OF NEGATIVE EMOTION

A version of this chapter is currently being revised and will be submitted for scholarly review. It will not be published prior to the completion of my ETD. Alex R. Zablah and Nawar Chaker are co-researchers on this chapter.


## Abstract

Frontline employees (FLEs) often complain to customers – about coworkers, disliked management practices and even other customers – as a mechanism for relieving frustrations associated with the job. Given that FLE complaining inserts negativity into frontline encounters, such behaviors are discouraged by management and generally assumed to have a detrimental effect on customer outcomes (e.g., interaction quality). However, script theory affords another perspective: it suggests that because FLE complaining represents a clear departure from prescribed management behaviors, it also serves as a signal to the customer that the FLE is authentic, thus promoting rapport and other beneficial outcomes. We evaluate these competing viewpoints across a series of lab and field experiments and find that (1) FLE complaining has countervailing effects on customer interaction outcomes, (2) the net effect of complaining on these outcomes is generally positive or non-significant, and (3) the beneficial effects of complaining are more pronounced among low (e.g., restaurant servers) than high (e.g., managers) status FLEs. Counter to common wisdom, these findings imply that managerial efforts to curb FLE complaining (e.g., via disciplinary action) may be counterproductive because doing so denies FLEs the emotional catharsis associated with complaining behaviors while infrequently improving customer interaction outcomes.

## Introduction

*"When the waitress showed up she proceeded to tell me she was in the back complaining that because no one showed up today she would have to work a double…The waitress did apologize for my wait. The food was very good, but the service leaves something to be desired. If the staff is so unhappy that they are not showing up for work and complaining to customers, the manager needs a refresher course in management."*

-Customer review of national fast food restaurant

Frontline employees (FLEs) often complain to customers. They complain about a variety of topics including personal challenges (e.g., difficulty making ends meet), disliked management practices (e.g., restrictions on the number of hours worked), other customers (e.g., bad tippers) and, as our opening quote suggests, their aggravation with coworkers (e.g., kitchen staff not doing its job properly). While the prevalence of this phenomenon is not well-documented in the literature, the numerous accounts of FLE complaining reported on customer review sites (e.g., Yelp, Google Reviews and TripAdvisor) and our conversations with customers on this topic suggest it is a commonplace occurrence in service interactions.

Complaining in the frontlines has long interested scholars, with extant research predominantly emphasizing the role FLEs play as the receivers and, by extension, managers of customer complaints (e.g., Maxham and Netemeyer 2003). Conspicuously absent from the literature, however, is research on FLE complaining, a surprising omission given its potential implications for customer interaction outcomes valued by the firm. The purpose of this research is thus to begin to redress this important knowledge gap by quantifying the nature and magnitude of FLE-issued complaints on customer interaction outcomes, and, in so doing, provide frontline managers with guidance as to what constitutes an appropriate response to such behaviors across a variety of service encounters.

Our inquiry is guided by the view that FLE complaining – the expression of dissatisfaction to a customer for the purpose of venting negative emotions (Kowalski 1996) – represents a significant departure from the firm-prescribed script for FLE behaviors and is a consequence of an emotion suppression failure (Wang and Groth 2014). That is, we proceed from the perspective that FLE complaining arises from employees' failure to regulate their own emotions despite being aware of organizational standards for behavior (Grandey 2003). Importantly, research grounded in script (and related emotion regulation) theory suggests that to understand the impact of FLE complaining on customers, it is necessary to consider both the valence (i.e., positive or negative) of the emotion conveyed, as well as the authenticity with which it is expressed (e.g., Hennig-Thurau et al. 2006). From this vantage point, then, FLE complaining can conceivably elicit two distinct customer responses. On one hand, by inserting negativity into the encounter, FLE complaining is likely to dampen the customer experience, ultimately to the detriment of interaction quality and its derivative outcomes (e.g., purchase intentions; Bailey and McCollough 2000). On the other hand, the failure to suppress a complaint, a clear departure from service scripts, signals to customers that FLEs are being "themselves," or authentic, during an interaction. Such signaling is important because customers value interacting with "real people" (Grandey 2003), and, consequently, the increased authenticity conveyed from when FLEs complain promotes customer-FLE rapport and its beneficial interaction outcomes (Gremler and Gwinner 2000). To the extent that it is correct, the preceding theorizing implies that the effect of FLE complaining on customer outcomes, and hence the commensurate managerial response to such behaviors, depends ultimately on the relative magnitude of these two competing effects.

We test the merits of the preceding ideas using a series of experiments (four in the lab and one in the field) that vary the nature of the complaint, the nature of the service setting, the type of customer-service interface (face-to-face versus mediated), customer interaction outcomes, and the FLE's relative importance (status) within the firm. Across the studies, we uncover strong support for the notion that FLE complaining has countervailing effects on customer interaction outcomes. Specifically, we find that authenticity and customer-FLE rapport serially mediate the desirable effects of FLE complaining on customer outcomes, including interaction quality and FLE manifest influence (measured as both customer intentions to purchase an FLE-recommended product and customer choice of an FLE-recommended product). Moreover, we discover that, under most but not all conditions, the positive effect of FLE complaining either fully offsets or exceeds its negative direct effect. Finally, the study data indicate that the beneficial effects of FLE-issued complaints are especially pronounced in the case of low- (e.g., receptionist) rather than high- (e.g., shift manager) status FLEs, as such employees are commonly perceived to lack the autonomy to "be themselves" when interacting with customers. Collectively, these findings imply that, under most situations, managerial efforts to curb FLE complaining (e.g., via training or disciplinary action) may be counterproductive because doing so denies FLEs the emotional benefits associated with complaining (Alicke et al. 1992), while not improving (and potentially hurting) customer interaction outcomes.

Our research and its findings help advance three literature streams in marketing. First, we contribute to the literature on complaining in the frontlines, and, more generally, to the emotion regulation literature (Groth, Hennig-Thurau and Walsh 2009; Hennig-Thurau et al. 2006). While marketing scholars have long investigated customer complaining from a frontline perspective (e.g., Maxham and Netemeyer 2003), we are aware of no prior studies that examine the effects of

FLE complaining on customers. Accordingly, our study represents the first known investigation on this topic and serves to initiate scholarly conversation on what is a highly prevalent but hitherto ignored phenomenon. Contrary to common wisdom, our research shows that FLE complaining, which represents a failure to regulate the expression of negative emotions, is often functional and can thus have positive effects on valuable customer interaction outcomes.

Second, we help develop the growing body of literature on authenticity in the frontlines. Prior research in this domain has explored how FLEs' authentic expression of positive emotions (e.g., an authentic, "Duchenne smile") influences customer responses (Grandey et al. 2005; Hennig-Thurau et al. 2006). Hence, research in this domain has proceeded from the assumption that because positive emotion displays are mandated by the firm, their impact on customers depends on both the occurrence of the display itself as well as its authenticity as judged by customers. By considering the largely unexplored impact of negative emotion displays (in the form of complaining), our research affords a new perspective. Namely, our work suggests that since customers view the suppression of negative emotions to be inauthentic (Wang and Groth 2014), by extension, they are likely to judge any expression of negative emotion as authentic. This premise of our work receives strong empirical support across our different studies, and thus establishes that negative emotion displays are antecedent to, rather than made independently of, customer authenticity judgments.

Finally, our research contributes to script theory in marketing. Firms train FLEs to follow pre-specified scripts during customer interactions in hopes of standardizing service delivery. Research shows that while service scripts are successful in maintaining standards across encounters and over time (e.g., Sirianni et al. 2013), customers can detect script usage during interactions (Victorino et al. 2012) and evaluate service levels to be poorer when they are used

(Victorino, Verma and Wardell 2012). These findings thus suggest that customers may respond favorably to FLE deviations from management-imposed scripts, a possibility that has been hitherto unexplored. Our research begins to fill this knowledge void and demonstrates that complaining, a potentially egregious and certainly negative script deviation, does indeed impact customer outcomes, yet in a largely beneficial way.

## Theoretical Background

### *Script Theory*

Script theory posits that customer-FLE interactions play out with each participant assuming complementary roles that are enacted over the course of a reciprocal exchange process (Schau, Dellande, and Gilly 2007; Solomon, Suprenant, and Czepiel 1985). Prior to engaging in exchange, FLEs and customers are familiar with both the expectations that shape the interaction and the script that corresponds to their assumed role (Giebelhausen et al. 2014). Routine encounters in familiar roles (e.g., depositing a check at a bank) reinforce expectations and scripts for customers and FLEs alike.

To ensure behavioral consistency across the multitude of encounters that occur with a variety of customers, FLE roles are, in part, dictated by a management-specified script (Solomon et al. 1985). To illustrate, an FLE may be trained to thank customers for their business in a consistent manner after completing a transaction by expressing: "*We appreciate your business and hope to see you again soon!*". Similarly, customers also tend to internalize socially learned behaviors that guide their actions during interpersonal exchange (Lutz and Kakkar 1976; Solomon et al. 1985). For instance, a customer may reflexively smile when politely declining an FLE's offer for shopping assistance upon entering a department store.

A disruption in interaction patterns occurs when either the customer or FLE does not expect the actions of the other, and, depending on the nature of the disruption, may result in negative and/or positive exchange outcomes (Solomon et al. 1985). Said differently, the smooth progression of the interaction depends on the mutual fulfillment of expected roles. An unanticipated event that counters internalized scripts can thus derail the interaction and allows for the possibility of uncertain (unscripted) customer responses (Rafaeli and Sutton 1987). We now turn our attention to FLE complaining during service interactions, a type of script deviation which is the focus of this research.

***Complaining in Service Interactions***

*What constitutes a complaint and why is it a script violation?* Complaining is a behavioral expression of dissatisfaction that is often motivated by a disconfirmation of expectancies (Kowalski 1996). Complaints issued during routine service interactions introduce an unexpected element to the exchange episode, thus threatening to impede its progression. Consequently, FLE-issued complaints are inconsistent with the normative behaviors prescribed to employees by management (Bitner, Booms, and Mohr 1994), and vary in severity depending on the extent to which FLE and customer expectations differ (Resnik and Harmon 1983).

*Why do employees complain?* Individuals complain purposively to gain interpersonal or intrapsychic utility or possibly both (Marquis and Filiatrault 2002). Those who complain for interpersonal gain do so to influence others' perceptions of them, gain social comparison information, or redress grievances (Kowalski 1996). The notion of interpersonal gain motives is at the root of the vast customer complaining literature, which characterizes customer complaints as mostly being driven by the desire to receive acknowledgement of wrongdoing or

compensation from an organization (Blodgett, Wakefield, and Barnes 1995; Chebat, Davidow, and Codjovi 2005). In contrast, those who complain to achieve intrapsychic utility are motivated by a desire to rid themselves of an undesirable internal state (Kowalski 1996), particularly, to vent frustration (e.g. *"Can you believe how rude that customer was?"*). So-called cathartic complaining can be beneficial, namely, in that it relieves the individual from the negative emotions (Alicke et al. 1992) that have been shown to underlie employee emotional exhaustion (Grandey 2003). We thus posit here that FLE complaining directed toward customers is motivated by employees' desire to achieve intrapsychic utility gains that mitigate the emotional burden associated with frontline work (Zablah et al. 2012).

*Consequences of complaining.* Complaining has consequences for both the issuer and receiver of the complaint. Complainers risk being ostracized by others for displaying aversive behavior (Williams and Sommer 1997) and are at risk of becoming disgruntled individuals (Kowalski 2002). For complaint receivers, being exposed to a complaint is often merely annoying, but it can also detrimentally alter their mood (Kowalski 2002). Moreover, chronic complaining can lead the receiver to develop feelings of anger and resentment toward the complainer. In comparison, complaint issuers often benefit from engaging in such behaviors. Foremost, by issuing the complaint, individuals release negative feelings, thus preventing the adverse consequences associated with prolonged rumination (Wegner et al. 1987). Consistent with this precept, the customer complaining literature has found that customers experience less dissatisfaction and accordingly express less negative word-of-mouth following an unpleasant service experience when they vent their frustration (e.g., Nyer and Gopinath 2005). Absent, however, from the complaining literature is a recognition of benefits that may accrue to complaint recipients. This research explores such a possibility by examining whether customers

judge their interactions with FLEs who complain as being more authentic.

### *FLE Authenticity*

*What constitutes authenticity and how does it manifest?* Authenticity is defined as the unpretentious, straightforward expression of an individual's internal state (Kahn 1992). Authentic individuals do not withhold emotions or fake outward displays of emotion. Rather, authentic individuals express their true inner state through behaviors that correspond with their felt emotion (Moulard, Garrity, and Rice 2015). Thus, authentic FLEs are those who exhibit individuality in the frontlines (Arnold, Hall, and Baker 2016), even when doing so runs counter to emotion display rules prescribed by management and customers' understood script for how employees should behave during an interaction.

*Customer perceptions of authenticity.* Prior research has shown authenticity is characterized, in part, by others' perceptions of candidness (Moulard et al. 2015) and individuals' commitment to faithfully express their true self (Chan, Hannah, and Gardner 2005). Hence, FLEs who engage in conscious self-monitoring or surface acting are often penalized by customers for being disingenuous or faking positive emotions during an interaction (Grandey 2003). Importantly, a recent study also finds that customers view FLEs as being inauthentic when they actively suppress their negative emotions during an interaction (Wang and Groth 2014). Considering that customers can reliably judge the authenticity of FLEs' non-verbal (Victorino et al. 2012) and verbal (Grandey et al. 2005; Hennig-Thurau et al. 2006) emotion displays, it is thus not surprising to find that authenticity is an important determinant of customer interaction outcomes (Nguyen et al. 2014).

*Consequences of authenticity*. Both FLEs and customers desire authenticity in service interactions (Grandey et al. 2012). Consistent with this assertion, prior research has linked FLEs' authentic expression of positive emotions with critical interaction outcomes, including positive customer affect (Hennig-Thurau et al. 2006), customer tipping behaviors (Bujisic et al. 2014), interaction satisfaction (Grandey et al. 2005), and purchase intentions (van Rekom, Go, and Calter 2014). However, less is known about how customers react to FLE displays of negative emotion (Grandey et al. 2005), and about the relationship between negative emotion displays and authenticity. We posit here that complaining, which inserts negativity into an interaction, will lead customers to appraise FLEs as being authentic because the failure to suppress the expression of a negative emotion – as dictated by established scripts – signals to customers that FLEs are being "themselves." Further, as explained next, we anticipate that these signaling effects will be stronger among low-status rather than high-status FLEs.

### *FLE Status*

FLE status, a construct we introduce to the literature, is used here to refer to the relative importance of an FLE's specific role within a firm. Prior research suggests that high-status individuals are perceived to possess more power and influence than those who hold a lower status (Czepiel 1990; Locke 2003). In our current investigation, this implies that customers are likely to view low-status FLEs (e.g., a hotel receptionist) as having less discretionary authority than any high-status FLEs (e.g., a hotel shift manager) with whom they interact. Said differently, customers are likely to believe that low-status FLEs do not have the choice to be "themselves" during an encounter as they must follow the management-prescribed script. They are unlikely, however, to believe that the same is true for high-status FLE whose relative power and influence

afford them the opportunity to be "themselves" without risking adverse consequences. Therefore, we expect that FLE complaints will serve as a strong signal of authenticity among low-status but not high-status FLEs. As detailed next, we anticipate that the authenticity low-status FLEs accrue when they complain will enable them to establish a stronger rapport with customers.

### *Customer-FLE Rapport*

*Building rapport.* Rapport refers to the quality of the connection that exists between a customer and FLE (Gremler and Gwinner 2000) and is relevant in both long-term relationships (e.g. Liao and Chuang 2007) as well as in short-lived, mundane encounters, such as those which occur between customers and grocery store checkout clerks (Goodwin 1996). Prior research (albeit only focused on positive emotion displays) suggests that, because customers value interacting with "real people" (Grandey 2003), FLEs' authentic display of positive emotions promotes customer-FLE rapport (Giebelhausen et al. 2014; Groth et al. 2009; Hennig-Thurau et al. 2006). For this same reason, we propose here that, despite introducing negativity into an encounter, the increased authenticity that results when FLEs complain to customers ultimately improves customer-FLE rapport.

*Consequences of rapport*. We consider how rapport affects two critical interaction outcomes: (1) interaction quality, which refers to customer's overall evaluation of their encounter with the FLE, and (2) FLE manifest influence, defined as employees' ability to shape customers' "purchase decision-related opinions and behaviors" (Kohli and Zaltman 1988, pg. 198). In terms of manifest influence, we evaluate rapport's effects on both customers' intentions to purchase and their actual choice of an FLE-recommended product.

Prior research establishes that rapport enhances various customer interaction outcomes, including satisfaction, loyalty, and word-of-mouth intentions (e.g., Gremler and Gwinner 2000). Consistent with prior empirical evidence, we anticipate that rapport will enhance customer interaction quality because it promotes frontline encounters that are warm, friendly, and open, all of which contribute to a satisfactory customer experience (Gremler and Gwinner 2008). In addition, we expect that rapport will improve FLE manifest influence as it provides for the rapid establishment of mutual trust (Macintosh 2009), a critical determinant of customers' willingness to rely on FLEs when making purchase-related decisions (Doney and Cannon 1997).

***Summary and Predictions***

The preceding exposition casts FLE complaining as a meaningful deviation from the script that guides employee behaviors during service interactions. This script deviation is expected to have an undesirable effect on interaction outcomes (rapport, interaction quality and FLE manifest influence) because it inserts negativity into the customer-FLE encounter. We also anticipate, however, that, as a script deviation, complaining will enhance customers' perceptions of FLEs' authenticity, since it signals that employees are being "themselves" during an encounter. Moreover, given that customers value interacting with "real people," we predict that the resulting authenticity will improve customer-FLE rapport, ultimately offsetting (at least partially) the negative effects of FLE-issued complaints on valued interaction outcomes. Finally, we expect that the effect of FLE complaining on authenticity and, by extension, its indirect effect on rapport, interaction quality, and manifest influence, will be more pronounced among low-status (rather than high-status) FLEs because they are more likely to be viewed by customers as lacking the discretion necessary to "be themselves." These expectations are visually depicted in Figure

1.1 (all tables and figures are located in the appendix) and formalized in the following hypotheses:

$H_1$: FLE complaining has a positive indirect effect on rapport that is mediated by FLE authenticity and offsets, at least partially, any direct negative impact FLE complaining may have on rapport.

$H_2$: FLE complaining has a positive indirect effect on interaction quality that is serially mediated by FLE authenticity and rapport and offsets, at least partially, any direct negative impact FLE complaining may have on customer perceptions of interaction quality.

$H_3$: FLE complaining has a positive indirect effect on manifest influence that is serially mediated by FLE authenticity and rapport and offsets, at least partially, any direct negative impact FLE complaining may have on manifest influence.

$H_4$: The positive indirect effect (via FLE authenticity) of FLE complaining on customer interaction outcomes (including rapport, interaction quality, and manifest influence) is stronger (weaker) among low- (high-) status employees.

## Overview of Studies

As is summarized in Table 1.1, we tested our study hypotheses using four lab studies and a field experiment. To identify realistic complaint scenarios for use in these experiments, we began by conducting a critical incident technique (CIT) exercise (n = 30 MTurkers) that asked respondents to recall a time in which an FLE complained to them during a service interaction. Based on the insights afforded by the CIT exercise, we developed Study 1A, which uses a face-to-face video-recorded interaction to test the effect of FLE complaining on rapport in a simulated restaurant service context. Study 1B replicates Study 1A while using a qualitatively different FLE in the video, thus excluding idiosyncratic characteristics of the individual delivering the complaint as an alternative explanation for the observed effects. Study 2 tests the effects of FLE complaining in situations where interactions are mediated entirely by technology (i.e., not face-to-face), thus controlling for the effects of visual and audio cues on customer responses to complaints. Further,

Study 2 extends the insight afforded by our first studies by examining the effect of complaining on interaction quality and manifest influence. In Study 3, we vary the nature of the complaint and the service context to examine how FLE status alters the effect of FLE complaining on customer interaction outcomes. Finally, in Study 4, we assess the ecological validity of our lab findings by testing the study hypotheses via a field experiment in which customers interact with an FLE (actor) who attempts to influence their product choices in a service setting.

## Study 1A: FLE Complaining in Simulated Face-to-Face Interactions

In Study 1A we assessed the net effect of complaining on rapport ($H_1$). To test $H_1$, participants were exposed to a video recording of a trained actor posing as restaurant server and delivering dialogue that either featured or did not feature a complaint (see Online Appendix A for the scripts used in this and other studies). Participants were instructed to place themselves in the role of the customer visiting an upscale restaurant, Hawthorne's, with a couple of friends. The restaurant scene featured a U-shaped restaurant booth adorned with a linen tablecloth, cutlery, and a decorative centerpiece. The video interaction was played immediately after participants were asked to imagine they had just been seated and their server was approaching the table. Participants watched the 30-second video of a male restaurant server engaging the customers with a brief introduction followed by a discussion of the featured entrees. Participants in the complaint condition witnessed the server mention the beautiful day but complain about missing the opportunity to enjoy it *("Unfortunately, I won't get to enjoy it because I'm stuck in here working a double shift."*). In the control condition, the server acknowledged the beautiful day but did not complain. Aside from the complaint, the scripts were otherwise identical.

***Procedure***

Study 1A used a single factor, between-subjects design to manipulate participants' perception of complaining in a service interaction. Sixty-three participants ($M_{age}$ = 32.9, 34.9% female) were recruited through Amazon MTurk and offered nominal compensation in return for their participation. We excluded one response from the final sample due to an incorrect response on a reading check question (Goodman, Cryder and Cheema 2013), which gave us a final sample of 62 participants for analysis purposes.

Each participant was randomly assigned to one of the study's two experimental conditions (complaint versus no complaint). All participants, regardless of condition assignment, were given the same cover story: this study measures customer evaluations of menu options in an upscale restaurant. Participants were instructed that the video was intended to place them in the customer's mindset as a way of enhancing the realism of the exercise.

After watching the video, participants were asked to answer questions related to their restaurant experience (and, consistent with our cover story, they were also asked to rate several of the menu options). We measured participant responses using 1-7-point Likert scales (1 = strongly disagree; 7 = strongly agree) to assess FLE authenticity (we adapted and extended seven items from Grandey 2003 and Wood et al. 2008, α = .82) and rapport (five items related to enjoyable interaction adapted from Gremler and Gwinner 2000, α = .91, and four items related to personal connection, α = .91). Measures of the two rapport dimensions were averaged to test the proposed effects. We also measured empathy using five items adapted from Davis's (1980) Interpersonal Reactivity Index (α = .73) to control for the possibility that empathy (and not authenticity) explains why an FLE complaint leads to a positive effect on rapport. Online Appendix B provides a full list of the measures used in all studies.

***Results and Discussion***

*Manipulation check*. To check the efficacy of the manipulation, participants were asked whether the server in the video had issued a complaint during his delivery (*"True or false? During the service interaction, this server complained about being "stuck" at the restaurant working a double shift."*). The results reveal that 93.5% of participants in the complaint condition and 100% of those in the no complaint condition correctly identified their condition assignment ($\chi^2 = 54.49$, $p < .001$), thus affirming the effectiveness of the manipulation.

*Hypothesis testing*. We used Hayes' (2013) PROCESS macro (Model 4) and bias-corrected confidence intervals (CIs) based on 5,000 bootstrap samples to simultaneously test the indirect (via FLE authenticity) and direct effects of complaining on rapport. The results reveal a positive indirect effect ($ab = .61$, $SE = .24$, 95% CI = .1960 - 1.1570) of complaining on rapport that is mediated by FLE authenticity. This indirect effect is the result of the following constituent effects: a positive effect of complaining on FLE authenticity ($b = 1.32$, t = 5.55, $p = .00$), and a positive effect of FLE authenticity on customer-FLE rapport ($b = .47$, t = 2.95, $p = .00$). Importantly, the results also reveal a negative direct effect ($b = -.73$, t = -2.06, p = .04) of FLE complaining on rapport that, when taken together with the indirect effect, yields a non-significant total effect of FLE complaining on rapport ($b_{total} = -.12$, t = -.39, p = .70). Empathy, our control variable, was not found to influence authenticity ($b = -.07$, t = -.68, $p = .49$) or rapport ($b = .11$, t = .95, $p = .35$).

*Discussion*. The results of Study 1A support $H_1$ as they demonstrate that FLE complaining has a positive indirect effect on rapport that offsets its negative direct effect. Given the relative magnitude of the competing effects elicited by our experimental scenario, the indirect positive effect fully negates the direct negative effect of complaining, thus yielding a non-

significant total effect (Zhao, Lynch and Chen 2010). Finally, the study also excludes customer empathy as an alternative explanation for why FLE complaining may have a positive effect on rapport. We explore the robustness of these findings in Study 1B.

## Study 1B: Replication Using a Qualitatively Different Actor

Study 1B sought to replicate the findings of the first study, while excluding idiosyncratic characteristics of the actor used in the first study as a rival explanation for the observed effects. As in Study 1A, an upscale restaurant setting was constructed, and participants were provided the same instructions which placed them in the role of the customer visiting the restaurant with friends. Great care was taken to ensure props and all items not related to the actor were identical to those used in Study 1A. Further, the script and nonverbal delivery of the interaction were the same across studies 1A and 1B. The studies only differed on the actor features.

Study 1B featured a female actor (5'3") considerably shorter than her male counterpart (6'0"). The female actor also differed based on physical presentation in that she maintained a clean appearance (the male actor maintained facial hair). Both actors wore all-black uniforms typical of upscale restaurants. In addition, an Independent-Samples T-test (1 = very unattractive; 7 = very attractive) revealed the female actor ($M_{female} = 5.82$) was perceived to be significantly ($p = .00$) more attractive than her male counterpart ($M_{male} = 4.16$).

### *Procedure*

To replicate the initial study using a female server, we once again employed a single factor between-subjects design. Sixty-four participants ($M_{age} = 36.0$, 33.3% female), randomly assigned to the complaint vs. non-complaint conditions were recruited through Amazon MTurk and

offered compensation for their participation. Participants were provided the same cover story about customers' menu evaluation as in Study 1A. Four participants failed the reading check question, resulting in a sample of 60 participants for analysis purposes (Goodman et al. 2013).

The video in Study 1B featured a female server delivering the same script (complaint versus no complaint) to customers. Participants were either exposed to the female server complaining about being stuck inside all day and not enjoying the weather or viewed the server issuing no complaint. As was with the first study, the scripts for each condition varied based on the complaint and nothing more. Following the video service interaction, participants answered questions consistent with those posed in the initial study. All measures employed are identical to those of the first study and proved to be reliable: authenticity ($\alpha = .85$), rapport, enjoyable interaction ($\alpha = .89$), rapport, personal connection ($\alpha = .92$), and empathy ($\alpha = .75$).

***Results and Discussion***

*Manipulation check*. This study presented an identical manipulation check to that of Study 1A. Results demonstrate that participants (100%) in the complaint condition accurately assessed condition assignment, while non-complaint participants (96.8%) correctly assessed the absence of a complaint ($\chi^2 = 56.13$, $p < .001$), thus confirming the manipulation's effectiveness.

*Hypothesis testing*. As before, we used Hayes' (2013) PROCESS macro (Model 4) and bias-corrected CIs based on 5,000 bootstrap samples to test $H_1$. Consistent with the findings for the male actor study, we find a positive indirect effect ($ab = 1.07$, $SE = .26$, 95% CI = .6233, 1.6526) of complaining on rapport that is mediated by FLE authenticity. This indirect effect is the product of the following constituent effects: a positive effect of complaining on FLE authenticity ($b = 1.33$, t=4.74, $p$=.00), and a positive effect of FLE authenticity on customer-FLE

rapport ($b$ = .80, t = 6.53, $p$ = .00). As in the first study, we also find a negative direct effect ($b$ = -1.01, t = -3.28, $p$ = .00) of FLE complaining on FLE-customer rapport. When combined, the indirect and direct effect yield a non-significant total effect of complaining on rapport ($b_{total}$ = .06, t = .17, $p$ = .86). Finally, unlike the first study, the data reveal a significant positive effect of empathy on rapport ($b$=.34, t=3.19, $p$ =.00), but not on authenticity ($b$=-.08, t=-.67, $p$ =.51). In the interest of brevity, the effect of empathy on study results is considered but not reported in all subsequent studies as it either did not influence the endogenous variables or did not alter the study's conclusions.

*Discussion*. Results from this study confirm our initial findings: an FLE complaint exerts competing effects on service interaction rapport. More precisely, a complaint issued by a restaurant server directly and negatively impacts rapport. However, when FLEs complain, customers also judge the service employee to be more authentic, ultimately enhancing the level of rapport established in the interaction. Contrary to Study 1A, we find in this study that empathy influences rapport, a result which suggests that empathy's effects on rapport may be driven by the characteristics of the FLE and occur in addition to (rather than instead of) the effect of authenticity on rapport. Next, we study complaining in technology-mediated interactions to assess how the removal of audio and visual cues affects the perceptions of an FLE complaint.

## Study 2: FLE Complaining in Technology-Mediated Interactions

In this study we extend our model to consider the direct and indirect effects of FLE complaining on two important customer outcomes: overall interaction quality ($H_2$) and manifest influence ($H_3$), more specifically, intent to purchase. Further, Study 2 tests the effects of FLE complaining in situations where technology-mediated interaction (via texting) supplants face-to-face

interaction as a mechanism for frontline exchange. Our shift towards a technology-mediated interaction was motivated by two factors. First, recent evidence suggests that, across service industries, many providers are opting to serve customers through more convenient communication channels, particularly text messaging (PYMTS 2018). Second, we hoped to determine whether the effects of FLE complaining identified in Study 1 occur in information environments that are devoid of the rich visual and auditory cues that are present in face-to-face interactions (Zhang and Mao 2008).

Participants in this study were instructed to place themselves in the role of the customer and imagine that they were engaging in a text conversation with Taylor, a service technician at Bailey's Auto where their vehicle was undergoing routine maintenance service. Once in that mindset, participants were exposed to images that featured screenshots of their text conversation with the service technician at Bailey's Auto (see Online Appendix A). In the complaint condition, Taylor grumbled about the busyness and lack of help on hand in the auto shop (*"I'm good but it's really busy here. To make it worse, we're short-staffed today, so I'm looking forward to getting through today!"*). The control condition featured a typical service response without an FLE complaint (*"We are having a great day here at Bailey's Auto and we thank you for your business!"*). To make our test of $H_3$ possible (regarding FLE manifest influence), the text conversation in both conditions concluded with the service technician recommending replacement of the customer's windshield wipers because they were "in bad shape."

***Procedure***

Study 2 employed a one factor between-subjects design in which participants were either exposed or not exposed to an FLE complaint during a text-based interaction with an auto shop

employee. We recruited 70 participants ($M_{age}$ = 31.3, 39.1% female) from Amazon MTurk in exchange for monetary compensation. One participant was excluded from the sample for failing a reading check question (Goodman et al. 2013), resulting in a final sample of 69 participants.

After being exposed to the text conversation, participants were asked to indicate the likelihood that they would accept the technician's recommendation (1 = not at all likely; 7 = extremely likely). Participants' response to this question was used to assess manifest influence (intent to purchase). Following this initial question, participants were presented with the following two questions ($r_{xy}$ = .81, $p$ =.00) averaged to provide an indication of interaction quality (Ma and Dubé 2011): 'what is your overall evaluation of your interaction with Taylor' (1 = very poor; 7 = excellent), and 'how satisfied are you with your interaction with Taylor' (1 = very unsatisfied and 7 = very satisfied). Following these initial questions, participants then proceeded to rate FLE authenticity (α = .90), rapport, enjoyable interaction (α = .89), and rapport, personal connection (α = .92) using the same multi-item scales as in Study 1. Finally, participants also completed a measure of customer-FLE identification (α = .84), defined as the extent to which the customer senses oneness with the organization's FLEs (Korshcun, Bhattacharya, and Swain 2014). We include this measure based on social identity research, which establishes that the construct is an important driver of frontline performance, and it thus serves to account for yet another alternative explanation (in lieu of authenticity) regarding why FLE complaining can positively influence customer interaction outcomes.

***Results and Discussion***

*Manipulation check*. Participants were asked if the service technician issued a complaint during the text conversation (*"True or False? During the text correspondence, Taylor*

*complained about the auto shop being busy and short-staffed?"*). The results show that 100% of those in the complaint condition and 94.3% of those in the no complaint condition accurately responded to condition assignment ($\chi^2$ = 61.44, $p$ < .001), confirming the manipulation's success.

*Effect of FLE complaining on interaction quality ($H_2$).* We used Hayes' (2013) PROCESS macro (Model 6) and bias-corrected CIs based on 5,000 bootstrap samples to test the proposed serially-mediated effect (via authenticity and rapport) of customer complaining on interaction quality. Excluding the effects of control variables, the results reveal a serially-mediated, positive indirect effect (*ab* = .43, *SE* = .20, 95% CI = .1580 - .9769), and a non-significant direct effect (*b* = -.34, t = -1.03, p = .31) of FLE complaining on interaction quality. The constituent pathways that form the indirect effect are as follows: FLE complaining increases authenticity (*b* = 1.62, t = 6.07, *p* = .00), authenticity increases rapport (*b* = .58, t = 4.92, *p* = .00), and rapport increases interaction quality (*b* = .46, t = 3.65, *p* = .00). Neither of the two additional indirect effect pathways in our serial mediation model (complaining → authenticity → interaction quality; complaining → rapport → interaction quality) are significant as their 95% CIs include 0. Finally, including customer-FLE identification as a control (to predict the mediators and outcome variable) did not alter the study's conclusions.

*Effect of FLE complaining on manifest influence ($H_3$).* As before, we used Hayes' (2013) PROCESS macro (Model 6) to test the proposed effect of FLE complaining on manifest influence and find results very similar to those for interaction quality (note, however, that the bivariate correlation between interaction quality and manifest influence in our study is only .40, *p* = .00). Excluding the effects of control variables, the results reveal a serially-mediated, positive indirect effect (*ab* = .85, *SE* = .31, 95% CI = .3622 – 1.6031) and a non-significant direct effect (*b* = .23, t = .52, p = .60) of FLE complaining on manifest influence. The constituent pathways

that form the indirect effect are as follows: FLE complaining → authenticity (*b* = 1.62, t = 6.07, *p* = .00), authenticity → rapport (*b* = .58, t = 4.92, *p* = .00), and rapport → manifest influence (*b* = .90, t = 5.36, *p* = .00). Neither of the two additional indirect effect pathways in our serial mediation model (complaining → authenticity → influence; complaining → rapport → influence) are significant as their 95% CIs include 0.

*Discussion*. The results of study 2 provide strong support for both $H_2$ and $H_3$. Specifically, the data reveal that FLE complaining has a positive indirect effect on both interaction quality and FLE manifest influence, and that this effect is serially-mediated by FLE authenticity and customer-FLE rapport. In contrast to study 1, we do not find that this positive indirect effect is offset by a significant negative direct effect on either rapport, interaction quality, or manifest influence. The results of this study thus imply that the potential negative aspects of FLE complaining need not always fully offset the authenticity-based benefits that FLE complaining may provide. We surmise this difference across studies may be due either to the nature of the complaint issued, the mode of the interaction (face-to-face versus technology-mediated), and/or the nature of the service being provided (car repair vs. upscale restaurant service). Study 3 tests the effect of FLE complaining via text interaction in a high-end service context to determine whether the negative direct effect emerges again in such a context, even when the interaction is technology mediated. More importantly, perhaps, the study also examines the role FLE status plays as moderator of the effects of FLE complaining.

## Study 3: The Role of Employee Status in FLE Complaints

The primary objective of Study 3 is to examine whether the serially-mediated, positive indirect effect of FLE complaining on customer outcomes varies as a function of FLE status ($H_4$). We

sought to test the conditional effect in a high-end service context similar to that of the upscale restaurant used in Study 1, while also using technology (text messaging) to mediate the customer-FLE interaction. Toward that end, we designed a customer interaction scenario in which participants assumed the role of a customer booking a massage, via text, at a four-star hotel spa. This design thus allowed us to establish whether the negative direct effect of complaining on customer outcomes identified in Study 1 but absent in Study 2 was due to the nature of the service context, the mode of interaction, or some other factor.

Participants were instructed the experiment intended to evaluate consumers perceptions of texting between customers and service providers. Participants were then exposed to a series of text screens that captured the text conversation between a customer and a spa employee. FLE status was manipulated by informing participants (via text message) that they were interacting with either the spa director (high status) or the spa receptionist (low status). The complaint condition featured the spa employee complaining about technology (*"Our billing system is very clunky and causing me all sorts of headaches today. So we are unable to bill rooms."*) or not complaining about the technology while keeping the customer service outcome (billing) the same across conditions (*"Our billing system works independently of the hotel's system, so we are unable to bill rooms."*). Regardless of condition assignment, the text conversation concluded with a scripted upsell of the FLE recommending a $20 service upgrade to a trigger point therapy massage (which was done to assess the impact of complaining on FLE manifest influence).

***Procedure***

Study 3 employed a 2 (complaint: no vs. yes) x 2 (status: low vs. high) between-subjects design. Using Amazon MTurk, 143 participants ($M_{age}$ = 33.1, 46.9% female) were recruited and offered

compensation for their participation. Consistent with the earlier studies, we excluded participants who incorrectly responded to a reading check question (Goodman et al. 2013), which gave us an analyzable sample of 141 participants.

The text conversation between hotel spa FLE and customer was identical across conditions, varying only on the condition of complaint and stated position of the FLE. Immediately following the text interaction, participants answered a series of questions regarding their text exchange with the FLE. Manifest influence (1 = not at all likely; 7 = extremely likely) measured participants' likelihood to upgrade their massage consistent with the FLE's recommendation. Interaction quality was assessed with the two items used in Study 2 ($r_{xy}$ = .86, $p$ = .00). All other measures are the same as in prior studies and proved to be reliable: authenticity (α = .84), rapport, enjoyable interaction (α = .86), and rapport, personal connection (α = .94).

***Results and Discussion***

*Manipulation check*. The results confirm that the complaint manipulation was successful (*"True or False? During the text correspondence, Kristina complained about the billing system giving her 'all sorts of headaches today."*). Of participants in the complaint (no complaint) condition, 95.6% (91.7%) correctly responded to their condition assignment ($\chi^2$ = 107.51, $p$ < .001). The employee status manipulation was also successful as 92.5 (95.9%) of the participants in the high-status (low-status) employee condition correctly identified the employee's position at the hotel spa ($\chi^2$ = 109.83, $p$ < .001).

The efficacy of the manipulation for employee status was also evaluated using ANOVA and two Likert-type (1 =strongly disagree and 7 = strongly agree) questions ($r_{xy}$ = .58, $p$ =.00)

that asked participants to provide their impressions of the FLE's status in the spa ("*Kristina's position at the spa tells me she is an important employee"* and *"Kristina is a high-status employee in the spa")*. The ANOVA revealed a significant effect (F(1,137) = 15.25, *p* = .00) of employee status ($M_{Director}$ = 4.93 vs. $M_{Receptionist}$ = 3.97), a non-significant effect (F(1,137) = .51, *p* = .46) of FLE complaining, and a non-significant effect of their interaction (F(1,137) = .46, *p* =.50]) in prediction of customer-perceived FLE status. This pattern of effects strongly confirms the success of the status manipulation.

*Effect of FLE complaining on interaction quality ($H_2$).* As before, we used Hayes' (2013) PROCESS macro (Model 6) and bias-corrected CIs based on 5,000 bootstrap samples to test the indirect effect of FLE complaining on interaction quality. Consistent with $H_2$, we find a positive indirect effect of FLE complaining on interaction quality that is serially mediated by FLE authenticity and customer-FLE rapport (*ab* = .21, *SE* = .09, 95% CI = .0762, .4326). The constituent effects of the indirect effect – FLE complaining → FLE authenticity (*b* = .82, t = 4.61, *p* = .00), FLE authenticity → rapport (*b* = .59, t = 6.97, *p* = .00), and rapport → interaction quality (*b* = .43, t = 5.14, *p* = .00) – are all positive and significant. In contrast to Study 2, the direct effect of FLE complaining on interaction quality is negative, significant, and relatively large in magnitude when compared to the indirect effect (*b* = -.66, t = -3.56, p = .00). Tests for additional indirect effects (complaining → authenticity → interaction quality; complaining → rapport → interaction quality) are not significant as their 95% CIs include 0.

*Effect of FLE complaining on manifest influence ($H_3$).* As before, we used the same procedures to estimate the indirect effect of FLE complaining on FLE manifest influence (whose correlation with interaction quality is .36, *p* = .00). In support of $H_3$, the test reveals a positive, serially-mediated indirect effect (*ab* = .44, *SE* = .14, 95% CI = .2271, .7825) and a negative

direct effect of FLE complaining (*b* = -.70, t = -2.34, p = .02) on manifest influence. The constituent effects for the indirect effect are positive and significant: FLE complaining increases FLE authenticity (*b* = .82, t = 4.61, *p* = .00), FLE authenticity enhances rapport (*b* = .59, t = 6.97, *p* = .00), and rapport increases manifest influence (*b* = .91, t = 6.75, *p* = .00). None of the other possible indirect effects in our model (complaining → authenticity → manifest influence; complaining → rapport → manifest influence) are significant as their 95% CIs include 0.

*FLE status as a moderator of the effects of complaining on authenticity.* The role of FLE status as a moderator of the effect of complaining on rapport was assessed using a product term regression approach as implemented in Hayes' (2013) PROCESS macro, Model 1. The results of this analysis reveal that FLE status moderates the effect of FLE complaining on FLE authenticity (*a***b* = .85, t = 2.42, *p* = .02), and that the interaction term accounts for an additional 3.5% of the variance in the dependent variable. Importantly, in support of $H_4$, a simple slopes analysis indicates that the relationship between complaining and authenticity is positive and significant for low-status employees (*b* = 1.23, t = 5.06, *p* = .00), and non-significant among high-status employees (*b* = .38, t = 1.52, *p* = .13). This pattern of effects is illustrated in Figure 1.2, which further indicates that high-status FLEs are generally perceived to be authentic, independent of whether they complain. The same is not true, however, of low-status FLEs who are only perceived to be authentic (on par with high-status FLEs) when they issue a complaint.

*Conditional indirect effects of FLE complaining on interaction quality and manifest influence*. Following Hayes' (2013) approach, we used *Mplus* 8 (5,000 bootstrap samples) to estimate the indirect effect of FLE complaining on interaction outcomes for high versus low-status FLEs. The results reveal a positive indirect effect of FLE complaining on interaction quality for low-status FLEs (*ab* = .31, 95% CI = .111 - .618), and a non-significant indirect effect

of FLE complaining on interaction quality for high-status FLEs (*ab* = .10, 95% CI = -.033 - .274). We find similar results for our other outcome variable as FLE complaining has a positive and significant indirect effect on manifest influence among low-status FLEs (*ab* = .66, 95% CI = .316 - 1.134) but no effect (*ab* = .21, 95% CI = -.077 - .533) among high-status FLEs.

*Discussion*. Study 3 further confirms FLE complaining's effect on interaction quality ($H_2$) and manifest influence ($H_3$). The effect on both dependent variables is driven by positive serial mediation through FLE authenticity and customer-FLE rapport. However, the data also reveal a significant, negative direct effect of FLE complaining on interaction quality and manifest influence. Like in Study 1 (and in contrast to Study 2), this negative direct effect appears in a high-end service context, suggesting that heightened customer expectations may contribute to the undesirable effects of FLE complaining on customer outcomes. Moreover, Study 3 finds that the positive indirect effects of complaining are present in the case of low-status (receptionist) but not high-status (director) employees, giving support to $H_4$. These findings thus indicate that complaints issued by low-status FLEs are more likely to have desirable customer consequences because they serve as a credible signal of the genuineness of employees who are often perceived to lack discretionary authority. We now turn our attention to a field study that evaluates the ecological validity of FLE complaining by examining its effects in a real service interaction.

## Study 4: FLE Complaining in the Field

Study 4 sought to replicate the findings of the four previous studies in the field. The study assessed the effect of an FLE complaint issued during a face-to-face, frontline interaction on customer outcomes measured both during and after the interaction. Study 4 occurs in the setting

of a service provided at a university office. The office visit involved customers (study participants) interacting with an FLE (actor) who verified their identity, distributed participation rewards, and directed them to a laboratory.

Study 4 employed a 2 (complaint: no vs. yes) x 2 (status: low vs. high) between-subjects design. Participants (n = 159) were recruited via a university's student research pool in exchange for course credit. Upon recruitment, they were instructed to visit a lab check-in office, at which point they would be given further instructions about participating in a study being carried out in the business school lab. The focus of the study was thus on the interaction that occurred between the customer and FLE at the time of check-in. While the business lab was real (and established recently so that students were relatively unfamiliar with it), the check-in office was set-up solely for the purposes of this study. The check-in office and lab location were deliberately separated by considerable distance (i.e., on different floors) to minimize potential contamination in the field and to support the complaint manipulation.

Students in the research pool registered for the study two weeks in advance and executed a consent form upon registering. After registering, participants were reminded to arrive promptly for their scheduled timeslot, thus minimizing the potential for overlapping interactions between the FLE and different participants. Because consent was secured at the time of study sign-up, we were able to apply the experimental manipulation as soon as participants arrived at the office. Hence, participants were unaware they were participating in the study when they arrived at the check-in office, which is consistent with the requirements of a field study (Gneezy 2017). Extraordinary effort was directed toward constructing the office used for the check-in interactions. We custom-designed a business lab logo, and personalized elements within the office to reflect the FLE status of the lab employee (lab director/lab intern) with whom the

participants interacted. For example, the lab director's office included a custom nameplate, personalized lab badge, and lab manager training certificate. The check-in office was equipped with an unobtrusive GoPro camera that was used to record the check-in interactions and verify the consistency of the manipulation's delivery across interactions and conditions.

When participants entered the check-in office, they were greeted by Tyler, a professionally trained actor who presented himself as either a high-status (director) or low-status (intern) FLE (the actor was blind to the study hypotheses). Tyler briefly engaged with each participant, sticking to a script that differed only regarding the study manipulations. For the complaint condition, Tyler expressed displeasure about the distance between the check-in office and the laboratory (*"I know, it's a real pain that it's so far away. Believe it or not, I had to track down some students earlier who got lost walking there. I'll give you a map to help get you there."*). The non-complaint condition included an informative remark about the distance (*"The lab is actually located on the sixth floor in room #608. I'll direct you to the lab once we complete the check-in process."*). As part of the script, the FLE also informed participants that "*The research team for this study has a small gift of appreciation for participants. You can choose from this carabiner key chain, or this breakaway lanyard, which is very useful and what I would really recommend. Which do you prefer?"* Participants were then shown their two gift options and allowed to choose the one they most preferred. This aspect of the experiment was intended to quantify the impact of FLE complaining on customer choice. Participants' gift choice was recorded by the actor at the end of the interaction, with a 1 used to indicate that the customer adopted the FLE's recommendation (breakaway lanyard) and a 0 used to indicate that the participant selected the gift (carabiner) not endorsed by the FLE.

At the end of the check-in interaction, participants were provided with a map to the building that identified the lab and were sent on their way. One of the researchers for this study greeted participants in the lab waiting room and told them he needed several minutes to get the lab computers ready for their session. The researcher then casually asked participants to fill out a brief "feedback survey" about their lab check-in experience as they waited for their name to be called to enter the lab computer room (the survey was administered on a tablet). After handing participants the tablet, the researcher left the waiting room and returned once the assessment was completed. Finally, participants were led into the computer lab where the cover story was repeated to them and completed a study consistent with the cover story.

The "feedback survey" included measures for the study constructs. The same measures were used as in our previous studies, except several of the reflective scales were shortened (see Online Appendix B) to maintain the integrity of the cover story. The same two items were measured to tap interaction quality ($r_{xy}$ = .96, $p$ = .00), and the shortened, multi-item scales used to gauge authenticity (α = .71), rapport, enjoyable interaction (α = .93), and rapport, personal connection (α = .93) all proved to be reliable.

A randomized complete block design procedure (RCBD) was used to assign conditions to days (Montgomery 2017). Our use of RCBD involved the random assignment of the four conditions (director/complaint; director/no complaint; intern/complaint; intern/no complaint) to two-hour time blocks over the course of eight consecutive days. This design was deemed to be advantageous as it allowed us to control for the potential impact of time-of-day effects on our study results, an important consideration given that we employed only one actor in our study – whose energy levels could wax and wane in a systematic manner throughout the day – as a way of minimizing the many potential confounds introduced by using multiple actors. We budgeted

15-minute breaks between each block to reduce actor fatigue and to allow adequate time to reconfigure the check-in room according to FLE status condition. Also, to further minimize actor fatigue, only three of these two-hour time blocks were scheduled per day, resulting in 24-time blocks over the eight-day period. For instance, time block 1 ran from 9:00 a.m. to 11:00 a.m. each day over the course of the experiment. Treatments to this time block were randomized without replacement over the eight days, such that the complaint/director condition was administered on the first day in this time block, the complaint/intern condition was administered on the second day in this time block, and so on.

***Results and Discussion***

*Pretest 1: manipulation check*. Consistent with Rafaeli et al. (2012) and others, we recruited a separate student sample (n = 91) from a research pool for course credit to evaluate the adequacy of our two study manipulations before collecting the field data. We did so to ensure that our cover story was not compromised by the inclusion of a manipulation check question in what was supposed to be a short "feedback survey." We evaluated the efficacy of the complaint manipulation using two Likert-type (1 = strongly disagree and 7 = strongly agree) questions ($r_{xy}$ = .79., $p$ = .00) that asked participants to evaluate the lab employee's impression of the distance between the check-in office and the lab (*"Jesse complained about the distance between the check-in room and the lab"* and *"Jesse seemed to be bothered by the distance between the check-in room and the lab"*). The results of the pretest confirm the adequacy (F(1, 87) = 101.76, $p$ = .00) of the complaint manipulation as mean complaint ratings were significantly higher in the complaint ($M_{Complaint}$ = 4.72) than in the non-complaint condition ($M_{NoComplaint}$ = 2.08) condition. Additionally, FLE status did not exert a significant effect on the complaint measure (F(1, 87) =

1.25, $p$ = .27), nor did the interaction between complaint and FLE status (F(1, 87) = .49, $p$ = .48). We assessed the adequacy of the employee status manipulation using the same two Likert-type questions ($r_{xy}$ = .71, $p$ = .00) employed in study 3. An ANOVA revealed a significant effect (F(1,87) = 47.92, $p$ =.00) of employee status ($M_{Director}$ = 5.26 vs. $M_{Intern}$ = 3.33), a non-significant effect (F(1,87) = .03, $p$ = .87) of FLE complaining, and a non-significant interaction of complaining and status (F(1,87) = 2.40, $p$ = .13) in prediction of the FLE status ratings. These results thus strongly confirm the appropriateness of the employee status manipulation.[1]

*Pretest 2: reward selection.* As described earlier, the field study involved allowing customers to select among two products (one recommended by the FLE and the other one not) as a token of appreciation for participating in the study. A pretest using students (n = 153) recruited from a participant pool for course credit was conducted to identify promotional items of roughly equal desirability to offer study participants (to ensure product choice was not unduly influenced by large differences in desirability). As part of the pretest, participants evaluated the desirability (1 = very undesirable and 5 = very desirable) of a multitude of promotional items supplied by a college campus vendor. Ultimately, a black carabiner ($M_{Carabiner}$ = 3.05) and black "breakaway" lanyard ($M_{Lanyard}$ = 2.99) were selected for use in the study as a paired samples T-test revealed these two items were deemed equally attractive (p=.65). Follow-up Independent Samples T-tests also indicated that males ($\bar{x}$ = 3.01) and females ($\bar{x}$ = 3.09) rated the carabiners as being equally desirable ($p$ = .66), while females ($\bar{x}$ = 3.21) rated the lanyard as ($p$ = .05) as slightly more desirable than males ($\bar{x}$ = 2.82). On account of this latter finding, we decided to include gender

[1] As part of the "feedback survey," we asked customers to indicate whom they had interacted with in the check-in office (we asked this question as doing so was entirely consistent with our cover story). Using this question, we were able to verify the efficacy of the status manipulation in the field study using a chi-square analysis: 94.9% (98.0%) of those in the high-status (low-status) FLE condition correctly identified the lab employee's position ($\chi 2$ = 139.81, $p$ < .001).

as a covariate in analyses involving the customer product choice variable.

*Effect of FLE complaining on interaction quality ($H_2$).* We tested $H_2$ using Hayes' (2013) PROCESS macro (Model 6) and bias-corrected CIs based on 5,000 bootstrap samples. In support of $H_2$, we find a positive indirect effect of FLE complaining on interaction quality, mediated serially by FLE authenticity and rapport (*ab* = .12, SE = .05, 95% CI = .0264, .2468). Further, we find a significant indirect effect of FLE complaining on interaction quality that is mediated only by FLE authenticity (*ab* = .09, *SE* = .05, 95% CI = .0208, .2068). The constituent pathways that underlie the former indirect effect are as follows: FLE complaining → FLE authenticity (*b* = .43, t = 2.37, *p* = .02), FLE authenticity → rapport (*b* = .52, t = 6.17, *p* = .00), and rapport → interaction quality (*b* = .54, t = 9.18, *p* = .00). No other significant indirect effects were found, and, much like in Study 2 (auto shop context), we did not find a significant direct effect of complaining on interaction quality (*b* = .08, t = .60, *p* = .55).

*Effect of FLE complaining on manifest influence ($H_3$).* The same procedures were employed to estimate the indirect effect of FLE complaining on manifest influence (choice), but this time using a logistic regression model that accommodates the binary nature of our dependent variable (selection of FLE-recommended product = 1, and selection of product not recommended by the FLE = 0). In partial support of H3, the results reveal a positive indirect effect of FLE complaining on manifest influence (choice) that is mediated by FLE authenticity (*ab* = .21, *SE* = .13, 95% CI = .0272, .5447), and is the product of the following constituent effects: FLE complaining → FLE authenticity (*b* = .43, t = 2.37, *p* = .02) and FLE authenticity → manifest influence (*b* = .48, t = 2.69, *p* = .01). No other significant indirect effects were present. We did, however, find a direct negative effect (*b* = -.69, t = -1.93, *p* < .10) of complaining on manifest influence that approximates traditional significance levels. Finally, consistent with the results of

our pre-test, we find that females are more likely than males to select the product (lanyard) recommended by the actor ($b$ = .71, t = 2.03, $p$ = .04).

*FLE status as a moderator of the effects of complaining on authenticity*. The role of FLE status as a moderator of the effect of complaining on rapport was assessed using a product term regression approach as implemented in Hayes' (2013) PROCESS macro, Model 1. The results indicate that FLE complaining and status do not interact in prediction of authenticity ($a*b$ = .11, t = .33, $p$ = .74). Given this finding, we do not report the indirect effect of complaining on customer outcomes at low versus high status levels and conclude that the study does not support $H_4$. The moderating role of status is further explored in the post-hoc analysis that follows.

***Post Hoc Analyses***

*FLE status as a moderator of other paths in the serial mediation model*. Using the same procedures used to test $H_4$, we evaluated whether FLE status moderates any of the other paths in our serial mediation model. This analysis revealed that FLE status moderates the effect of authenticity on interaction quality ($a*b$ = .27, t = 2.31, $p$ = .02), with the interaction term accounting for an additional 1.5% of the variance in interaction quality. A simple slopes analysis reveals that the effect of FLE authenticity on interaction quality is positive and significant among low-status FLEs ($b$ = .36, t = 3.95, $p$ = .00), and positive but not-significant for high-status FLEs ($b$ = .09, t = 1.02, p = .31). This result is graphically depicted in Figure 1.3.

*The role of gender.* In the field study, the gender of the FLE was kept constant (i.e., the actor was male), while the gender of the customers was not. Prior research has found gender to play a role in customer perceptions of relational (as opposed to core) aspects of the service encounter with FLEs (Iacobucci and Ostrom 1993). Hence, we chose to test whether customer

gender moderates the effect of FLE complaining on authenticity using Hayes' (2013) PROCESS macro, Model 1. The analysis reveals that customer gender moderates the effect of FLE complaining on FLE authenticity ($a*b$ = 1.06, t = 3.03, $p$ = .00), and that the interaction accounts for an incremental 5.3% of the variance in FLE authenticity. As depicted in Figure 1.3 (inset b), a simple slopes analysis indicates that the positive relationship between FLE complaining and authenticity is significant and positive among male customers ($b$ = .96, t = 3.86, $p$ = .00), and non-significant among female customers ($b$ = -.10, t = -.41, $p$ = .69).

*Discussion*. Study 4 establishes the ecological validity for the effect of FLE complaining on customer outcomes. Consistent with our lab studies, we find that an FLE complaint indirectly enhances the overall quality of customer-FLE interactions via its effects on FLE authenticity and rapport ($H_2$). However, unlike our lab studies, the effect of FLE complaining on manifest influence (choice) is found to be only mediated by FLE authenticity, providing partial support for $H_3$. We conjecture that the presence of serial mediation for interaction quality, but not manifest influence, may be a reflection of the fact that the reward selection was made prior to the conclusion of the interaction (when rapport may not have been fully established), while interaction quality was assessed several minutes after the interaction had ended. Relatedly, we also find that FLE complaining does not have a direct effect on interaction quality, while it has a negative and marginally significant effect on manifest influence (choice). This pattern of results gives credence to the possibility that any immediate, negative customer response to an FLE complaint may dissipate as customers become further removed from the interaction itself.

Although no support was found for $H_4$ in the field study, a post-hoc moderation analysis shows that the FLE authenticity-interaction quality relationship is stronger among low-status than high-status FLEs. While altering another (non-hypothesized) path in our model, these

results are consistent with $H_4$ in that they suggest that complaining has the potential to positively influence customer responses, particularly in the case of low-status FLEs. Finally, another post hoc test also finds strong for support for gender as a moderator of FLE complaining → FLE authenticity relationship, such that the relationship is positive and significant among males and non-significant among females. This finding thus suggests one contextual factor (e.g., gender-matching) that may determine how customers construe and respond to FLE complaints.

## Results Summary

Table 1.2 offers a summary of our results and reveals a strong convergence in findings across the studies. First, the table indicates that, across all the studies, FLE complaining has a positive indirect effect on rapport, interaction quality, and manifest influence that is mediated by authenticity. Second, with the exception of the high-status FLE condition in study 3, we find that the net total effect of FLE complaining on customer interaction outcomes is either non-significant ($p > .10$) or positive. Third, the results reveal that the direct negative effects of complaining on customer interaction outcomes may be stronger for premium (i.e., upscale restaurant and spa) than non-premium (i.e., auto shop and university office) services. Finally, consistent with the preceding finding, the results indicate that FLE complaining likely has a positive total net effect on customer interaction outcomes in non-premium service contexts, and a non-significant ($p > .10$) total net effect in premium service contexts. These findings have important implications for marketing theory and practice, which we discuss next.

## Theoretical Implications

*Under most conditions, FLE complaining is not detrimental to customer interaction outcomes.* To the best of our knowledge, this study is the first to explore the impact of FLE complaining on customer interaction outcomes. Our investigation is grounded in the perspective that complaining represents a meaningful departure from established scripts for FLE behavior that occurs when employees fail to suppress their emotions (Wang and Groth 2014). As prevailing wisdom would suggest, we find that FLE complaining, which inserts negativity into frontline encounters, has a direct negative effect on customer interaction outcomes. However, contrary to common wisdom, our research shows that FLE complaining also has a positive, indirect effect on customer interaction outcomes that either fully offsets or exceeds this negative effect. This finding, when considered alongside prior research which suggests that cathartic complaining provides individuals with emotional benefits (Alicke et al. 1992), points to the tentative (and surprising) conclusion that FLE complaining may be more beneficial than harmful. Our findings thus suggest that researchers should simultaneously account for the beneficial and detrimental effects of negative emotion displays in their own investigations, as well as explore whether our conclusions generalize to other types of emotion suppression failures in the frontlines (e.g., over-the-top exuberance, sadness during a personal disclosure, etc.).

*Emotion suppression failures are causally antecedent to authenticity.* We find strong support for the proposition that FLE complaining is causally antecedent to authenticity which, in turn, directly or indirectly influences customer-FLE rapport, interaction quality, and manifest influence. Our research thus underscores the important role of FLE authenticity as a determinant of customer interaction outcomes. More notably, perhaps, our work points to meaningful differences in how the expression of positive emotions (e.g., smiling) and failure to suppress

negative emotions (e.g., complaining) operate to influence customer interaction outcomes. Specifically, prior research establishes that since FLEs often fake positive expressions of emotion to comply with management directives, such emotion displays only influence customer interaction outcomes to the extent that they are also judged to be authentic (Hennig-Thurau et al. 2006). In contrast, our research shows that because an FLEs' failure to suppress negative emotions (e.g., complaining) is contrary to what management mandates (Wang and Groth 2014), negative emotion displays serve as a credible signal of employees' genuineness that is causally antecedent to customer perceptions of FLE authenticity. Moreover, we find that this signal is strongest among low-status (rather than high-status) employees because they are more likely to be viewed by customers as lacking the discretionary authority to "be themselves." Collectively, these findings imply that beyond differences in emotion valence, expressions of positive emotion and negative emotion suppression failures influence customers in fundamentally different ways that must be recognized when conducting research in this domain.

*Customers may respond favorably to FLE script deviations*. Firms train FLEs to follow interaction scripts during encounters with customers in hopes of standardizing service delivery outcomes (Sirianni et al. 2013; Victorino et al. 2012). Our research shows that FLE complaining, a script deviation that introduces negativity into an encounter, can have beneficial effects on customer interaction outcomes because it enhances customer perceptions of FLE authenticity. Put differently, we find that script deviations, even when negatively charged, may prove to be beneficial because they humanize FLEs, leading customers to perceive them to be authentic individuals and not simply agents of the firm. Our findings thus imply that the notion of script deviations may provide a useful lens for understanding customer responses to a multitude of FLE behaviors (e.g., service sweethearting; Brady, Voorhies and Brusco 2012), and that scholars

should explicitly account for the trade-offs between service standardization and FLE script flexibility in their own research.

## Managerial Implications

Our research was motivated, at least in part, by the desire to provide frontline managers with guidance as to what constitutes an appropriate response to FLE complaining behaviors. Across a series of experiments that vary the nature of the complaint (e.g., technology failure, staffing shortages), the nature of the service setting (e.g., restaurant, auto shop), the type of customer-service interface (face-to-face versus technology-mediated), and employee characteristics (low- versus high- status FLE), we find that FLE complaining has either a net positive or no effect on a variety of customer interaction outcomes, including rapport, interaction quality, and manifest influence. The sole exception to this finding occurs in the case of a high-status FLE complaining in a premium service (i.e., spa) context where we find that FLE complaining leads to a net negative effect on interaction quality. Our research thus suggests that, in most cases, managerial interventions (e.g., training or disciplinary) to curb occasional (as opposed to chronic) instances of FLE complaining may not yield meaningful improvements in customer interaction outcomes.

Despite our findings, we do not suggest that managers should simply turn a blind eye when FLEs complain to customers, nor are we advocating that managers should encourage employees to complain to customers. Instead, we argue that managers should monitor FLE complaining behaviors and exercise discretion in deciding when to intervene. Our call for the use of judgment when dealing with this prevalent challenge is grounded in the recognition that complaining provides individuals with cathartic utility (Alicke et al. 1992), and thus offers FLEs a mechanism for coping with the emotional burden that accompanies frontline jobs and

contributes to turnover and impaired performance (Zablah et al. 2012). That is, we generally advise against pursuing corrective action against FLEs who complain occasionally as doing so may elevate their level of frustration without accruing improvements in customer outcomes.

More broadly, our research suggest managers should encourage FLEs to express themselves genuinely and forge meaningful connections with customers as (1) displaying authentic behaviors (even if negative), and (2) reducing employees' emotional regulatory burden results in positive customer interaction outcomes. Toward that end, we suggest managers should seek ways to maximize the flexibility afforded by FLE scripts without compromising service delivery standards. For instance, amusement park managers may provide FLEs with the latitude necessary to recommend entertainment attractions or even suggest avoiding other attractions based entirely on the FLEs' personal experience (rather than management's strategic priorities). Case-in-point, in Disney amusement parks, employees are encouraged to exercise discretion in creating genuine experiences for customers by delivering "magic moments," such as giving a child a Mickey sticker or upgrading a family's resort hotel room (Porter 2016). Disney FLEs therefore display authentic concern and appreciation for customers by developing genuine connections with them, ultimately benefiting customers and FLEs alike.

## Limitations and Future Research

Our research has important limitations that suggest three avenues for future research. First, while we sampled the effects of FLE complaining in a variety of contexts, it is possible that our conclusions may differ under varying conditions. For instance, it might be fruitful to examine whether complaint length (which relates to the egregiousness of the script deviation) magnifies (attenuates) the undesirable (desirable) effects of FLE complaining. Similarly, exploring the

effects of FLE complaining within the context of long-term relationships may be promising, as complaining to long-time customers may elicit different responses (e.g., empathy and understanding) than complaints issued in brief service interactions. Second, while our research suggests that the effects of FLE complaining may vary in premium (e.g., upscale restaurant) versus non-premium (e.g., university office service) settings due to differences in customer expectations, we do not directly test whether this is the case. Additional research is thus needed to evaluate this assertion. Finally, our research introduces FLE status to the literature and finds that the beneficial effects of FLE complaining are magnified among low-status but not high-status FLEs. However, in the lab study we find that status moderates the FLE complaining-authenticity relationship, while in the field study we find it moderates the authenticity-interaction quality relationship. Additional research is thus needed to not only reconcile these findings, but also to further improve understanding of how and why FLE status impacts customer outcomes.

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## Appendix

**Table 1.1. Overview of Studies.**

| No | Study Design | Service Context | Interaction Type | Nature of Complaint | Outcome Variables |
|---|---|---|---|---|---|
| 1 | Scenario and behavioral experiment | High-end (upscale restaurant) | Face-to-Face | Personal - employee having to work a double shift | Rapport |
| 2 | Scenario and behavioral experiment | Low-end (auto shop) | Technology-mediated | Organizational - staffing issues and busyness | Rapport, interaction quality, manifest influence (intent) |
| 3 | Scenario and behavioral experiment | High-end (hotel spa) | Technology-mediated | Technological - poorly performing computer system | Rapport, interaction quality, manifest influence (intent) |
| 4 | Field study | Low-end (university office) | Face-to-Face | Organizational - inconvenience caused by office location | Rapport, interaction quality, manifest influence (choice) |

**Table 1.2. Summary of Study Results: Direct, Indirect and Total Effects of FLE Complaining on Customer Outcomes.**

| *DV*→ | Rapport | | | Interaction Quality | | | Manifest Influence | | |
|---|---|---|---|---|---|---|---|---|---|
| Study | Direct Effect (d) | Indirect Effect (i) | Total Effect (d+i) | Direct Effect (d) | Indirect Effect (i) | Total Effect (d+i) | Direct Effect (d) | Indirect Effect (i) | Total Effect (d+i) |
| 1a | -.73** | .61** | -.12 | -- | -- | -- | -- | -- | -- |
| 1b | -1.01*** | 1.07*** | .06 | -- | -- | -- | -- | -- | -- |
| 2 | -.22 | .94*** | .73** | -.34 | .43** | .09 | .23 | .85*** | 1.08** |
| 3 (low status) | -.13 | .73*** | .60*** | -.65*** | .31** | -.34 | -.69** | .66*** | -.03 |
| 3 (high-status) | -.13 | .22 | .09 | -.65*** | .10 | -.56** | -.69** | .21 | -.49 |
| 4 | .29 | .22** | .51** | .08 | .22** | .29* | -.69* | .21** | -.49 |

***Note:*** All effects estimated in *Mplus* 8 using 5,000 bootstrap draws. Direct effect refers to the unmediated impact of FLE complaining on the outcome variable of interest. Indirect effect refers to the sum of any significant ($p$<.05) mediated effects of FLE complaining on the outcome variables of interest. Total effect refers to the sum of the preceding direct and indirect effects. In study 3, the results are reported separately for low-status versus high-status employees to illustrate the effects of FLE complaining at different values of the status moderator. In study 2 and study 3, manifest influence is measured using an intentions measure while a customer choice variable (i.e., selection of the product recommended by the FLE) is used in study 4.

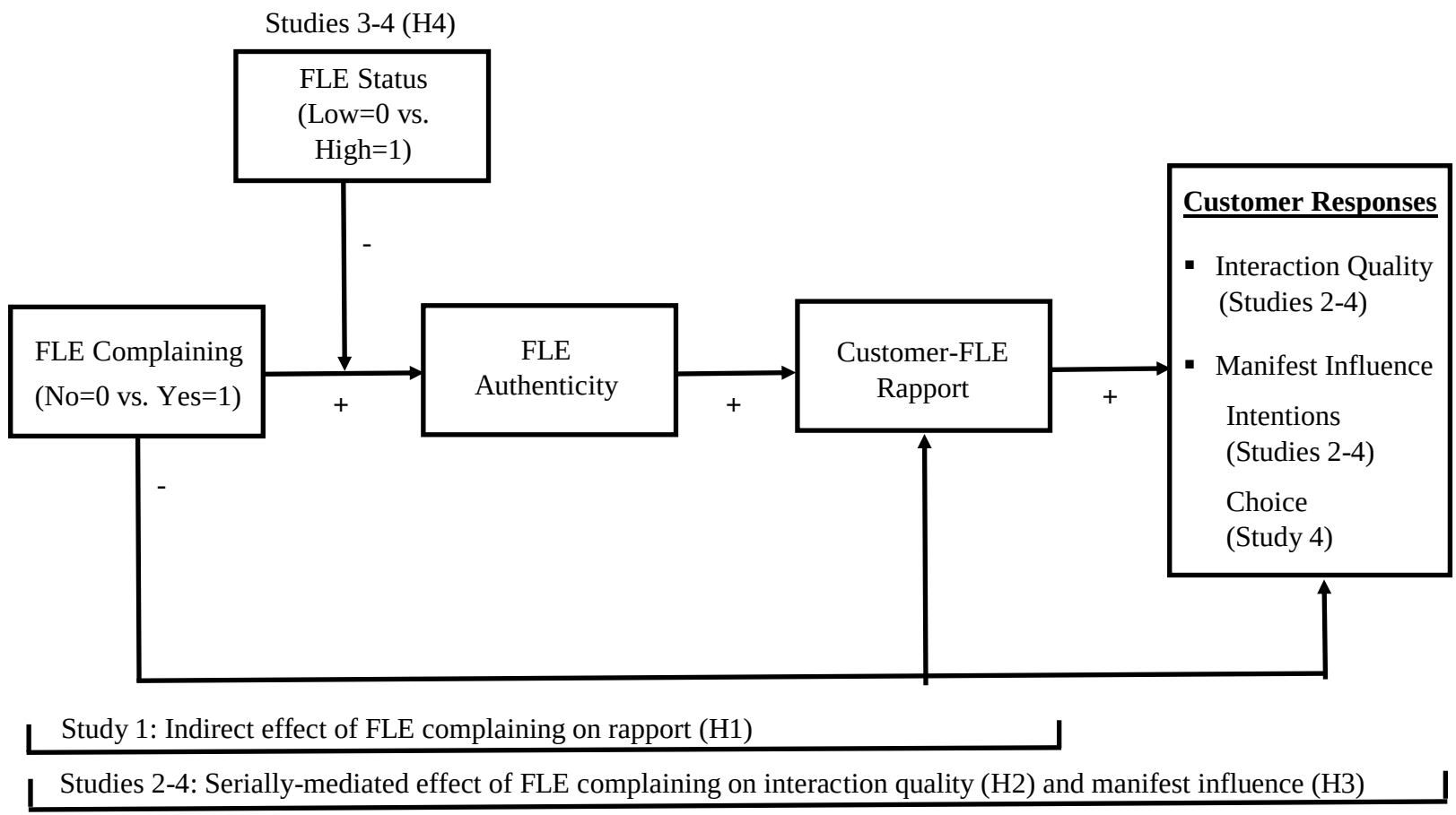



**Figure 1.1. Conceptual Model.**

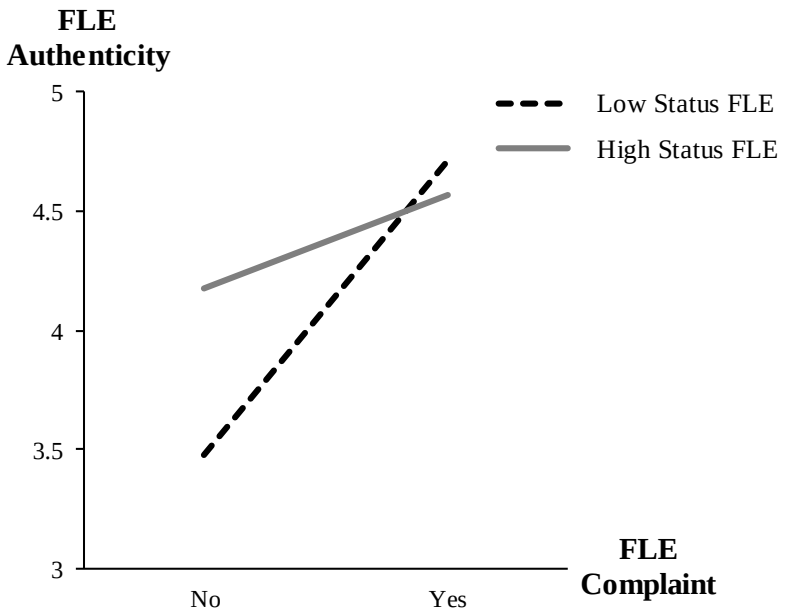
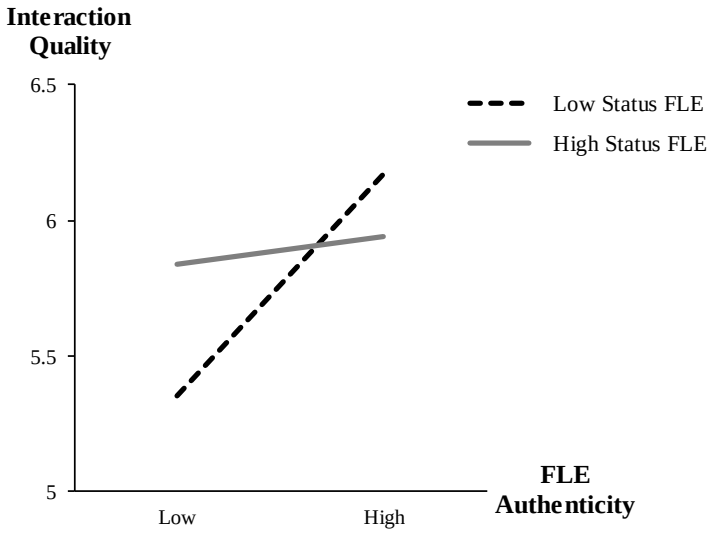



**Figure 1.2. FLE Authenticity as a Function of FLE Complaining and FLE Status (Study 3).**




(a) FLE Status as Moderator of the
FLE Authenticity-Interaction Quality Relationship

(b) Customer Gender as Moderator of the
FLE Complaining-FLE Authenticity Relationship

**Figure 1.3. Study 4: Illustration of Post-Hoc Interaction Effects.**

# CHAPTER II
# WHAT COULD POSSIBLY GO WRONG? CUSTOMER RESPONSES TO CHECKOUT CHARITY SOLICITATIONS

A version of this chapter is currently being revised and will be submitted for scholarly review. It will not be published prior to the completion of my ETD. Alex R. Zablah is a co-researcher on this chapter.


## Abstract

Checkout charity – the solicitation of customer donations at retail checkout points – is an emerging retail practice that brings corporate social responsibility campaigns to the frontlines. Research to-date has primarily examined customers' donation behaviors following a charitable solicitation by a frontline employee (FLE) and generally concludes that checkout charity has positive implications for the firm (i.e., customer feelings of "warm glow"). However, little is known about the underlying processes that precede the customer's donation decision and about how such solicitations impact customer interaction outcomes. We leverage insights drawn from a qualitative exploratory study and the social psychology literature to propose that customer anxiety mediates the effects of checkout charity solicitation on a multitude of customer interaction outcomes (e.g., interaction quality and customer-company identification). We test and find strong support for our thesis across a series of three lab experiments that vary the service context (e.g., fast food restaurant drive-thru, grocery store), charitable cause (e.g., assistance with housing costs, education expenses, medical costs), donation amount (e.g., $1 vs. round-up your change) and frontline interface (employee versus technology). Importantly, we also find that the detrimental effects of charitable solicitations are ameliorated when technology (rather than FLEs) is used to make the solicitation but exacerbated when the employee making the solicitation is highly competent. Taken together, these findings imply that checkout charity efforts may be inherently incompatible with FLEs' role as service providers.

## Introduction

*"The entire point of asking 'would you like to support [the local children's hospital] today...' is to guilt you into agreeing to donate. The intention is to trigger anxiety that the cashier or those around you won't think you are a good person if you don't make the donation. Peer pressure doesn't typically work on me though, so I feel a bit irritated and move on."*

-35-year old, male grocery store customer

Checkout charity, the solicitation of customer donations at retail checkout points, is becoming increasingly prevalent. In 2016, the 73 largest (those exceeding $1 million in fundraising) checkout charity campaigns generated more than $441 million in total contributions (Hessekiel 2017), and total dollars raised from checkout donations increased 4.5% during the two-year period from 2014 to 2016. However, unlike other types of corporate social responsibility initiatives, checkout charity may have a greater potential to damage customer relationships because of its unique characteristics, including: (1) the financial burden of contributing is passed on to the customer rather than borne by the firm, (2) donation solicitation occurs at a point in which customers have already revealed they intend to spend money, and (3) the solicitation for donations often occurs without customers expecting it.

Despite its enhanced potential to undermine retailers' relationship with their customers, research to date finds that checkout charity has mostly positive performance consequences (e.g., Obeng et al. 2019). Specifically, checkout charity has been found to increase repatronage behaviors among those who choose to donate without a concomitant decrease among those who choose not to donate (Giebelhausen et al. 2017). Yet, these same scholars caution that more research is necessary to "fully understand what happens when a marketer asks their customers to donate to a charity" (p. 339) and call for research to examine how checkout charity solicitations affect customers' perceptions of their frontline service encounter. Further, research has highlighted the need to examine the underlying mechanisms – beyond warm glow and perceived

gratitude – that explain customer responses to checkout charity (Giebelhausen et al. 2017; Obeng et al. 2019). Our research represents an initial attempt to address these calls by examining the impact of charitable solicitations at the point of purchase on customer interaction outcomes, rather than on customer responses after the customer's donation decision has been made.

Research on charitable campaigns offers initial evidence that soliciting donations, although often well-intended, may place unwelcomed pressure on customers (Hibbert et al. 2007). In the case of checkout charity, we anticipate that such pressure may have a detrimental effect on service encounters because the frontline employee (FLE) responsible for shaping the interaction is inseparably tasked with initiating the solicitation. Specifically, we draw from the anxiety literature to propose that upon being solicited for checkout charity, customers experience an elevated state of anxiety which arises from an imbalance between how they perceive themselves and how they believe FLEs will judge them (Leary et al. 1998). This social tension places customers into an unwanted state of distress that undermines the quality of the frontline encounter, potentially negating the reported benefits from customers who experience a "warm glow" after electing to donate.

Addressing yet another knowledge gap in the literature, our research also considers how FLE attributes impact customer responses during checkout charity solicitations. In particular, we examine how FLE warmth and competence – which together are thought to "account almost entirely for how people characterize others" (Fiske, Cuddy, and Glick 2007, pg. 77) – impact customer responses to checkout charity solicitation. While FLE warmth and competence are known to enhance service quality during frontline interactions (Keh et al. 2013; Parasuraman, Zeithaml, and Berry 1988), we anticipate these attributes may exacerbate the customer anxiety produced by checkout charity solicitations because they create a sense of indebtedness in the

customer that makes it harder for them to dismiss or ignore the FLE's request. Consequently, our line of theorizing implies that these FLE attributes, which service managers consider to be desirable and conducive to enhanced interaction outcomes, are incompatible with making FLEs responsible for checkout charity solicitations.

We test these ideas through a series of studies that extend the frontline service literature in at least three meaningful ways. First, in responding to Giebelhausen et al.'s (2017) call, our study contributes to the very sparse literature on checkout charity by examining how the charitable solicitation act – rather than customers' donation decision – influences frontline interaction outcomes. In so doing, we elucidate the underlying customer psychological processes at play during checkout charity solicitations and establish that the performance consequences of checkout charity are likely shaped by both the solicitation act itself and customers' donation decision. Our experimental evidence confirms that checkout charity solicitations result in an elevated level of customer anxiety which, in turn, colors customers' interaction quality and service reputation perceptions, identification with the firm, and repatronage intentions. This finding implies that the act of being solicited may counterbalance the positive, "warm glow" effects that accrue among customers' who choose to donate.

Second, to the best of our knowledge, this is the first study to consider how FLE attributes impact the outcome of checkout charity requests. Prior research has found FLE attributes, the physical, emotional, and motivational aspects of the FLE, are important determinants of customer satisfaction (Keh et al. 2013). Though employee competence and warmth are valued by customers in interactions (Kirmani et al. 2017), little research to date has explored how such employee attributes shape interaction outcomes (see Mende et al. 2018 for a notable exception). We find that FLE competence intensifies the positive effect of checkout

charity solicitation on customer anxiety, while warmth has no effect on this relationship. This finding implies that managers' efforts to enhance the quality of frontline interactions through FLE selection and training (Zablah et al. 2012) may be incompatible with tasking FLEs to solicit customers at the checkout point.

Third, we contribute to the literature on technology in the frontlines (e.g., Bitner, Brown, and Meuter 2000) by comparing the different interfaces in which checkout charity solicitations occur: FLE-mediated versus technology-mediated checkouts. We find evidence of an important boundary condition that determines the extent to which customer anxiety results from checkout charity solicitations. Namely, we find that customers experience a stronger increase in anxiety when the checkout charity solicitation is issued by an FLE rather than technology (e.g., self-service checkout kiosk). This finding confirms our theorizing that anxiety resulting from the fear of negative social judgments of others is what determines, at least partially, customers' negative response to checkout charity solicitations (Clegg 2012b). It also provides managers with useful insight as to how the detrimental effects of checkout charity can potentially be mitigated.

We undertake this research using qualitative inquiry and a series of laboratory experiments (See Table 2.1 for study details. Note that all tables and figures are located in the appendix). First, we employ critical incident methodology to better understand the psychological mechanisms and behavioral responses to checkout charity. Participant response data from the critical incident technique (CIT), in part, informs the research design for the series of experiments employed. Study 2 uses a scenario-based experiment in a fast food restaurant drive-through to empirically measure the impact of checkout charity solicitation on customer anxiety. The main effect is then replicated in Study 2, in which participants are placed in a grocery store checkout to test the moderating effect of human versus technology solicitation. Finally, Study 4

uses audio and visual stimuli to test the effect of a grocery store checkout charity solicitation on various customer and firm outcomes. Additionally, it examines the moderating impact of FLE warmth and competence on the solicitation-customer anxiety relationship.

## Study 1: Critical Incident Technique

We conducted a critical incident study to gain an understanding of the effect of checkout charity solicitation on various interaction outcomes. The aim of this qualitative inquiry was to determine typical customer responses to being solicited for charity and better-understand how these responses shape various outcomes of the interaction.

Research has supported that critical incident methodology is a valuable exploratory technique for gathering rich descriptions and explanations about phenomena that have received little attention (Gremler 2004; Grove and Fisk 1997) or phenomena that require a more thorough explanation (Bitner, Booms, and Tetreault 1990). Though checkout charity is a growing practice in retail environments, it remains understudied in the literature. Therefore, two primary benefits arise from gathering rich data via critical incident technique (CIT). First, the CIT describes the phenomenon by gathering evidence and, thus, establishes an important starting point for the research (Gremler 2004). Such an inductive process allows concepts to emerge across the data to build theory (Olsen and Thomasson 1991). The data can also prove useful when designing subsequent studies (e.g., experiments, survey research) beyond the initial exploratory research. Second, data collected from the CIT are written in respondents' own words and less subject to coding errors from the researcher (Edvardsson 1992). The CIT often yields rich, insightful explanations and verbatim stories that detail real-world events experienced by participants

(Zeithaml and Bitner 2003). The ultimate objective of such exploration is to gain valuable perspective from the individual through his or her own words (Flanagan 1992).

***Method and Procedure***

Sixty, U.S.-based participants were recruited from Amazon MTurk for participation in the study. Participant ages ranged from 22 years to 60 years ($M_{age}$ = 36 years), and thirty-seven percent indicated they were female. Following the critical incident protocol from Gremler (2004), we asked participants to recall and describe a recent service experience in which an employee solicited them for a charitable donation. Specifically, participants were instructed to think of a time in which they were completing a purchase at a retail checkout, and the FLE asked if he or she "would like to donate to a charity or round up to the nearest dollar to support a charity." Participants were also instructed to provide information related to the nature of the checkout charity solicitation (i.e. how/when the employee issued the solicitation). Finally, participants responded to a question that asked if they donated to the charity during the interaction. The CIT included the following open-ended questions:

- Where did this interaction occur?
- What was the charity – name and/or cause?
- Describe the employee and how he or she made the donation request.
- How did the service employee's request make you feel? Why?
- How did you respond to the service employee's donation request?

More than half of the participants (53%) indicated the checkout charity solicitation occurred at a supermarket. Roughly 13% of participants were solicited to donate at restaurants (primarily in a fast food restaurant drive-thru). The remaining participants indicated the solicitation occurred at another retail establishment such as a convenience store or discount goods store (e.g., dollar store). The critical incidents identified an array of charitable causes used

in the solicitation: health- and medical-related (37%), food banks and other hunger-related (18%), umbrella charity organizations such as the United Way (7%), and other charitable causes such as education, disaster relief, homelessness (20%). Eighteen-percent of participants did not recall the charity or cause.

The data were analyzed using a content analysis. Consistent with critical incident methodology, incidents were classified into categories and subcategories based on recurring themes that summarized and detailed the incidents across participants (Grove and Fisk 1997). The analytical induction process was iterative and consisted of multiple readings and data sorting into different categories based on similarity of response. The process initially yielded broad groupings based on participants' (customers') psychological responses to checkout charity solicitations. Next, these broad groups were classified into more detailed subcategories to produce greater specificity (Grove and Fisk 1997). The resulting categories and classifications reflect specific service encounters that were grouped together according to common themes in the data (Bitner et al. 1990). This inductive grouping procedure and categorization allows for participants' recollections and communications to be analyzed to determine the necessary factors that lead to customers' responses to checkout charity solicitations.

***Results***

Upon completing the classification process and constructing categories, three broad groupings captured participants' responses to FLE checkout charity solicitations. The 60 incidents were classified into one of three categories based on the valencing of each participant's psychological response to the solicitation: negative (48%), neutral (32%), and positive (20%). Negative psychological responses were typified by the use of negatively-valenced words such as

“pressured” and “uncomfortable.” Participants’ neutral psychological responses excluded affective content when recounting their checkout experience. Lastly, incidents that documented positive psychological responses included words such as “happy” and “compassion.”

***Group 1: Negative Psychological Response to the Solicitation***

The first broad grouping of critical incidents is comprised of participants’ who experienced a negative psychological response to the act of being solicited to donate at the point of purchase. Incidents ($n$ = 29) in this category include the largest number of participants. This category is further classified based on the behavioral response participants exhibited following their psychological reaction to the solicitation.

*Group 1A: declined to donate*. Twenty-three participants experienced a negative psychological response to the checkout charity solicitation and elected to withhold contribution. Participants’ age ($M_{age}$ = 35 years) reflects that of the greater CIT sample, but females (22%) are underrepresented in this category. Participants who declined to donate in this category expressed varying levels of negativity, ranging from feeling bothered to greatly annoyed. Several individuals mentioned the presence of others when explaining how the solicitation made them feel. A 28-year-old male participant stated:

> *It made me feel like I was on the spot, and he was judging me a little. Because here I am buying lots of food, but I don't want to donate a dollar to feed starving children. Saying no made me look bad.*

A common theme in these concerns was that others (including the service employee) would judge their behavioral response to the solicitation. The most frequently-cited psychological

response to the solicitation was feeling “pressure,” with 30% of participants specifically using that descriptor.

*Group 1B: agreed to donate*. Despite experiencing a negative psychological reaction to the FLE’s solicitation, six participants donated to the cause. The participants in this subcategory expressed discomfort and feeling obligated to donate to the identified charity. Specifically, participants in this group elected to donate because they were concerned how others would perceive or “critique” them for withholding contribution. Two participants also expressed that they experienced discomfort from the solicitation but donated because they are more fortunate than others. In addition, two of the participants specifically noted that they felt “pressure” and reacted behaviorally by donating. A 35-year-old male elucidated his sentiments about the act of soliciting customers for donations, explaining, “The(ir) intention is to trigger anxiety (so) that the cashier or those around you won't think you are a good person if you don't make the donation.”

***Group 2: Neutral Psychological Response to the Solicitation***

The second category of critical incidents is comprised of participants who experienced a neutral, neither positive or negative, psychological response to the checkout charity solicitation. The incidents ($n$ = 19) in this category were subdivided into those who declined to donate and those who donated.

*Group 2A: declined to donate*. Thirteen participants experienced a neutral psychological response to the solicitation and refrained from donating at checkout. These participants recalled that the solicitation did not affect their emotional state and simply declined to donate for one of two reasons: (1) they did not have the financial means to donate, or (2) they have grown accustomed to such solicitations and consider them a normal part of the retail shopping

experience. One 40-year-old male participant stated, “I've learned to ignore it. They've asked me so many times that I don't do it anymore. ‘No thanks’ automatically comes out of my mouth.”

*Group 2B: agreed to donate*. Six participants who were not emotionally affected by the solicitation elected to donate to the charity. Individuals in this category noted that the solicitation did not provoke strong feelings and were not bothered by the request. A couple of the participants specifically stated that the cashier was only doing his or her job by asking, and therefore, they did not feel threatened. A 28-year-old male commented about being surprised by the solicitation, but also not expressing strong feelings in response, “It was OK. It wasn't rude or aggressive or anything, it was just out of the blue. Bang! ‘Would you like...?’ ‘Yeah, sure, go ahead.’”

***Group 3: Positive Psychological Response to the Solicitation***

The third broad category of critical incidents consisted of positive psychological responses to checkout charity solicitations. Of the 60 participants in this study, 12 indicated that FLE’s solicitation elicited a positive psychological response. Consistent with the other categories, this category was further subdivided based on participants’ behavioral response to the solicitation.

*Group 3A: declined to donate*. Group 3A featured only four participants who experienced a positive psychological response but refrained from contributing. Participants in this subcategory did not provide considerable detail about their checkout experience, therefore, little insight was gained into their subsequent decision not to contribute. Participants did, however, reveal that they felt happy after the solicitation and thought it was a “good experience.” Additionally, two participants cited their inability to donate for financial reasons (“I wish I could be one of those people who could help others”).

*Group 3B: agreed to donate*. The final subcategory was characterized by incidents that recorded both positive psychological and behavioral responses. These eight participants commented that the checkout charity solicitation made them feel happy, compassionate, and empathetic and thus responded by contributing. Two of the participants indicated that they donated beyond the amount that was requested. In response to how the solicitation made her feel, a 27-year-old female commented, "It made me feel happy to only spend a dollar to give especially when it seemed like for some reason a lot of people said 'no.'"

### *Discussion*

Our qualitative inquiry offered two important insights. First, it demonstrated that how customers respond behaviorally to checkout charity solicitations is not exclusively determined by a similarly-valenced psychological response. That is, simply because customers donate to a cause, it does not invariably result from feeling positive about the solicitation. Our CIT analysis demonstrates that customers' prosocial donation response is often motivated by customers' desire to save face and avoid negative social judgments from others. Moreover, the CIT provided further evidence of psychological and behavioral response asymmetry in the case of individuals who responded positively to the solicitation but elected to withhold contribution.

Second, participants who exhibited a negative psychological response to the solicitation frequently cited feeling "pressured," "uncomfortable," "annoyed," and "irritated." Throughout these incidents, participants expressed displeasure with being forced into a situation that placed pressure on them to donate. Further, the incidents documented participants' concern with being critiqued by the FLE and possibly other patrons. Many participants concerned about feeling socially judged by the FLE stated they felt obligated to donate to the charity. In the section that

follows, we leverage the anxiety literature to theoretically formalize the insights derived from our qualitative inquiry and, in so doing, establish a conceptual foundation for our research and hypotheses.

## The Role of Anxiety in Checkout Charity

Our qualitative inquiry yielded insight into how customers psychologically respond to donation solicitations at retail checkouts. Approximately half of participants in the CIT registered a negative psychological response to the solicitation act. After analyzing participants' negative responses, two common themes emerged: 1) customers feel pressure to respond in a prosocial manner; and 2) customers are worried about social judgments from others.

The literature into anxiety in social interactions provides useful insight into why checkout charity solicitations elicit negative psychological responses from customers. Generally, social interactions between individuals are routine in nature and subject to stable exchanges between interaction participants (Solomon et al. 1985). Throughout these exchanges, individuals monitor and evaluate others' behaviors to regulate their own behaviors (Leary et al. 1998) and thus keep the social interaction in balance. However, despite attempts to stabilize the exchange, social imbalances often manifest.

Anxiety in social interactions frequently occurs when individuals fear negative judgment from others (Clegg 2012a). More recent research suggests that individuals commonly fear being evaluated, in general, independent of the likely valence (i.e., positive or negative) of the judgment (Dryman et al. 2016)  In the case of checkout charity solicitation, anxiety and fear of being judged by FLEs should they elect to not donate are a common concern among the customers who participated in our CIT study. The act of soliciting customers for donation leads

them to experience a vulnerable state in which individuals fear the consequences of others' evaluation (Hope et al. 1990). Such feelings arise from a perceived imbalance between one's sense of self and others' judgments of oneself (Leary et al. 1998). Motivated by the desire for social acceptance or belongingness to a group, individuals experiencing this type of social imbalance attempt to restore stability by removing themselves from the unwanted state (Baumeister and Leary 1995). In doing so, individuals activate self-regulatory mechanisms in response to perceived threats to social acceptance and remove themselves from the aversive situation (Clegg 2012b).

Consistent with the anxiety literature, individuals can remove themselves from the unwanted state by attempting to flee (or avoid the event altogether) or directly addressing the anxiety-inducing event (von Dawans et al. 2012). The nature of checkout charity is such that it forces the latter behavioral response, since the solicitation requires customers to directly acknowledge FLEs' solicitation. Therefore, consistent with our CIT findings, customers can decide to address the solicitation one of two ways: donate or not donate.

A robust body of literature examines the array of feelings consumers experience after making a donation decision, ranging from feeling a "warm glow" or positive emotional state after electing to donate (Giebelhausen et al. 2017; Habel et al. 2016) to feeling guilty after withholding donation (Burnett and Lunsford 1994). For the present research, it is important to distinguish anxiety from guilt. Guilt is defined as a negative emotion resulting from a "violation of one's internal standards" (Burnett and Lunsford 1994, p. 33). A specific type of guilt, existential guilt, is experienced when one person feels more fortunate than another person and feels empathy for the disadvantaged individual (Hibbert et al. 2007). Unlike anxiety, feelings of guilt arise after the donation decision has been determined by the customer (Kinard and Pardo

2017). Therefore, customers can immediately experience an elevated state of anxiety following a checkout charity solicitation but are unlikely to feel guilt (1) until after the donation decision is made and (2) only if they choose not to donate. Consistent with the preceding arguments, we hypothesize:

$H_1$: FLE checkout charity solicitations increase customer anxiety.

***Anxiety's Impact on Interaction Outcomes***

The anxiety literature suggests that when individuals experience anxiety, self-regulatory mechanisms impel them to move away from the undesired state. It is the perceived imbalance between emotional states that leads individuals to react accordingly and drives critical interaction outcomes. Hence, we anticipate customer anxiety will impact customers' perceptions of interaction quality, the firm's service reputation, customers' identification with the firm, and their intent to repatronize the establishment. As detailed next, we expand upon the nature of the hypothesized effects of customer anxiety on each of these outcomes.

*Anxiety reduces customers' perceptions of interaction quality*. Anxiety is punctuated by feelings of social discomfort and signifies instability in one's inner state. Such social instability manifests from a fear of being negatively evaluated by others (Hope et al. 1990). Prior research in the social psychology domain finds that anxiety arousal in social interactions negatively impacts interaction quality perceptions (Heerey and King 2007). Specifically, those experiencing social discomfort lose their ability to concentrate on and devote cognitive resources to the interaction, resulting in disjointed social performances (Clark and McManus 2002). This, in turn, can lower individuals' evaluations of the interaction, which in our context refers to customers' overall evaluation of their encounter with the FLE. Consistent with this line of

reasoning, we argue here that checkout charity places customers in an unwanted circumstance that elicits a negative emotional state which, ultimately, colors their perceptions of the interaction. Therefore, we hypothesize:

> $H_{2A}$: Customer anxiety decreases customers' post-interaction appraisal of the quality of their interaction with the FLE.

*Anxiety reduces customers' perceptions of service reputation*. We theorize that the unpleasant feelings of anxiety induced by checkout charity affect not only customers' views about the quality of their encounter with the FLE, but also their cognitions of the firm's service reputation, defined here as customer perceptions of the firm's commitment to serving its customers. Individuals dislike unpleasant interactions, and a negative dyadic interaction experience may thus lead to unfavorable inferences about the firm. Consistent with this assertion, prior research finds that negative customer-FLE exchanges can greatly influence customers' service quality perceptions of the firm (Groth and Grandey 2012; Zeithaml, Parasuraman, and Berry 1988). This occurs because individuals who have experienced social discomfort in an interaction may associate anxiety-related cognitions with the firm and the service it provides (Heerey and Kring 2007). We hypothesize that:

> $H_{2B}$: Customer anxiety decreases customers' post-interaction perceptions of the firm's service reputation.

*Anxiety lowers customers' identification with the firm*. Customer-company (C-C) identification refers to the overlap between a customer's self-image and their perceptions of the firm (Dutton, Dukerich, and Harquail 1994). Research suggests that firms' corporate social responsibility efforts enhances customers' perceptions of congruity with the firm (Sen and Bhattacharya 2001). For instance, in a retail context, corporate social responsibility has been found to increase customers' identification with the firm and subsequently increase their

emotional attachment to the retail unit or store (Lichtenstein, Drumwright, and Braig 2004). Though prior research has yet to examine how corporate social responsibility activities initiated by FLEs affect C-C identification, the anxiety literature provides insight into how such solicitations may impact C-C identification. When an external event creates a state of anxiousness in individuals, disequilibrium exists between how one feels and others' judgments of oneself (Leary et al. 1998). This incongruity in the customers' inner state reflects an imbalance between their true self and how they believe others view them. In our current context, incompatibility between these two psychological entities signals an identity discordance between the customer and firm (which is embodied by the FLE). Oftentimes, FLEs are the only point of contact customers have with the firm and, hence, serve as customers' only representation of the firm (Hartline, Maxham, and McKee 2000). Therefore, we posit that customers experiencing anxiety are less likely to identify with the firm or with the FLE acting as an agent of the firm. This expected relationship stands in sharp contrast to prior corporate social responsibility research which finds that such initiatives elicit greater C-C identification (e.g. Lichtenstein et al. 2004). We thus hypothesize:

> $H_{2C}$: Customer anxiety decreases customers' post-interaction perceptions of C-C identification.

*Anxiety decreases customer repatronage intentions*. Individuals experiencing anxiety desire to restore stability by either fleeing from situations or directly fighting the source of their anxiety (von Dawans et al. 2012). Though customers must confront (fight) checkout charity solicitations by electing to donate or not donate, the event may also drive customers away from repatronizing the retailer. Repatronage intentions refer to customers' intent to visit the establishment in which solicitation occurred in the future. Because individuals seek rewarding and pleasant interactions, the anxiety produced by checkout charity solicitations negatively

impacts customers' likelihood of revisiting the store in the future (Heerey and Kring 2007). That is, the anxiety experienced during the interaction serves as a reminder to avoid future potential instances in which similarly unpleasant circumstances may unfold (Heerey and Kring 2007). Therefore, we hypothesize:

$H_{2D}$: Customer anxiety decreases customers' post-interaction repatronage intentions.

Hypothesis 1 and Hypothesis 2 combine to predict that checkout charity solicitations increase customer anxiety, and, in turn, this increase in anxiety has a detrimental effect on multiple interaction outcomes. Taken together, these hypotheses imply that checkout charity solicitation influences interaction outcomes indirectly via customer anxiety. Hence, we propose the following indirect effects:

> $H_3$: Checkout charity solicitation exerts a negative indirect effect on (a) interaction quality, (b) service reputation, (c) company-customer identification, and (d) repatronage intentions by increasing customer anxiety levels.

## Study 2: Effect of Checkout Charity Solicitations on Interaction Outcomes

### *Procedure*

Study 2 used a single factor (solicitation: no vs. yes) between-subjects design to manipulate checkout charity solicitation. Ninety participants ($M_{age}$ = 33.4, 51.1% female) were recruited through Amazon MTurk and compensated in return for their participation. We excluded three responses from the dataset due to an incorrect response on a reading check question (Goodman, Cryder and Cheema 2013), which gave us a final sample of 87 participants for analysis purposes.

Participants were randomly assigned to one of the study's two experimental conditions (no solicitation versus solicitation). Regardless of condition assignment, all participants were given the same cover story. Participants were told that the researchers were interested in their perceptions of service expediency in fast food restaurant drive-thru lanes. Then, participants

were asked to place themselves in the role of the customer visiting a fast food restaurant drive-thru on their lunch break. After having placed their order, they drove around to the service window and were given their total: $8.77. They paid the employee with a $10 bill. In the experimental condition, the employee then solicited them for a checkout charity donation upon paying (*"Would you like to donate your change to a charity that helps retired seniors with housing costs?"*). In the control condition, participants were simply returned their change. The conditions were otherwise identical.

After being exposed to the experimental stimuli, participants were asked to answer a series of questions about their simulated drive-thru experience. Specifically, participants were asked to respond to questions that tapped the following constructs: customer anxiety (Spielberger et al. 1971; Verbeke and Bagozzi 2000), interaction quality (Ma and Dube 2011), service reputation (Cretu and Brodie 2007; Yoon, Guffey, and Kijewski 1993), repatronage intentions (Blodgett, Hill, and Tax 1997), C-C identification (Homburg, Wieseke, and Hoyer 2009), and guilt (Hibbert et al. 2007)), the latter measured to exclude alternative explanations for the effect of checkout charity on interaction outcomes. A complete listing of the items used to tap each of the constructs and their sources is provided in Table 2.2. These same items were used across all studies and proved to be reliable (Cronbach's $\alpha > .70$ across all studies).

***Results and Discussion***

*Manipulation check*. To check the efficacy of the manipulation, participants were asked the following True or False question: "The service employee at the fast food restaurant asked me if I would like to donate (my) change to a charity that helps retired seniors with housing costs." The results reveal that 97.8% of participants in the solicitation condition and 95.2% of those in

the no solicitation condition correctly identified their condition assignment ($\chi^2$ = 75.43, $p$ = .00), which confirms that the manipulation worked as intended.

*Hypothesis testing*. We used Hayes' (2017) PROCESS macro (Model 4) and confidence intervals derived from 5,000 bootstrap samples to test the effect of checkout charity solicitation on customer anxiety ($H_1$) and of the latter on our four different interaction outcomes ($H_{2a\text{-}d}$). A separate PROCESS model was specified and tested for each outcome. As Figure 2.1 indicates, the data support $H_1$, as checkout charity solicitation was found to increase customer anxiety (b=1.16, $p$=.00). In addition, the results offer partial support for $H_2$ as customer anxiety was found to have a significant negative effect ($p$=.00) on all interaction outcomes except C-C identification ($p$>.10). Consistent with the preceding findings and $H_3$, the analyses reveal that checkout charity solicitation has a significant negative indirect effect (i.e., 95% CI excludes 0) on interaction quality, repatronage intentions and service reputation. A summary of the indirect effects for this and all other studies is presented in Table 2.3.

*Rival hypothesis testing.* As outlined earlier, the experience of guilt may also explain, at least to some extent, the post-decision detrimental effects of checkout charity solicitation on interaction outcomes. To examine this possibility, we re-ran the analyses with guilt included as an additional (i.e., parallel) mediator of the effect of checkout charity solicitation on interaction outcomes using PROCESS macro model 4. The results of this analysis reveal that (1) checkout charity solicitation increases feelings of guilt (b=.77, $p$=.00), (2) guilt does not have a significant effect on any of the four interaction outcomes ($p$> .60 across all outcomes), and (3) the magnitude and significance of the effect of customer anxiety on the interaction outcomes remain stable even when guilt is added to the model. These findings are consistent with the central role ascribed to customer anxiety in our model.

*Discussion*. Results from Study 2 provide evidence that customers experience an elevated state of anxiety when they are solicited for checkout charity, in support of $H_1$. The results lend empirical support to our conceptualization of checkout charity as an anxiety-inducing event that negatively impacts customers, though the practice remains increasingly popular at retail checkouts. Further, we establish that customer anxiety is the mechanism by which the solicitation harms valuable interaction outcomes, finding support for three ($H_{2a}$, $H_{2b}$, and $H_{2d}$) of our four hypotheses. Notably, customer anxiety does not register a significant effect on C-C identification ($H_{2c}$). This hypothesis is retested in Studies 3 and 4 to determine if the effect manifests in other contexts. Lastly, we ruled out guilt as an alternative mediator to customer anxiety. These results likely explain our view that guilt occurs and is most relevant after customers make their donation decision (Kinard and Pardo 2017).

Respondents' answers to a post-experimental question revealed that our study hypothesis was evident to participants. While correct hypothesis guessing does not imply that the study results are necessarily biased, it does increase the likelihood that such biases may be present (Shimp, Hyatt and Snyder 1991). Hence, to rule out demand bias as an alternative explanation for our results, we developed a robust cover story for Study 3 that better-masks the intent of the research. In addition, Study 3 transitions the context of the checkout charity solicitation to a grocery store retail checkout and tests the moderating impact of frontline interface.

## Study 3: The Moderating Role of the Frontline Interface

Study 3 sought to replicate the findings of the first experiment in a different context and examine the moderating role of frontline interface by testing whether the effects of checkout charity on customers differed when self-service technology (rather than employees) made the solicitation.

Organizational frontlines research emphasizes the critical role of the frontline interface in shaping outcomes of customer-FLE interactions (Singh, Brady, Arnold, and Brown 2017). The interdependence of interaction elements and the medium by which the interaction transpires hold important implications for managers when devising optimal customer-firm interaction configurations.

When one experiences anxiety in social interactions, it stems partly from the presumptions individuals make about others' social judgments of them (Hope et al. 1990). Therefore, the presence of another party plays a critical role in determining how individuals experience anxiety. As customer-FLE interactions are characterized by dyadic exchanges, the emergence of anxiety in the exchange is largely contingent upon the presence of another human entity.

Research into self-service technology checkouts finds evidence that consumers may experience technology anxiety when interacting with service kiosks and other forms of technology in the frontlines (Meuter et al. 2003). Apprehensions regarding consumers' willingness and ability to engage with technology in service settings can impact consumers' perceptions of their service experience. However, unlike in customer-FLE interactions, interactions with technology provide customers the opportunity to dismiss a checkout charity solicitation without fearing social judgment retribution from the technology itself. Therefore, we expect customers to become more anxious when the checkout charity solicitation is made by employees rather than technology because the fear of negative social evaluation is heightened under such circumstances. We thus hypothesize:

> $H_4$: The positive effect of checkout charity solicitation on customer anxiety is stronger for employee-initiated rather than technology-mediated solicitations.

***Procedure***

Study 3 employed a 2 (solicitation: no vs. yes) x 2 (interface: technology vs. human) between-subjects design in which participants were randomly assigned to one of the four study conditions. We recruited 310 participants ($M_{age}$ = 37.5, 57.2% female) from Amazon MTurk in exchange for monetary compensation. Eight participants were excluded from the sample for failing a reading check question (Goodman et al. 2013), resulting in an analyzable sample of 302 participants. After random assignment into one of the study's four conditions and exposure to the experimental stimuli, participants were asked to respond to a series of questions that tap the same set of constructs measured in Study 2. Table 2.2 provides a listing of the constructs, their measurement items and reliabilities (all with $\alpha > .70$).

All participants were provided identical cover stories and instructed that the researchers were interested in understanding how to develop quick-service interactions that maximize service efficiency in a grocery store context. Consistent with the cover story, participants were exposed to questions regarding their time expectations for grocery store checkouts and adoption of "scan & go" technology. Participants were told they stopped by a grocery store on their way home to "pick up a few items for a get-together with friends this weekend." All participants regardless of condition were shown images of a male grocery store cashier to enhance the realism of their checkout experience. Upon checkout, participants in the cashier (employee) condition were affably greeted by a cashier who began scanning their items. He gave the cost of their items ($18.01) and either solicited the participants for checkout charity or simply gathered customers' items and wished them a good day. In the solicitation condition, the cashier also asked customers, "Would you like to donate $1 today to Second Chance Student Charities that helps adults earn their high school diploma?" Moreover, in the technology interface condition,

participants were exposed to a series of self-service technology display screens that closely mirrored the cashier condition checkout experience. Considerable detail was given to designing the self-service technology interface that faithfully resembles actual technology used in the grocery store settings. Images of the self-service technology interface are provided in the Appendix.

***Results and Discussion***

*Manipulation check*. Like in Study 2, participants were asked the following True or False question to determine whether the solicitation manipulation was effective: "During the interaction, I was asked if I would 'like to donate $1 today to Second Chance Student Charities that helps adults earn their high school diploma.'" The results reveal that 98.0% of participants in the solicitation and no solicitation conditions correctly identified their condition assignment ($\chi^2$ = 278.47, $p$ =.00), which confirms that the manipulation worked as intended.

*Hypothesis testing*. We used Model 7 of Hayes' (2017) PROCESS macro and confidence intervals estimated on 5,000 bootstrap samples to simultaneously test (1) the interactive effect of checkout charity solicitation and solicitation interface on customer anxiety ($H_4$), and (2) the main effect of customer anxiety on the four different interaction outcomes ($H_{2a\text{-}d}$). As in study 2, a separate PROCESS model was estimated for each interaction outcome. The results of these analyses are summarized in Figure 2.2, offer support for $H_4$, and confirm and extend prior findings regarding $H_2$. Specifically, the data reveal a significant (x*m = .59, $p$=.04) interaction between checkout charity solicitation and solicitation interface in prediction of customer anxiety. As Figure 2.3 illustrates, a probing of the interaction indicates that the positive effect of checkout charity solicitation on customer anxiety is stronger when the solicitation is issued via a human

interface (b = 1.06, $p$ = .00) than when it is issued through a technology interface (b = .47, $p$ = .02). This pattern of effects supports $H_4$. Moreover, we find that customer anxiety has a significant negative effect on interaction quality ($p$ = .00), repatronage intentions ($p$ = .00), service reputation ($p$ = .00), and unlike in Study 2, on C-C identification ($p$ = .02). Finally, as implied by $H_3$, the analyses reveal checkout charity solicitation exerts a significant negative indirect effect (i.e., 95% CI excludes 0) on all interaction outcomes that varies in magnitude depending on the solicitation interface used. As Table 2.3 reveals, these negative indirect effects are uniformly stronger when a human interface is employed and weaker or non-significant when a technology interface is used to make the solicitation.

*Post-hoc analyses.* We once again evaluated whether the experience of guilt (rather than customer anxiety) serves to mediate the detrimental effects of checkout charity solicitation on interaction outcomes. The results of this analysis are consistent with those obtained in Study 2 as we find that, in a parallel mediation model specification, it is customer anxiety and not guilt which serves as an intermediary of the effects of checkout charity solicitation on interaction outcomes. Specifically, we find that while checkout charity solicitation and solicitation interface interact marginally ($p$<.10) in prediction of guilt, the latter is unrelated to any of the four interaction outcomes. Notably, inclusion of guilt in the model as a parallel mediator did not change any of the study's other findings.

In addition, we conducted a follow-up analysis to determine if the detrimental effects of checkout charity solicitation on interaction outcomes differed across individuals based on their stated likelihood of making a checkout charity donation to the cause presented in the scenario. The literature into anxiety explains that individuals may choose to reestablish equilibrium and alleviate their anxiety by engaging in prosocial behavior such as donating to a cause (von

Dawans et al. 2012). With that end in mind, we asked participants in the solicitation condition (n = 153) to indicate how likely they would be to "donate $1 to Second Chance Student Charities to help adults earn their high school diploma?" using a 1 to 7 scale, where 1=not very likely to donate and 7=very likely to donate. We then utilized this donation intention measure to test – using Hayes PROCESS macro model 1 – whether customer anxiety and donation intention interact in prediction of the four different interaction outcomes. The results of this analysis reveal that customer anxiety and donation intentions exhibit a significant interaction in prediction of interaction quality (x*m = .06, $p$=.01), repatronage intentions (x*m = .08, $p$=.00) and C-C identification (x*m = .13, $p$=.00) but not service reputation (x*m = .03, $p$=.22). For the three outcomes in which the interaction effect is significant, the pattern of results is the same; namely, increasing donation likelihood decreases the negative effects of customer anxiety on customer interaction outcomes (see Figure 2.4 in appendix for an illustration of this result). This moderation effect leads to the most interesting result in the case of C-C identification for which a Johnson-Neyman floodlight analysis shows that the effect of customer anxiety on the outcome variable is (1) negative and significant ($p$<.05) at values of donation likelihood less than 2.54 (about 54% of respondents) and (2) positive and significant ($p$<.05) at values greater than 6.10 (about 11% of respondents).

*Discussion*. Study 3 replicated the effects of our preceding study in a retail setting, a grocery store checkout line in which checkout charity solicitations may be more expected, as it is a common practice in such environments (Verner 2017). In addition to replicating findings of Study 2 while excluding demand bias as an alternate explanation for our results, we found evidence of a significant relationship between checkout charity solicitation and C-C identification that is mediated by customer anxiety. Specifically, the FLE's solicitation increased

customer anxiety and subsequently lowered C-C identification, in support of $H_{2c}$. This finding supports our conceptualization of checkout charity as a unique form of CSR that, when compared with more traditional forms of CSR (e.g., Andrews et al. 2014), elicits divergent responses from customers. This finding also illustrates the importance of examining the process by which customers interpret checkout charity solicitations, and not focusing exclusively on the mechanisms (e.g., guilt) that govern the post-decision process.

Though customer anxiety in both technology and cashier checkouts increased as a result of the solicitation, our results indicate that this effect was stronger when an employee rather than technology interface was utilized to make the solicitation. This result supports $H_4$. Therefore, when designing checkout charity campaigns, managers may find it more beneficial to implement such campaigns using a technology interface. However, as Figure 2.3 illustrates, we note that anxiety levels are not meaningfully lower in the technology solicitation condition than in the employee solicitation condition ($p$=.17). We attribute this result to the heightened anxiety levels that govern technology-mediated encounters (Meuter et al. 2003). Hence, for technology-based solicitations to result in lower anxiety levels than employee-based solicitations, managers should also work to reduce customer uneasiness associated with the technology interface.

Results of our post hoc analysis demonstrate that the negative effect of anxiety on interaction outcomes is attenuated when customers indicate they are likely to donate to the identified charity. It is possible that the cause of helping adults earn their degree resonated with the group of individuals who signaled a higher likelihood to donate. To gain more insight into customer characteristics that may impact interaction outcomes of checkout charity, we examine whether customers' charitable disposition, or their tendency to donate, moderates the anxiety-interaction outcomes relationship in the next study. More importantly, as checkout charity is a

unique form of corporate social responsibility in which FLEs play a critical role, we examine the impact of FLE characteristics on customer responses to checkout charity solicitations. Lastly, we enhance the realism of the experimental design by creating a retail checkout experience that includes both audio and visual cues.

## Study 4: The Moderating Role of Frontline Employee Attributes

From evidence gathered in Study 3, we determined that using technology to solicit checkout charity may help ease customer anxiety relative to FLE-mediated solicitations, but its benefits are tempered because the technology itself is a source of anxiety. What remains unclear, however, is what determines the extent to which FLE-mediated solicitations contribute to customer anxiety and, by extension, poor interaction outcomes. We turn our attention to this knowledge gap next.

Given the importance of the FLE in human interface solicitations, it is likely that FLE attributes will play an important role in shaping customer responses to checkout charity solicitations. FLEs' physical, emotional, and motivational attributes have been found to be key factors that shape important interaction outcomes (Keh et al. 2013). The service literature contends that FLEs can help firms realize optimal interaction outcomes simply by possessing certain characteristics (i.e., physical attractiveness) or by utilizing appropriate strategies during their encounters with customers (Hennig-Thurau et al. 2006; Keh et al 2013; Mende et al. 2018). Our focus in this research is on two attributes that are believed to be universal dimensions that drive customers' impressions of FLEs: warmth and competence (Fiske et al. 2007).

Warmth judgments are used to determine whether others are friend or foe. Warmth refers to FLE's level of friendliness and genuine concern for customers (Mende et al. 2018). When

FLEs display warmth in customer interactions, it promotes positive interaction outcomes such as enhanced customer rapport (Gremler and Gwinner 2008). As such, companies regularly train FLEs to engage customers in a warm and friendly manner, a directive that is consistent with the notion that individuals tend to be attracted to kind and sincere people (Fiske et al. 2007).

In contrast, competence refers to FLEs' ability and is related to traits such as intelligence and skill (Fiske et al. 2007). Competence underlies employees' ability to both execute their role as prescribed and satisfy customers' needs. Taken together, warmth and competence help shape customers perceptions of the functional (as opposed to technical) quality of the service provided (Grönroos 2001) and help maximize the value customers derive from their interactions with the firm (Bettencourt and Gwinner 1996; Parasuraman, Zeithaml, and Berry 1988).

However, we anticipate that despite having a positive effect on interaction outcomes, warmth and competence likely exacerbate the anxiety customers experience as a result of being solicited at checkout. Our expectation is rooted in the social psychology literature which argues that the "rule of reciprocity governs much of human experience (Cialdini 1992, p. 30) such that a sense of social obligation or indebtedness develops among actors (e.g., customers and FLEs) during encounters in which one provides the other with a valued benefit (Mathews and Green 2010; Yagil 2001). Consistent with this literature, we anticipate that FLE warmth and competence during a frontline encounter will engender a sense of indebtedness among customers for two reasons: (1) FLEs who are warm and competent are likely to establish, even within short-lived encounters, a social connection with customers that makes them feel indebted to FLEs (Dahl, Honea and Manchada 2005), and (2) as the warmth and competence of FLEs increases, so too does the functional service quality that customers experience and, by extension, their sense of obligation to the FLE responsible for delivering the satisfactory service experience (Bettencourt

and Gwinner 1996; Grönroos 2001; Parasuraman, Zeithaml, and Berry 1988). In line with the preceding exposition, we predict that when solicited by a warm and competent FLE, customers' anxiety levels will be heightened because the charitable request cannot be easily dismissed or ignored given that it comes from an employee to whom they feel indebted. We therefore hypothesize:

> $H_5$: The positive effect of checkout charity solicitation on customer anxiety becomes stronger as FLE warmth increases.
>
> $H_6$: The positive effect of checkout charity solicitation on customer anxiety becomes stronger as FLE competence increases.

***Procedure***

Study 4 employed a 2 (solicitation: no vs. yes) x 2 (warmth: low vs. high) x 2 (competence: low vs. high) between-subjects design. Using Prolific®, 604 individuals ($M_{age}$ = 35.7, 52.3% female) who are the primary grocery shoppers for their household were recruited and offered compensation for their participation in the study. As before, seven participants who incorrectly responded to a reading check question were excluded from the analysis (Goodman et al. 2013), thus resulting in an analyzable sample of 597 grocery shoppers. As in earlier studies, participants were randomly assigned to one of the eight experimental conditions and, after exposure to stimuli corresponding to their condition, were invited to respond to a series of questions intended to tap study constructs. All constructs, along with their measurement items and reliabilities (all $\alpha > .70$) are presented in the Table 2.2.

Participants read a cover story mostly consistent with Study 3. They were instructed that they stopped by the grocery store on their way home to pick up a few items for a get-together with friends. However, the cover stories notably differed from each other in two respects: (1)

participants were informed they would first review two online Yelp reviews of Millsap's Foods before visiting the grocery store (and interacting with the cashier); and (2) unlike in Study 3, the cover story did not specify that the researchers were interested in building service efficiency, as participant perceptions of FLE competence were assessed in the experiment.

To enrich the quality of the experimental design, participants were exposed to both audio and visual cues during their checkout experience. Visuals for online Yelp reviews helped with manipulating warmth and competence perceptions, characterizing Millsap's employees ("friendly"/ "unfriendly"; "efficient"/ "clueless") consistent with participants' condition assignment. Audio and visual cues were used to enrich the subsequent checkout experience at Millsap's. Participants were exposed to an image (smiling/not smiling) of a male cashier who audibly greeted them and began scanning their items. One of the items failed to scan and involved the cashier either quickly looking up the item and inputting its price (high competence), or calling for a price check, only to need assistance from the manager with inputting the price (low competence). At the conclusion of the interaction, participants in the solicitation condition were given their total ($18.05) and asked, *"Would you like to round up today to $19 and donate your change to assist families in need with their medical costs?"* In the no solicitation condition, participants simply collected their grocery bags and exited the store. Full descriptions and scripts of the scenarios are provided in the Appendix.

***Results and Discussion***

*Warmth and competence manipulation check pretest*. Consistent with Rafaeli et al. (2012) and others, we recruited a separate sample of 103 ($M_{age}$ = 31.23, 52.4% female) grocery shoppers from Prolific® to test the manipulations prior to the main study. The efficacy of the

manipulation for employee warmth was evaluated using ANOVA and three, seven-point semantic differential items that asked participants to provide their impressions of the FLE's warmth using the following adjective pairs: unfriendly-friendly, cold-warm and unsociable-sociable (items were averaged for analysis purposes). The ANOVA revealed a significant effect ($F(1,99) = 248.20$, $p = .00$) of warmth ($M_{low\text{-}warmth} = 3.53$ vs. $M_{high\text{-}warmth} = 6.49$), a non-significant effect ($F(1,99) = 2.34$, $p = .13$) of competence, and a non-significant effect of their interaction ($F(1,99) = .44$, $p = .51$]) in prediction of the warmth manipulation check. This pattern of effects strongly confirms the success of the warmth manipulation.

The effectiveness of the manipulation for employee competence was evaluated using ANOVA and two, seven-point semantic differential items that asked participants to provide their impressions of the FLE's competence using the following adjective pairs: unintelligent-intelligent and unskilled-skilled (again, averaged for analysis purposes). In support of the manipulation's efficacy, the ANOVA revealed a significant effect ($F(1,99) = 141.39$, $p = .00$) of competence ($M_{low\text{-}comp} = 4.15$ vs. $M_{high\text{-}comp} = 6.36$) in prediction of the manipulation check. We also found a main effect ($F(1,99) = 18.19$, $p = .00$) of warmth on the manipulation check but, importantly, a non-significant interaction ($F(1,99) = .62$, $p = .43$]) between the two factors. In addition, across both the low warmth ($M_{low\text{-}comp} = 3.68$ vs. $M_{high\text{-}comp} = 6.04$) and high warmth conditions ($M_{low\text{-}comp} = 4.62$ vs. $M_{high\text{-}comp} = 6.69$), mean competence scores where significantly higher for those in high competence condition relative to those in the low competence condition. Finally, the incremental variance accounted for by the competence manipulation is far larger ($\Delta R^2_{competence} = 55\%$) than that of warmth manipulation ($\Delta R^2_{warmth} = 7\%$), a finding which confirms the adequacy of the manipulation (Perdue and Summers 1986; see Paley, Tully and Sharma 2019 and Wu and Cartright 2018 for recent studies reporting similar results).

*Checkout charity solicitation manipulation check*. As in our preceding two studies, participants were presented with a True or False question as a way of assessing the effectiveness of the manipulation. In this study, the question read as follows: "During the interaction, I was asked if I would "like to round up to $19 and donate (my) change to assist families in need with their medical costs". The analysis of participants' response to this question indicates that 98.3% of participants in the solicitation condition and 98.6% of participants in the no solicitation conditions correctly identified their condition assignment ($\chi^2$ = 561.55, *p* =.00), which confirms that the manipulation indeed worked as intended.

*Hypothesis testing*. We used Hayes' (2017) PROCESS macro Model 9[2] and confidence intervals derived from 5,000 bootstrap samples to simultaneously test (1) the interaction of checkout charity solicitation and FLE warmth in prediction of customer anxiety ($H_5$), (2) the interaction of checkout charity solicitation and FLE competence in prediction of customer anxiety ($H_6$) and (3) the main effect of customer anxiety on the four different interaction outcomes ($H_{2a\text{-}d}$). A separate PROCESS model was estimated for each interaction outcome using an estimator that produces heteroscedasticity consist standard errors to correct for the lack of error variance equality across the eight experimental subgroups.

A summary of the analysis is graphically presented in Figure 2.5. As the figure indicates, the data do not support $H_5$ as FLE warmth was not found to be a significant moderator (x*m=.17, p=.41) of the relationship between checkout charity solicitation and customer anxiety. The results, however, do support $H_6$, as FLE warmth was found to be a significant moderator (x*m = .68, *p*=.00) of the relationship between checkout charity solicitation and customer anxiety in a manner consistent with expectations. That is, as Figure 2.6 suggests, probing of the interaction

[2] The model was modified to allow for a main effect of the two moderators (FLE warmth and FLE competence) on the ultimate outcome variable.

reveals that the positive effect of checkout charity solicitation on customer anxiety is stronger when the FLE is competent (b = .67, *p* = .00) rather than incompetent (b = -.01, *p* = .94). Moreover, in support of $H_2$, we find that customer anxiety has a significant negative effect on interaction quality (*p* = .00), repatronage intentions (*p* = .00), C-C identification (p=.02) and service reputation (*p* = .00). Consistent with the preceding results and $H_3$, the analyses reveal that checkout charity solicitation exerts a significant negative indirect effect (i.e., 95% CI excludes 0) on all interaction outcomes that varies in magnitude depending on FLEs' level of competence. As Table 2.3 reveals, these negative indirect effects are uniformly stronger when the FLE is competent rather than incompetent. Finally, although not formally hypothesized, our results indicate that FLE warmth and FLE competence each have strong positive, direct effects on each of the interaction outcomes (*p*=.00).

*Follow-up analyses.* As in Study 3, we again conducted follow-up analyses to determine if the negative relationship between customer anxiety and the interaction outcomes is attenuated among individuals who are likely to make a checkout charity donation. However, unlike in the previous study, this time we employed a measure of the *tendency* to donate when solicited at the checkout point by an employee ("When an employee at a retail checkout asks if you would like to donate to a charity, how often do you donate your money?", 1=never and 7=always). Employing a donation tendency measure allowed us to use the full sample to conduct the analysis (rather than only on the portion of respondents who had been solicited), thus making it possible for us to estimate the total, conditional indirect effect of checkout charity solicitation on each of the outcome variables.[3]

[3] We note that using the same measure as in study 3 (with only the half of the sample that was solicited) produced virtually identical results, albeit with smaller (more favorable) significance values.

We anticipate that when customers experience anxiety, their tendency to donate will attenuate the detrimental effect of anxiety on interaction outcomes. Research suggests that some individuals are purely altruistic and contribute to charitable causes to elevate the public welfare (Harbaugh, Mayr, and Burghart 2007). Though such customers may still experience anxiety associated with the solicitation, we contend their altruistic predisposition will allow them to better cope with their anxiety and, thus, mitigate its harm on interaction outcomes. Further, the anxiety literature explains that individuals develop coping techniques for dealing with acute episodes of stress (von Dawans et al. 2012). One of those techniques, the "tend-and-befriend" method, is regularly employed by healthy individuals responding prosocially (i.e., donating to charity) when confronted with acute, episodic stress.

Our post-hoc analyses (conducted using the PROCESS macro model 70 and an estimator that produces correct standard errors in the presence of heteroscedasticity) revealed that the effect of customer anxiety on the interaction outcomes depends on both individuals' tendency to donate and FLEs' level of competence; that is, we uncovered a three-way interaction between customer anxiety, donation tendency and FLE competence in prediction of the interaction outcomes (no such effect exists for FLE warmth). The coefficients of the three-way interaction term for each of the interaction outcomes are as follows: interaction quality (b=.09, $p$=.01), repatronage intentions (b=.10, $p$=.02), C-C identification (b=.09, $p$=.08). and service reputation (b=.05, $p$=.26).

Importantly, Table 2.3 provides a summary of the total indirect effects of checkout charity solicitation on customer interaction outcomes after accounting for the action of moderators on both the checkout charity solicitation-customer anxiety path and the customer anxiety-interaction outcomes path. These indirect effect estimates reveal that the effect of

checkout charity solicitation on interaction outcomes is (1) negligible (i.e., not significant) when FLE competence is low, regardless of customers' donation tendency, (2) negative and relatively stronger when FLE competence is high and donation tendency is low, and (3) negative and relatively weaker when FLE competence is high and customer donation tendency is high.

*Discussion*. The results from Study 4 offer two important takeaways. First, while FLE warmth does not condition the solicitation-anxiety relationship (contrary to $H_5$), FLE competence does (consistent with $H_6$). Specifically, the data reveal that the solicitation-anxiety relationship becomes stronger as FLE competence increases. This finding is consistent with our view that, due to feelings of indebtedness for the quality service received, customers may be unable to easily dismiss a competent FLE's solicitation and thus experience greater anxiety in response to being asked for a charitable donation. Second, the post hoc analyses reveal that when interacting with highly competent FLEs, a charitable solicitation had an undesirable effect on customer interaction outcomes. However, customers who interacted with the highly competent FLE and were low in donation tendency responded more negatively than those with a high donation tendency. Similar effects were not found for customers who interacted with the non-competent FLE, as being solicited had no impact on customer responses. Importantly, these findings also imply that donation tendency serves to buffer (but not eliminate) the undesirable effects of checkout charity solicitation on interaction outcomes. Unfortunately, individuals high in donation tendency represented a very small part of our sample, as only 13.7% of participants self-identified as "high" in donation tendency.

## General Discussion

Customers make predictive judgments about FLEs within the first several moments of an encounter (Ambady, Krabbenhoft, and Hogan 2006). Their social judgments are instrumental in shaping valuable outcomes of the interaction including customer satisfaction and interaction quality perceptions (Heerey and King 2007). In the context of checkout charity solicitations, our findings illustrate the importance of examining the psychological mechanisms that precede customers' donation decision. We find that, when solicited for checkout charity, customers fear negative social judgments from FLEs which ultimately increases their felt anxiety. However, the detrimental interaction outcomes resulting from the increase in felt anxiety can be reduced if a technology interface rather than a human one is used to make the solicitation. Further, competence, a desirable FLE attribute, only serves to exacerbate the impact of the solicitation on customer anxiety. Collectively, these findings offer a deeper understanding of how customers respond to checkout charity solicitations and make several contributions to the literature.

## Theoretical Contributions

*Checkout charity solicitations create anxiety for customers*. The checkout charity research is in its nascent stages and only beginning to offer insight into this complex frontline phenomenon. The nature of checkout charity is such that it is employed differently than other forms of corporate social responsibility, relying on FLEs to orchestrate the solicitation (Giebelhausen et al. 2017). As a result of this unique circumstance, we find checkout charity to impact customer responses differently than other traditional corporate social responsibility campaigns (e.g., TOMS one-for-one shoe match). Our premise rests on the notion that during interactions, individuals make judgments about how others perceive them (Hope et al. 1990;

Leary et al. 1998). These judgments heighten individuals' fears of negative evaluation and their felt anxiety.

Our studies provide evidence that FLE checkout charity solicitations provoke a negative psychological response from customers. In doing so, we emphasize the critical role of customer anxiety in the pre-donation decision stage and establish its detrimental effects on several interaction outcomes. We find that customer anxiety arises from the FLE's solicitation and negatively affects customers' perceptions of interaction quality, the firm's service reputation, C-C identification, and customer repatronage intentions. This research thus answers calls to shed light on customers' psychological responses to checkout charity solicitation (Giebelhausen et al. 2017) and, accordingly, elucidates the process that gives rise to the prosocial customer donation behaviors that have been the primary focus of extant research in the domain. Thus, our research advances a more complete picture of checkout charity by providing evidence that it has negative consequences which counterbalance the "warm glow" that those who donate have been found to experience in prior research.

*Attributes of the FLE can exacerbate the solicitation's effect on customer anxiety*. FLEs are, in many instances, customers' first and only interface with the firm and therefore play a pivotal role in service interactions (Giebelhausen et al. 2014; Singh 2000). Though solicitation is inextricably associated with the FLE – as the worker is the initiator of the solicitation – checkout charity solicitation research to date has yet to consider how FLE attributes impact solicitation outcomes. Our findings demonstrate that the positive effect of a checkout charity solicitation on customer anxiety is exacerbated when customers interact with a highly competent FLE. We propose this occurs because customers who are served by a competent FLE feel, at least partially, indebted to the FLE for facilitating a satisfactory service experience (Mathews and

Green 2010). This sense of indebtedness makes it difficult for customers to ignore or dismiss the donation request without due consideration, thus increasing felt anxiety at the moment of solicitation. This theorizing is also consistent with the findings from our qualitative inquiry which indicate that some customers feel "pressured" or a sense of obligation to donate, a sentiment also echoed in the customer indebtedness literature (Grönroos 2001).

Interestingly, interacting with warm FLEs does not elicit such increases in anxiety. The social cognition literature explains that individuals infer another's warmth based on the other's perceived motives (Reeder et al. 2002). Therefore, it is possible that customers judge FLEs that are not warm to be less invested in the interaction, which may, in turn, ease any feelings of discomfort associated with the solicitation. Warm employees, on the other hand, may simply put customers at ease so that even checkout charity solicitations do not increase their felt anxiety.

*The frontline interface may be an important boundary condition of checkout charity*. Social anxiety is borne from fearing negative evaluation from others (Dryman et al. 2016). Feelings of anxiousness indicate that one desires to be socially accepted by others (Baumeister and Leary 1995). This theorizing is confirmed across experiments when customers' state of anxiety increases in response to a checkout charity solicitation. Further affirmation for this line of reasoning is provided by our finding of a stronger effect of solicitation on customer anxiety when an employee- rather than technology- interface is used to make the solicitation. However, consistent with research on self-service technologies (Meuter et al. 2003), frontline technology is an independent source of anxiety for customers during frontline interactions. Hence, while technology can be used to mitigate the anxiety resulting from FLE-mediated solicitations, our data reveal that across the solicitation and no solicitation conditions (i.e., on average), mean anxiety levels are nearly identical in the human vs. technology interface conditions. Hence,

insight into why and when frontline technology generates customer anxiety may be critical if such interfaces are to be used as a way of overcoming the detrimental customer outcomes that result from FLE-initiated checkout charity solicitations.

## Managerial Contributions

Anecdotal evidence and empirical studies (e.g., Sen and Bhattacharya 2001) alike suggest that companies can enhance customer- and firm- related outcomes by engaging in corporate social responsibility efforts. Checkout charity, a unique form of corporate social responsibility, is, by all indications, gaining in popularity in retail environments (Hessekiel 2017). However, our findings indicate that checkout charity may be considerably misunderstood in terms of how it impacts customer responses.

Across a qualitative exploratory study and a series of experiments, we find that checkout charity solicitations increase customer anxiety and negatively impact several interaction outcomes. After varying the service context (e.g., fast food restaurant drive-thru, grocery store), the charitable cause (e.g., assistance with housing costs, education expenses, medical costs), the donation amount (e.g., $1, round-up your change, etc.), and the frontline interface (employee versus technology), we find checkout charity solicitations consistently elicit negative psychological responses from customers. Moreover, despite managers' attempts to create impactful customer-FLE interactions, desirable FLE attributes appear to intensify customer anxiety resulting from checkout charity solicitations. Specifically, our data indicate that – in the case of competent FLEs – customer anxiety rises in response to FLE checkout charity solicitations. The alternative, using incompetent FLEs to serve customers, is logically not attractive as it produces uniformly high levels of anxiety regardless of whether a solicitation is

made. We thus contend that the using FLEs to solicit customers for donations may be inherently incompatible with providing a quality service experience that managers desire.

Importantly, a potential boundary condition of the frontline interface emerged from our studies that may dampen the undesirable effects of checkout charity initiatives. That is, we find that solicitations initiated by an FLE produce a stronger positive effect on customer anxiety than solicitations initiated by a self-service technology kiosk. This finding is consistent with evidence derived from the anxiety literature which suggests that interactions between individuals are likely to evince greater anxiety, as individuals fear others' social judgments (Clegg 2012b; Leary et al. 1998). Interactions with technology do not provoke such social judgment fears and may therefore provide an avenue for firms who wish to engage in checkout charity while avoiding its adverse effects. In fact, managers could transition in-store checkout charity campaigns to online campaigns and thus anonymize customer responses to the solicitation. Automated online solicitations can still project the philanthropic image the firm may desire and remove customers from the fear of social judgment. In 2016, the online retailer eBay raised more than $56 million from checkout charity contributions. Therefore, online checkout charity solicitations may allow managers to reap corporate benevolence benefits (Obeng et al. 2019) without sacrificing valuable interaction outcomes.

## Limitations and Future Research

Our research comes with limitations that suggest opportunities for further research into checkout charity. First, our study examines repatronage intentions at the point of solicitation prior to the customers donation decision. It is possible that customers' repatronage intentions immediately following a solicitation may differ from repatronage intentions assessed post-donation decision.

In fact, Giebelhausen et al. (2017) find that customers' repatronage intentions are enhanced after electing to donate. Within the same vein, future research should examine whether customers avoid employee interfacing during future visits and, instead, opt for technology-mediated checkouts. Such future avoidance behaviors often typify individuals' responses to anxiety (von Dawans et al. 2012).

Future research would benefit from examining the other side of the customer-FLE dyad to determine how scripted checkout charity solicitations impact FLEs' identity with the firm. It would be interesting and valuable to learn the FLE's perspective about solicitations. Do FLEs view checkout charity solicitations as tools to build customer engagement, or do they impede customer rapport-building? Lastly, our research cannot conclusively state that technology solicitations elicit less customer anxiety than employee solicitations. It is possible that anxiety resulting from the technology interface occurred because participants were randomly assigned to a frontline condition which may have not reflected their preferred means of grocery store checkout. Research would benefit from further examining the role of technology (e.g., self-service technology kiosks, online checkouts) in issuing checkout charity.

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**Table 2.1. Summary of Studies.**

| No. | Study Design | Service Context | No. of Participants | Charity Solicitation | Outcome Variables |
|---|---|---|---|---|---|
| 1 | Critical Incident Technique | N/A | 60 MTurk workers | Open | N/A |
| 2 | Scenario and behavioral experiment | Fast food restaurant drive-thru | 90 MTurk workers | Donate change to help retired seniors with housing costs | Patronage intentions, interaction quality, C-C identification, service reputation |
| 3 | Scenario and behavioral experiment | Grocery store checkout – FLE face-to-face vs tech-mediated | 300 MTurk workers | Donate a dollar to help with providing a meal to an economically disadvantaged family in need. | Patronage intentions, interaction quality, C-C identification, service reputation |
| 4 | Scenario and behavioral experiment | Grocery store checkout – service warmth and employee competence | 600 Prolific respondents | Donate a dollar to help with providing coats for underprivileged families. | Patronage intentions, interaction quality, C-C identification, service reputation |

**Table 2.2. Construct Measurement Items.**

| | Cronbach Alpha (α) | | |
|---|---|---|---|
| | Study 1 | Study 2 | Study 3 |
| **Customer anxiety** (Semantic differential scale adapted from: scale source)<br>*This employee made me feel…*<br>Not pressured – Pressured<br>Calm – Nervous<br>Untroubled – Bothered<br>At ease – Uneasy<br>Relaxed – Anxious<br>Composed – Tense<br>Comforted – Panicky | .96 | .95 | .95 |
| **Interaction Quality** (Likert-type scale adapted from: scale source)<br>How satisfied are you with the service received in this interaction?<br>1= very unsatisfied, 7=very satisfied<br>What is your overall evaluation of your interaction?<br>1=Very poor, 7=Excellent | .95 | .94 | .95 |
| **Repatronage Intentions** (Likert-type scale adapted from: scale source)<br>Based on my experience, I would return to this grocery store.<br>1=strongly disagree, 7=strongly agree<br>Based on your service experience, how frequently would you shop at this grocery store? 1=Never, 7=Very Frequently | .77 | .88 | .93 |
| **Customer-Company Identification** (Likert-type scale adapted from: scale source, where 1=strongly disagree and 7=strongly agree)<br>I would like to tell others that I am proud to be a customer of this grocery store.<br>I would strongly identify with this grocery store.<br>I would feel attached to this grocery store. | .90 | .93 | .95 |
| **Service Reputation** (Likert-type scale adapted from: scale source, where 1=strongly disagree and 7=strongly agree)<br>This grocery store has a focus on its customers<br>This grocery store is particularly oriented towards its customers<br>This grocery store respects its customers<br>This grocery store reflects its customers' values. | .94 | .95 | .97 |
| **Guilt** (Semantic differential scale adapted from: scale source)<br>*During my visit to the grocery store, I felt…*<br>Guilty – Not Guilty<br>Ashamed – Unashamed<br>Sorry – Apologetic<br>Remorseful – Unrepentant<br>Accountable – Blameless<br>Responsible – Irresponsible | .83 | .71 | .83 |

***Notes:*** Same items were used across all studies with wording adapted to the context (e.g., fast food restaurant versus supermarket). Guilt was reverse coded for analysis purposes so that higher numbers reflect higher guilt levels.

**Table 2.3. Summary of Study Results: Direct and Indirect Effects of Checkout Charity Solicitation on Interaction Outcomes.**

| *DV*→ | Interaction Quality | | Repatronage Intentions | | C-C Identification | | Service Reputation | |
|---|---|---|---|---|---|---|---|---|
| Study | Direct Effect | Indirect Effect | Direct Effect | Indirect Effect | Direct Effect | Indirect Effect | Direct Effect | Indirect Effect |
| 2 | -.05 | -.46** | -.08 | -.39** | -.50 | -.19 | .19 | -.45** |
| 3 – human | -.06 | -.41** | -.06 | -.34** | -.40** | -.18** | -.14 | -.37** |
| 3 – technology | | -.18** | | -.15** | | -.08 | | -.16** |
| 4 - low competence | -.01 | .01 | .01 | .01 | -.07 | .00 | .04 | .00 |
| 4 - high competence | | -.35** | | -.32** | | -.26** | | -.25** |
| 4 - low competence, low donation tendency | -.03 | -.04 | -.02 | -.03 | -.13 | -.02 | .02 | -.02 |
| 4 - low competence, high donation tendency | | -.04 | | -.04 | | -.03 | | -.03 |
| 4 - high competence, low donation tendency | | -.47** | | -.45** | | -.36** | | -.34** |
| 4 - high competence, high donation tendency | | -.26** | | -.21** | | -.20** | | -.23** |

***Note:*** All effects estimated using 5,000 bootstrap draws. Direct effect refers to the residual, unmediated effect of checkout charity solicitation on the outcome variable of interest. Indirect effect refers to the impact of checkout charity solicitation on the outcome variables that is mediated by customer anxiety. In studies 3 and 4, the results are reported separately for different values of the moderators or moderator combinations. Results presented in area shaded grey are for post-hoc analyses performed as part of study 4.

**95% confidence interval (CI) for the indirect effect does not include zero (0) and therefore is deemed to be statistically significant.

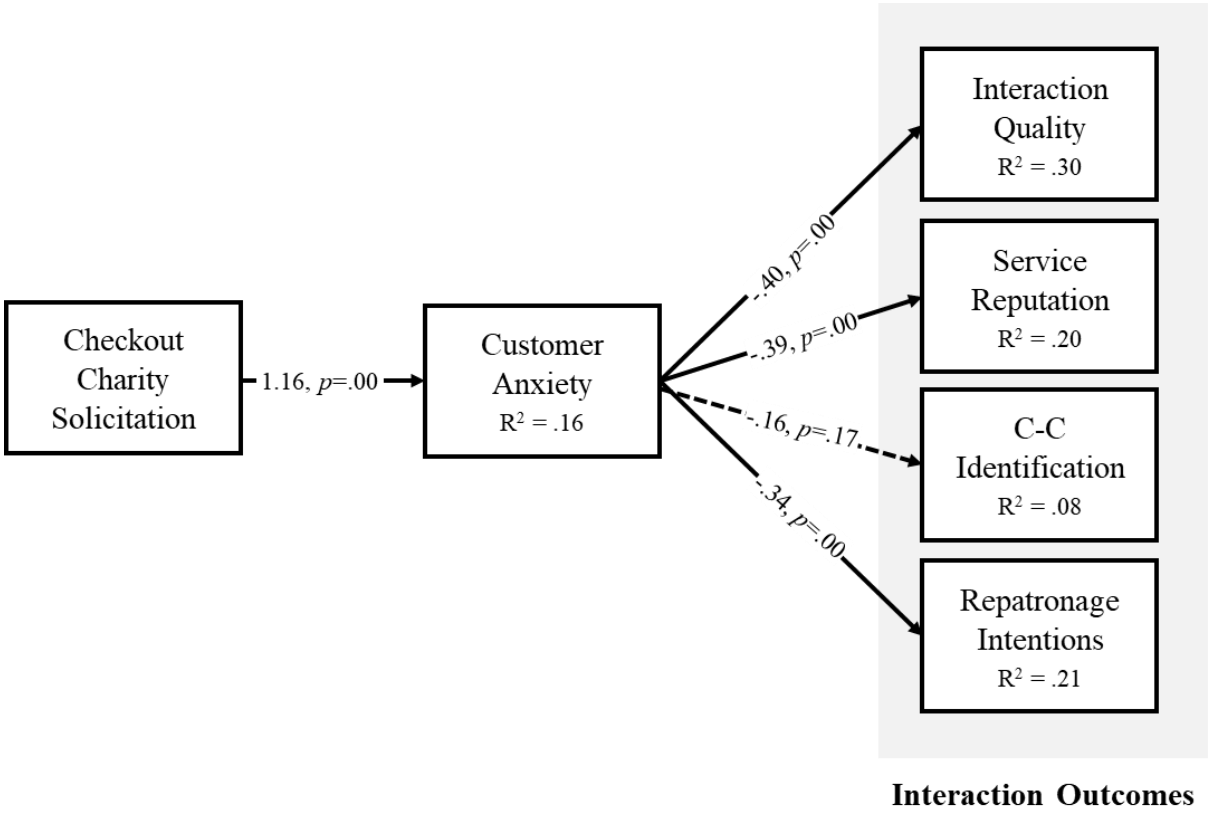



**Figure 2.1. Study 2 Results.**

***Notes.*** Dashed lines indicate non-significant paths. C-C Identification = Customer-Company Identification. Checkout charity solicitation does not have a significant ($p$>.10) residual direct effect on any of the interaction outcomes (i.e., all effects are mediated through customer anxiety).

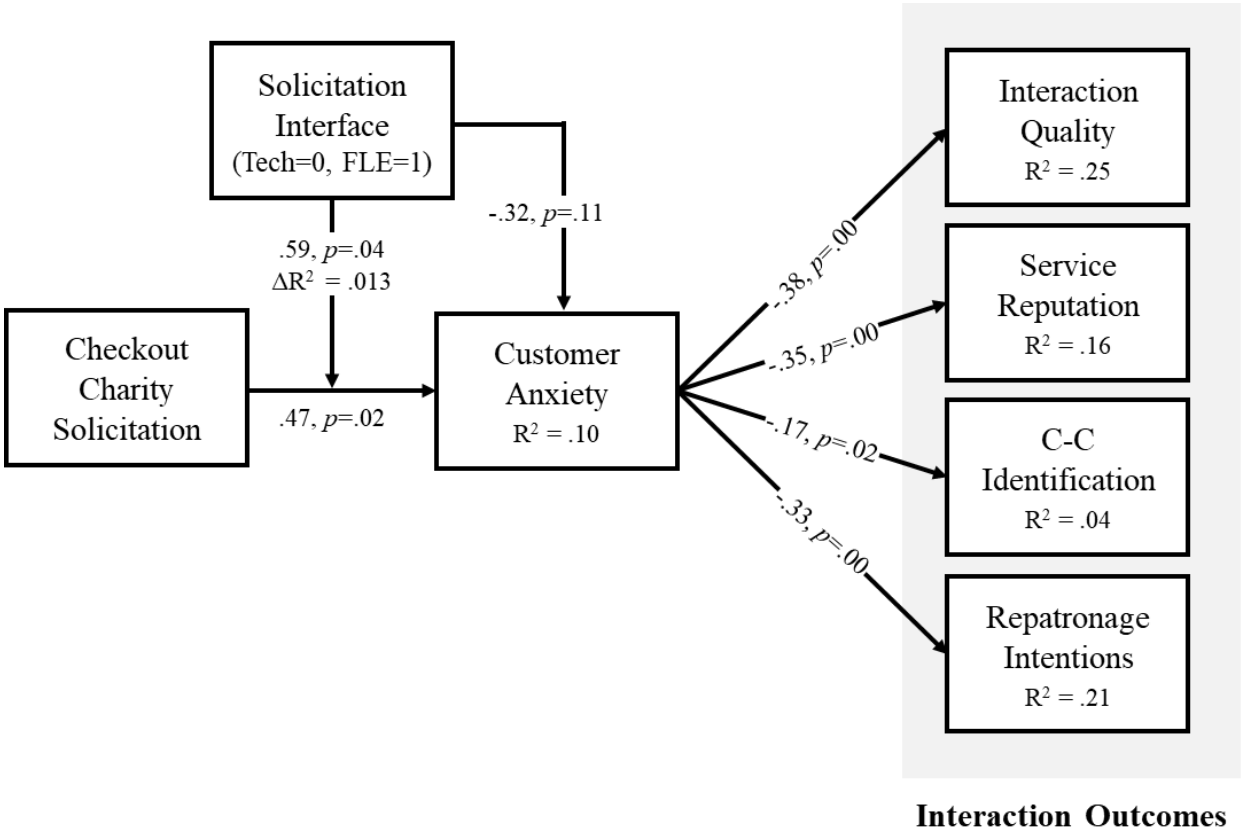



**Figure 2.2. Study 3 Results.**

***Notes.*** Dashed lines indicate non-significant paths. C-C Identification = Customer-Company Identification. Checkout charity solicitation has a residual direct effect on C-C identification (b=-.40, *p*=.03), but does not have a significant (*p*>.10) direct effect on any of the other three interaction outcomes (i.e., all other three effects are mediated through customer anxiety).

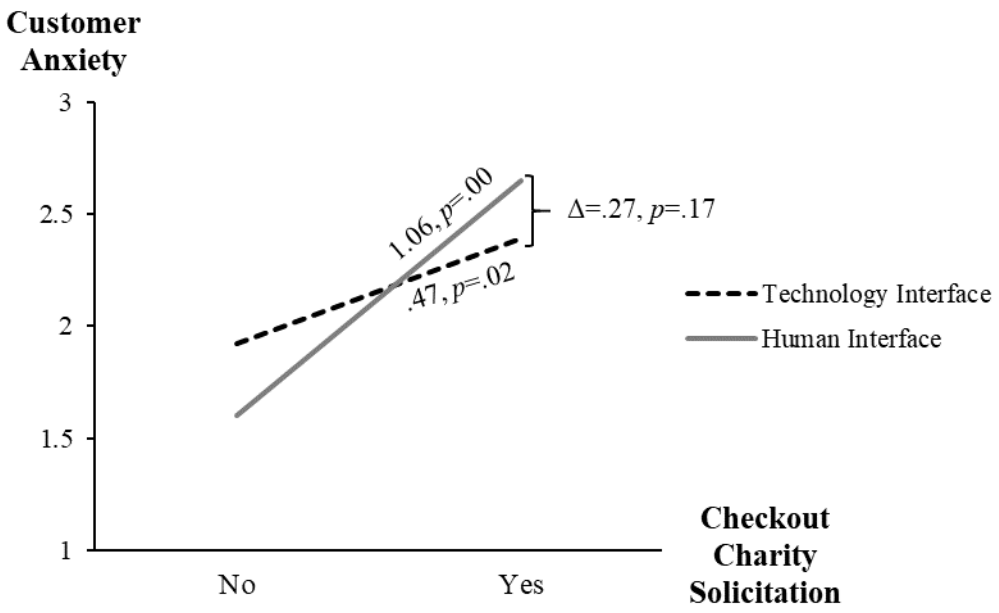



**Figure 2.3. Solicitation Interface as Moderator of the Relationship between Checkout Charity and Customer Anxiety.**

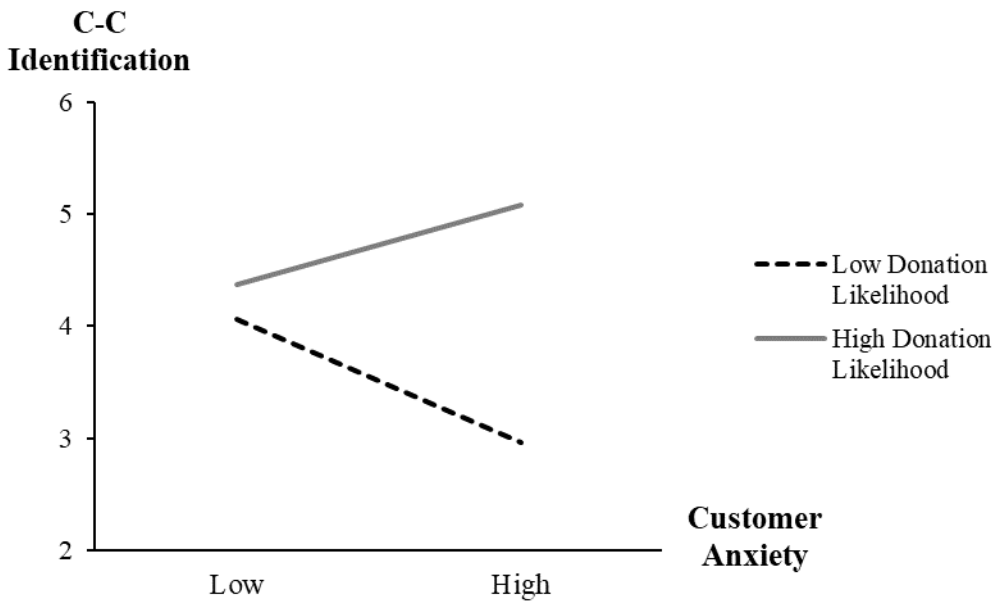



**Figure 2.4. Donation Likelihood as Moderator of the Relationship between Customer Anxiety and C-C Identification.**

***Notes:*** C-C- Identification = customer-company identification. Low and high values for customer anxiety and donation likelihood correspond to the 16th and 84th percentiles of each variable, respectively.

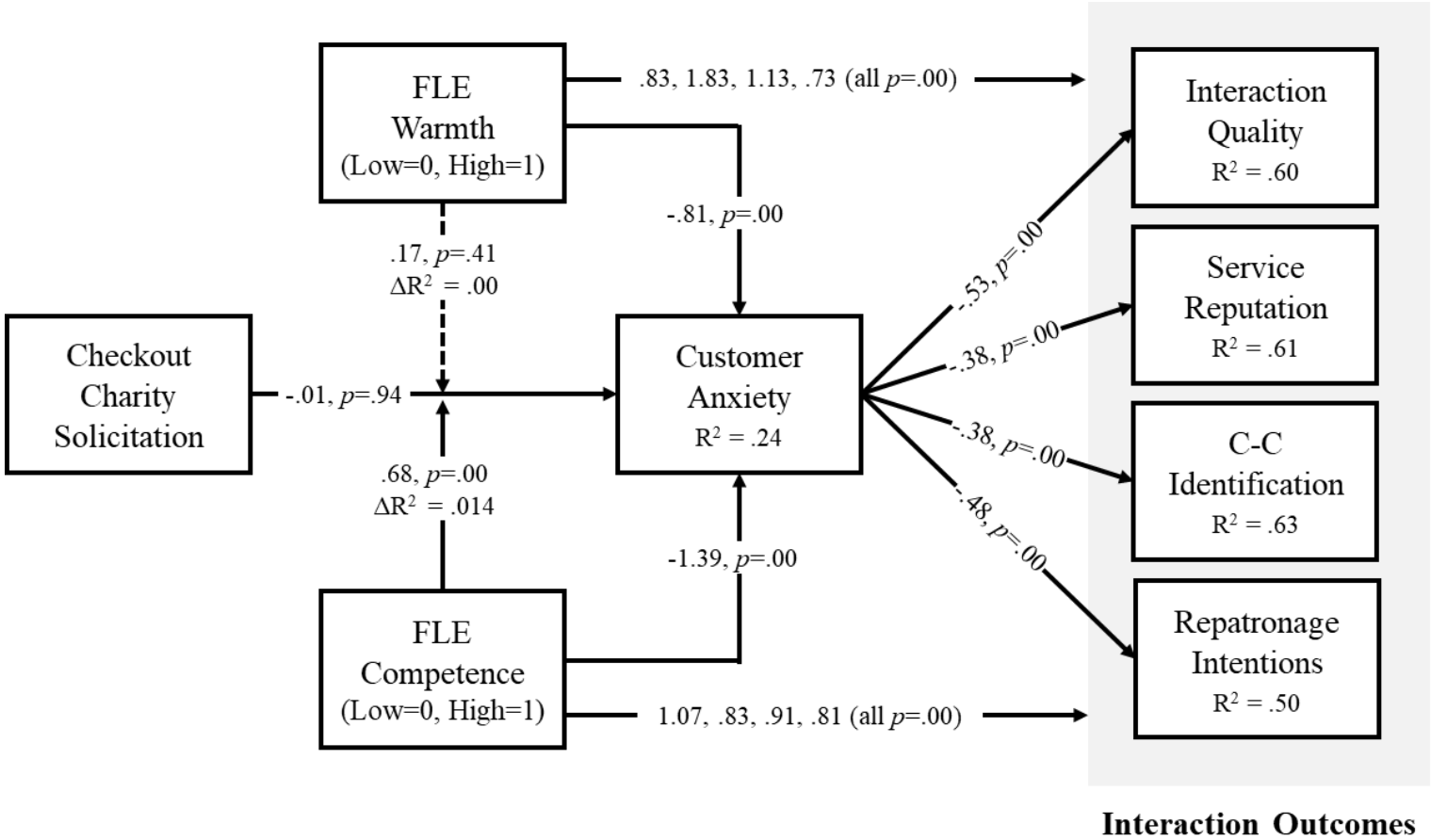



**Figure 2.5. Study 4 Results.**

***Notes.*** Dashed lines indicate non-significant paths. C-C Identification = Customer-Company Identification. Checkout charity solicitation does not have a significant ($p$>.10) residual direct effect on any of the interaction outcomes (i.e., all checkout charity effects are mediated through customer anxiety). For the effects of warmth and competence, the numbers listed from left to right correspond to their effect on the outcome variables from top to bottom.

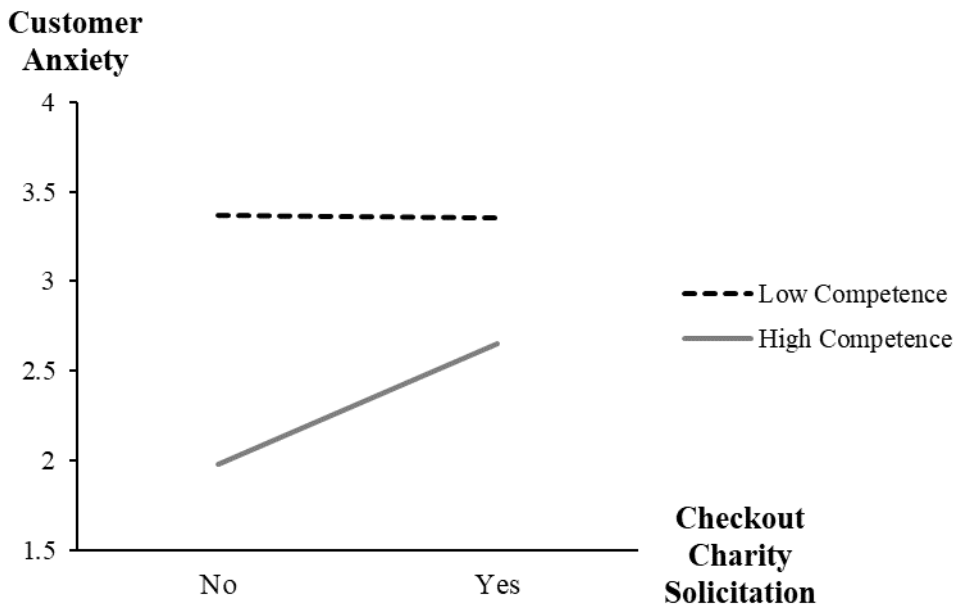



**Figure 2.6. Competence as Moderator of the Effects of Checkout Charity Solicitation on Customer Anxiety.**

# Appendix

## Experimental Manipulations

### Study 2 (Fast Food Restaurant Drive-Thru)

Scenario
(Screen 1): You have a short lunch break, so you visit a fast food restaurant for a quick lunch. You enter the drive-thru lane and place your order with the fast food employee. After placing your order, you drive around to the service window.

Checkout Charity Solicitation
(Screen 2): The employee greets you and gives you the total cost: $8.77. You hand the employee a $10 bill. Before returning your change, employee asks, "Would you like to donate your change to a charity that helps retired seniors with housing costs?"

No Checkout Charity Solicitation
(Screen 2): The employee greets you and gives you the total cost: $8.77. You hand the employee a $10 bill. The employee, in turn, hands you the change.

### Study 3 (Frontline Interface)

Scenario
On your way home, you stop by the grocery store to pick up a few items for a get-together with friends this weekend. You approach the checkout line and see the cashier. The cashier greets you as he begins quickly scanning your items.

Employee/Checkout Charity Solicitation

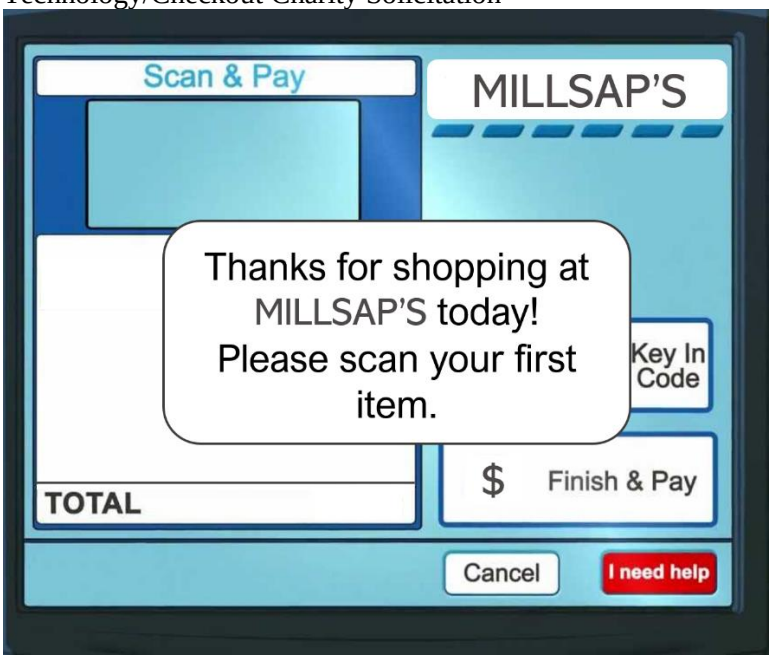
(Screen 1 image)

(Screen 2 image)

Employee/No Checkout Charity Solicitation
(Displayed screen 1 image)

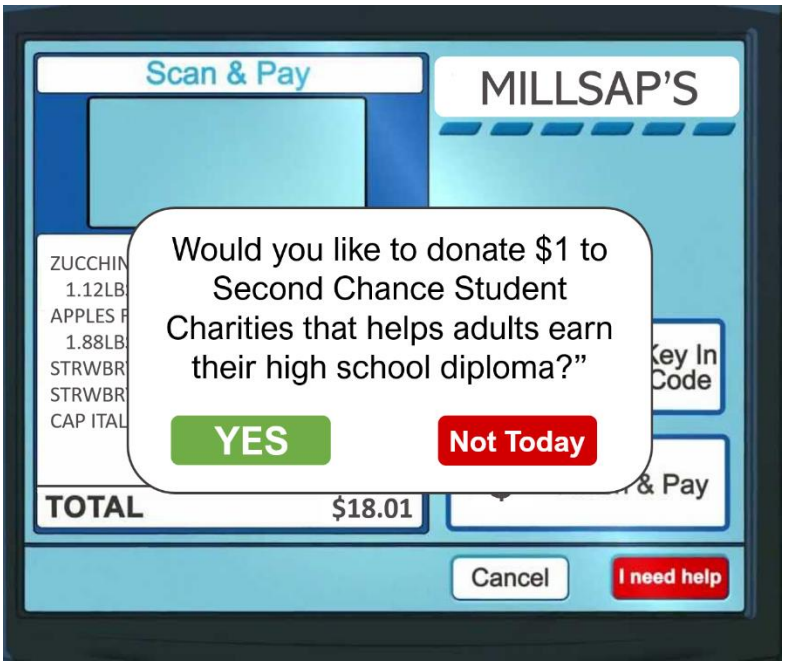
(Screen 2): You pay the cashier for your groceries and collect your items from the end of the counter. The cashier wishes you a good day as you exit the store.

Technology/Checkout Charity Solicitation



(Screen 1 tech image)

(Screen 2): You quickly scan your items, press the "Finish & Pay" button, and receive another message:



(Screen 3 tech image)

Technology/No Checkout Charity Solicitation
(Displayed screen 1 tech image)

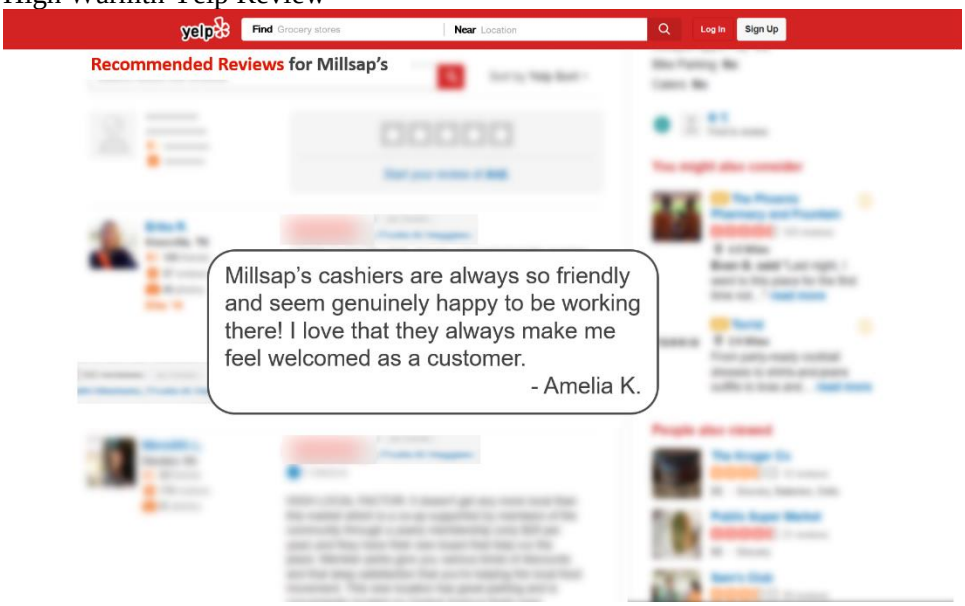
(Screen 2 tech image)

(Screen 3): After paying, you take your groceries and exit the store.

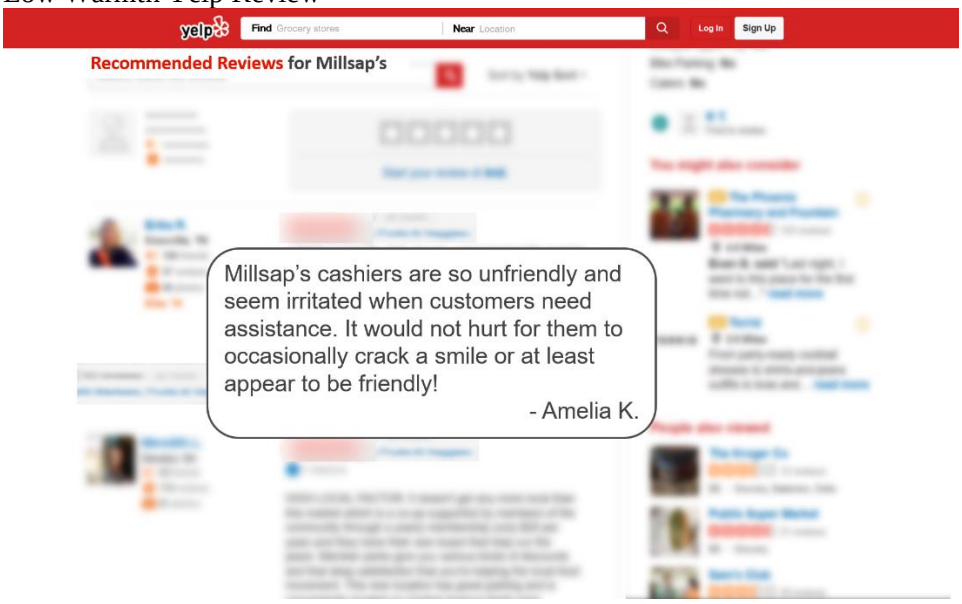
## Study 4 (FLE Warmth and Competence)

Scenario
On the next several pages, you will see two (2) online Yelp reviews from customers of Millsap's Foods, a nearby grocery store. Following the reviews, you will go through a brief checkout experience at Millsap's Foods, the grocery store from the reviews.

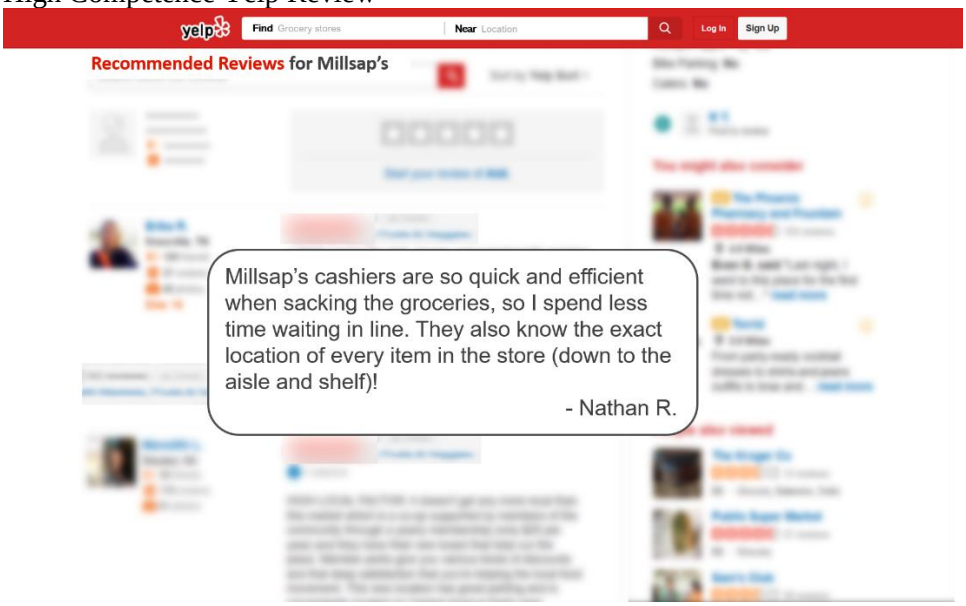
Yelp Reviews
High Warmth Yelp Review



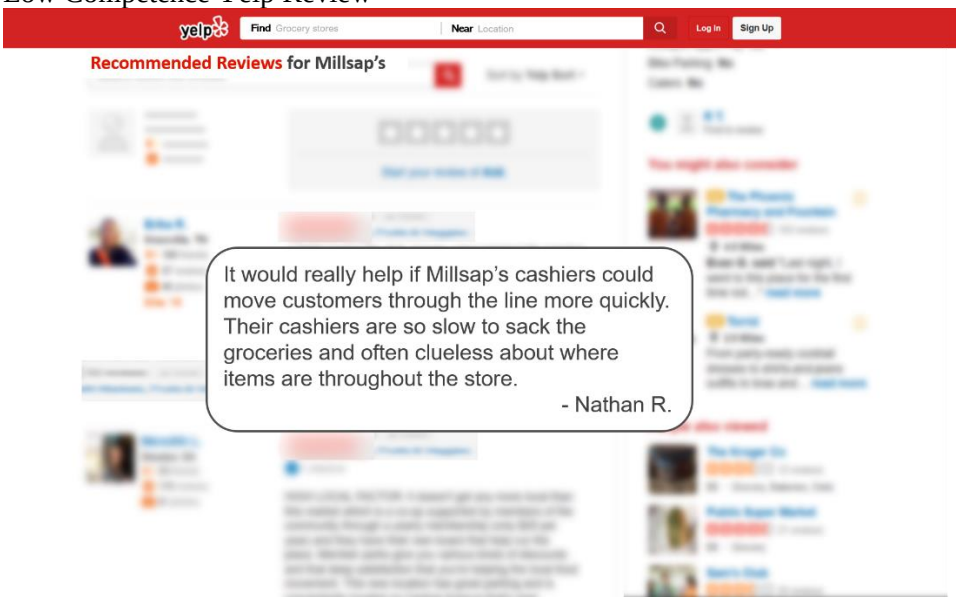

Low Warmth Yelp Review



High Competence Yelp Review




Low Competence Yelp Review



Customer Checkout Experience
(Screen 1): High Warmth Audio:

(Screen 1): Low Warmth

(Screen 2): High Competence
One of the produce items fails to scan. The cashier quickly locates the item in his reference guide and manually enters its price before moving on to the next item. When he finishes scanning the groceries, he expertly bags each item before computing the total cost.

(Screen 2): Low Competence
One of the produce items fails to scan. The cashier says he does not know how to look up the item in the pricing guide and asks for "price check assistance" over the intercom system. After receiving the item's price, the cashier has difficulty entering the price. He summons a manager for assistance and is shown how to manually enter the price.

(Screen 3): Checkout Charity Solicitation

Participants viewed an image consistent with warmth condition assignment (employee smiling/not smiling). Employee then issued a checkout charity solicitation:
"And your total comes to $18.05. Would you like to round up today to $19 and donate your change to assist families in need with their medical costs?"

(Screen 3): No Checkout Charity Solicitation
Participants viewed an image consistent with warmth condition assignment (employee smiling/not smiling). Employee did not issue a checkout charity solicitation:
"Your total today comes to $18.05."
For participants in the "no solicitation" condition, participants were instructed that:
You pay the cashier for your groceries and collect your bags. The cashier wishes you a good day as you exit the store.

# CONCLUSION

The preceding two essays contribute to the frontline and services marketing literature by examining the impact of FLE behaviors on customer outcomes that are valued by the firm. Through both qualitative inquiry and field and lab experiments, I demonstrate that common FLE behaviors and attributes shape important interaction outcomes. Such evidence supports the notion that FLEs are critical components of customers' service experience and can be leveraged to enhance valuable interaction outcomes.

In their role as reconciling intermediaries, FLEs represent the face of the firm and are oftentimes customers' primary and only contact with the firm. Therefore, providing optimal customer service is largely determined by an FLE's ability to effectively interact with a customer. In my first essay, I find that attempts by the firm to script FLE behaviors in interactions leads to the detriment of several important interaction outcomes. Scripting FLEs reduces customer perceptions of FLE authenticity, a valuable outcome of such interactions. Instead, providing employees the latitude to deviate from the prescribed script helps build authenticity and enhance the overall quality of the interaction. In my second essay, I find that checkout charity, in which customers are solicited for donation at retail checkouts, heightens customer anxiety and harms several interaction outcomes. The presence of a checkout charity solicitation elicits a negative psychological response from customers that precedes the donation decision. Further, we find evidence that attempts to improve the quality of service delivery (e.g., competently serving customers) exacerbate the negative effect of the FLE's solicitation on customer anxiety and, therefore, may be inherently incompatible with providing customers with quality service. Taken together, the findings from both essays provide managers with relevant insight into creating optimal customer-FLE interactions.

## VITA

Adam (MBA, University of Dallas; BS, Texas Christian University) is a fifth-year Marketing PhD Candidate at the University of Tennessee in Knoxville, with an anticipated graduation in the Spring 2019. Previously, he worked as the Program Director for a teacher certification program and also as the Director of Client Retention for Rentping Media. He currently sits on the Advisory Board for the athletic apparel company, Compete Every Day. His research interests primarily focus on customer-frontline employee interactions, customer-based strategy, salesperson stressors, and buyer/seller relationships.