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Positioning Customer Service Through Customer Journey Mapping in Service Consumption and Recovery

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POSITIONING CUSTOMER SERVICE THROUGH CUSTOMER JOURNEY MAPPING IN SERVICE CONSUMPTION AND RECOVERY

by

Dan Jin

Bachelor of Arts
Xi'an International Studies University, 2015

Master of Science
Purdue University, 2017

Submitted in Partial Fulfillment of the Requirements

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College of Hospitality, Retail and Sport Management

University of South Carolina

2021

Accepted by:

Robin B. DiPietro, Major Professor

Fang Meng, Committee Member

Kawon Kim, Committee Member

Edwin Torres, Committee Member

Tracey L Weldon, Interim Vice Provost and Dean of the Graduate School

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DEDICATION

This dissertation is lovingly dedicated to my Mom and Dad, H.S. Jin and C.F. Jin., and my Teddy Bear, S.C. Moon. First off, thank you, Mom and Dad. You are the ones who have got me this far. From my younger days, crying over the stupid little things and screaming when things didn't go my way... to this day when I am about to marry and become a doctor and now you two are crying.

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ABSTRACT

Customer journey mapping is a marketing research tool that has increasingly captured marketers' attention over the past decades by helping commercial businesses understand customers' motivations and behaviors. Despite acknowledging the importance of customer experiences, previous literature has generally focused on the firm's response (supply-side) to the customer. This often considers the service provider's efforts in the production of goods and services using Goods-Dominant-Logic (GDL), and facilitation with the customer with Service-Dominant-Logic (SDL). However, supply-side logic has largely ignored the customer responses (demand-side) regarding the service operations that appear to be an important function in customer journey mapping. Customers' demand-side logic determines how service firms can enhance customer experiences with Customer-Dominant-Logic (CDL), and shape unique experiences with Memory-Dominant-Logic (MDL). This insight can be utilized in uncovering how the customer experience could be improved so that the service can be enhanced. Although studies have discussed the importance of business logic and customers' purchasing motivations behind visiting service businesses that adopt different business logic, it is still unclear how customer journey mapping might be applied to develop or refine the possibility of different business logic in terms of creating varied customer service outcomes.

The objective of this research is to investigate customer journey mapping that considers both the supply and demand side of business logic through the customer experience, specifically in service consumption and recovery stages. This research will

contribute to hospitality literature by empirically measuring customers' affective (happiness, subjective well-being, customer-brand identification) and behavioral (positive referral, repatronage) outcomes, thus adding valuable insights into customer journey mapping. Guided by theories of cognitive dissonance theory, attribution theory, appraisal theory, role theory, expectancy-disconfirmation theory, and commitment-trust theory, a conceptual model was developed for testing variables that are helpful implications for identifying discrepancies that may exist between the perceptions of customers and those of service providers.

Overall, the results of this study indicate that the business ability of service organizations, particularly foodservice operations, should not be restricted by the type of business model or its pre-dominant service delivery methods. Along with this, the results indicate that customers' value proposition and value formation can influence the overall customer service experience that can be formed in the customer journey mapping process. Further, results suggest that service providers' facilitation can yield a considerable range of emotional and physical inputs within their sphere to produce the facilitation depending on the corresponding business logic. Likewise, the voluntary customer role directly strengthens their service outcomes by supporting the ability of the service firm to deliver satisfactory service recovery. The study provides a discussion of improving the overall customer experience by mapping out the diverse customer journey through different service stages. Conclusions of the findings as they related to both theoretical and practical implications are discussed, along with future research opportunities.

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LIST OF ABBREVIATIONS

ANOVA.....	Analysis of Variance
CDL	Customer Dominant Logic
EFA.....	Exploratory Factor Analysis
GDL	Goods Dominant Logic
KMO.....	Kaiser-Meyer-Olkin
MANOVA	Multivariate Analysis of Variance
MDL	Memory Dominant Logic
SDL.....	Service Dominant Logic

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND AND IMPORTANCE OF STUDY

1.1.1 Customer Service Encounters and Touchpoints

Today, customers have more choices of products and services than ever before due to service organizations' increased investment in product differentiation and service customization (Bustinza et al., 2019). Accordingly, customers have more opportunities for controlling the service design process in order to create service offerings that can satisfy their customization preferences. However, previous studies of customer service were focused heavily on examining the physical actions of customers' purchasing behavior from a single service encounter, rather than studying the complexity of the relationship between service providers and customers throughout the customers' overall service experience (Kranzbühler et al., 2018). Thus, scientific evidence regarding customers' expectations changes from one service encounter to another, and knowledge about customers' overall service experience with service organizations are still limited.

Service encounter is defined as the dyadic interaction between a customer and a service provider (Surprenant & Solomon, 1987). A service encounter is comprised of service touchpoints, which refers to any interaction either with the service product or service provider. This may alter the way a customer perceives the product, brand, business, or service (Zomerdijs & Voss, 2010). Touchpoints can be conceptualized as

clusters of experiential elements that foster product or service experiences (Dubberly & Evenson, 2008; Zomerdijk & Voss, 2010).

Customer experience is an aggregate of service touchpoints that can be brand-owned (completely controlled by the service firm), partner-owned (collectively controlled by the firm or its business partners), or customer-owned (completely controlled by the customer) and may also include social or external touchpoints (independent or collective roles controlled by the service firm and the customer) that account for the roles of others in the servicescape or environment (Siqueira et al., 2020). All these aspects of service touchpoints will influence the overall customer service experience. Therefore, it is critical to study touchpoints that can happen during a customer journey and demonstrate how customer experiences can evolve from a static to a dynamic view (Grönroos, 2011; Touloum et al., 2018). To demonstrate how customer experience is often referred to as a sum of every contact a customer might have with a service provider (Lemon & Verhoef, 2016), a marketing tool called customer journey mapping is often used to measure the process of service, which involves multiple service touchpoints.

1.1.2 Customer Journey Mapping

Customer journey mapping serves as a marketing research tool that considers the interaction between the customers and the service providers, especially throughout all of the various touchpoints that can influence the entire customer experience with a service organization (Lemon & Verhoef, 2016). Customer journey mapping clarifies the way interaction occurs in one moment and how it influences all other moments during the service experience (Micheaux & Bosio, 2019). Companies optimize the customer experience by clearly mapping out the path of customers' purchasing behavior. Customer

journey mapping explores how touchpoint ownership of a service interaction illuminates the understanding of the customer journey by modeling the purchase stages, touchpoint categories, and types of interactions during customer journeys (Rudkowski et al., 2020). The process of customer journey mapping attempts to analyze how the basic structure of activities within an overall customer journey influences the linkages between service moments. In a practical sense, customer journey mapping has been utilized by various service sectors, including technology giant Google; big retailers such as Staples, MUJI, and Nordstrom; luxury brands such as BMW, and Dolce & Gabbana, which enable their service design solutions to better manage and facilitate customer experiences (Brown, 2016; Hackley & Hackley, 2019).

In today's service market, there is an increasing focus on customer experiences because customers can interact with service organizations through multiple touchpoints. This results in more complex customer service journeys, both in consumption and, when necessary, in service recovery stages (Lemon & Verhoef, 2016; Verhoef et al., 2015). In addition, service organizations are still facing challenges to control the entire customer experience, mainly by failing to create sustainable competitive advantages through building an integrated system of service touchpoints. As suggested by Lemon and Verhoef (2016), the customer experience is a multi-dimensional construct focusing on a customer's cognitive, emotional, behavioral, sensorial, and social responses to a firm's offerings during the customer's entire purchase journey. This suggestion articulates that business logic strives to assure value co-creation aspects by securing service quality in value-in-use with the employee, value-in-experience with the customer, and as well as value-in-context with the service system.

An underlying premise of this stream of research is that customer interaction with others is co-creative, experience-based, and harmonious in a way that produces favorable service quality (Chathoth et al., 2016). A part of the reason that service organizations fail in this respect is due to their lack of integrating multiple business functions, including service operation strategies, logistics, marketing, human resources, and external partners (Lemon & Verhoef, 2016). Therefore, today's service market needs to understand the varied functionality of business logic in order to consider both the supply side (service organization) and the demand side (customers) with an emphasis on creating the service experience that acknowledges the entire customer experience throughout their journey with the service organization (Kumar et al., 2010).

1.1.3 Business Logic in Customer Journey Mapping

It is important to note that the service organization's ability to create a customer experience is a competitive advantage, which is determined by their business logic. Business logic is the decision method that a service organization uses upon the scope and scale of its service offerings. This includes setting service specifications, making a commitment to service quality, reducing role conflict and role ambiguity among customers and service employees, and facilitating effective communication across service marketing and operations (e.g. Alzaydi et al., 2018; Iyer & Johlke, 2015; Manser Payne et al., 2017). Business logic can incorporate both perspectives of supply-side (service provider facilitation, capability, system) and demand-side (customer needs, wants, desires) when analyzing their interactions (Harrington et al., 2019a).

Supply-side logic focuses on Goods-Dominant Logic (GDL), where the company develops capabilities that allow them to appeal to a large group of users (Rietveld &

Eggers, 2018). GDL considers the mass production that is product-driven and reinforces standardized products that are geared toward a large, homogeneous customer base.

Service-Dominant Logic (SDL) is where the company develops its service knowledge by training their employees to wisely allocate the resources when interacting with their customers (Meierhofer et al., 2020). SDL describes the interaction capabilities of how firms, customers, and other market actors interplay with each other. These logics both emphasize the product and service value that is limited to the manufacturing of core product operations.

Demand-side logic focuses on the Customer-Dominant Logic (CDL), which is a business strategy centered on promoting customer engagement in service innovation. CDL takes a customer-centric perspective to provide a clear process of how service is delivered to customers with no or very little effort from the service providers. Memory-Dominant Logic (MDL) accounts for creating memorable customer experiences that concern both social desirability and various retrospection when purchasing the same service in the future (Hietanen et al., 2018; Vargo, 2011; Vargo & Lusch, 2016). MDL describes a service that might reflect a reference point in the customer's memory, which can have a long-lasting effect on their future consumption. The process of demand-side logic creates a customer service experience, which emphasizes the customers' uniqueness and the individuality of the experience.

Considering both the supply and demand side of business logics, service organizations have certainly been influenced by the demand and the supply activities that are immersed in creating customer experience. By combining these two perspectives in mapping the customer service journey, business logic can further regulate the supply side

of logic (service operation) that would seem to go against the demand side of logic (customer expectations) with a closer inspection of multiple service touchpoints. To bridge this gap in knowledge, this study seeks to investigate how customer journey mapping benefits from business logic in service consumption and recovery stages, and thereby shapes customer experiences and behaviors, specifically in the foodservice sector.

1.1.4 Customer Journey Mapping in Foodservice

Several studies have been conducted to understand the customer experience in tourism and lodging settings. In tourism settings, service agencies often integrate several service touchpoints to boost tourists' experiences. Such touchpoints include analyzing customer participation in festivals, trips planning, and community attachment (Buhalis & Sinarta, 2019; Buonincontri et al., 2017; Choi et al., 2016; Mathis et al., 2016; McLeay et al., 2019; Sigala, 2017; Sørensen & Jensen, 2015; Zhang et al., 2019). In lodging settings, studies have focused on investigating various hotel guests' service touchpoints in order to engage customers more during the purchasing process, thus enhancing their overall experiences. This includes using hotel e-commerce to provide timely customer reservations, designing customers' superior service with smartphone apps, and providing feedback with a survey at the moment of checking-out (Chathoth et al., 2013; Oyner & Korelina, 2016; Sarmah et al., 2017; Shaw et al., 2011; Tang et al., 2015).

Different from tourism and lodging, the foodservice sector has not focused significantly on researching the importance of the customer experience with multiple service touchpoints (Walter et al., 2010). Although the foodservice operation is an especially high-contact business, no studies to date have investigated customer

experience regarding the foodservice sector by sufficiently integrating multiple touchpoints. In foodservice, customers experience more touchpoints, such as evaluating the servicescape, ordering food, receiving food, interacting with the service provider, possibly experiencing service failure, and receiving service recovery, which often happens in a relatively short period (Lugosi, 2019).

In response to that lack of study, this research aims to conduct a more tangible analysis of customer journey mapping and its relationship with the foodservice sector. This research thereby explores deeper explanations on the customer journey mapping in the foodservice sector, specifically by demonstrating how foodservice providers interact with the customer in each touchpoint throughout their journey via the assessment of customers' motivations. The research also examines how customers' questions or allaying concerns may flow from one touchpoint to the next touchpoint, thus preventing potential customer dissatisfaction and disappearance.

1.1.5 Touchpoints in Customer Journey Mapping During the Service Consumption

During the service consumption stage, customers' experience will be affected by their own evaluations on service-owned touchpoints (e.g., customer value proposition), such as the usefulness, sustainability, and reliability of the product, along with the service that can impact the brand building exercise of an organization to offer strong value proposition (Geroge & Wakefield, 2018). Specifically, customers' value proposition refers to customers' assessments of the utility of a product or service based on the perceptions of what is received and what is given by them (Itani et al., 2019). Knowing customers' value propositions can help service organizations develop strategic priorities in terms of service development, customer segmentation, and marketing to contribute to

service resolution by concentrating its focus on customers' needs and demands (Rintamäki et al., 2007). Hence, analyzing customer value propositions will benefit the service organization's ability to deliver its service promises to the customers (Kandampully & Butler, 2001).

Meanwhile, customer experience at the consumption stage can also be affected by the customers' value formation and the service providers' value formation. Customers' value formation refers to the value that is formed and controlled in the life of the customer, which concerns the customers' perceptions and understanding of the product and service. Customers' value formation consists of customers' behavioral and mental processes when they interpret their service experience (Heinonen et al., 2013). Service providers' value formation refers to the value that is formed and controlled in the service provider's sphere, which is the ability to create value that can directly influence or change the outcome of customer service (Grönroos & Voima, 2013). Customer value formation is viewed as customer-owned touchpoints, which is their perceptions about the service establishment. On the other hand, service providers' value formation is viewed as brand-owned touchpoints, which is the service providers' value formation in providing optimal service during the customer journey mapping (Lemon & Verhoef, 2016; Richardson, 2010; Rosenbaum et al., 2017). Customers' and the service providers' value formation of a service touchpoint happens either to an individual customer and the distinct service provider, or on a collective level between the customers and the service providers jointly (Heinonen et al., 2019).

According to Echeverri and Skålén (2011), the customers' and the service providers' service value formation can be classified into two types: interactive and non-

interactive. The interactive value formation suggests that service value is co-created during the interaction between the service providers and the customers, specifically in the service production and consumption stages (Prahalad & Ramaswamy, 2004a b; Vargo & Lusch, 2004a, b). If the perceived values are not formed due to the failure of the resource integration (either from the service providers' or the customers' side), the value formation will be considered as non-interactive (Smith, 2013).

The non-interactive value formation suggests that service value is only produced by the service providers and consumed by the customers (Eggert et al., 2018; Zhang et al., 2018). Studying customers' and service providers' value formation can benefit service organizations in analyzing demand and supply side logics, in which both have a different focus and scope of value creation (Heinonen et al., 2013). This will further reveal hidden aspects of the role of a customer and a service provider in the service touchpoints, subsequently showing how value is embedded and formed through the interaction between the customers and the service providers (Grönroos, 2011).

Additionally, studies suggest that the customer value proposition of a service organization along with the customers' and the service providers' value formation are critical in terms of determining the customers' affective service outcomes, such as happiness and subjective well-being (Lingqvist et al., 2015; Ngamaba et al., 2018). Happiness is a specific term that describes "customers' perceptions of the extent to which their well-being and quality of life are enhanced" (Gong & Yi, 2018, p. 429). Subjective well-being of customers at the consumption stage describes how they evaluate their consumption experience and recognize satisfaction, enjoyment, delight, and positive feelings by purchasing a product or service (Diener, 2000; Ngamaba, et al., 2018).

Moreover, studies indicate that the emphasis on analyzing customers' happiness and subjective well-being related to a service experience can further predict their behavioral outcomes, such as positive referrals and repatronage intentions. For example, a positive referral means the behavior of existing customers bringing in new customers, and repatronage intentions refer to the customers' planning on using a service provider again in the future (Jones et al., 2003; Westbrook, 1987; Schmitt et al., 2011; Tschimmel, 2012). However, despite these well-established connections between the customer value propositions and their affective or behavioral service outcomes, previous literature has attracted little attention to studying such connections using customer journey mapping. Thus, this research can be advanced by mapping the customer service journey, which allows for better documentation in the relationship of touchpoints that influence customer experience in the service consumption stage.

1.1.6 Touchpoints in Customer Journey Mapping During Service Recovery

Another component of customer service is the possibility of a service failure. When these occur, the organization needs to be ready to provide effective service recovery. During the service recovery stage, the customer experience will be affected by their evaluations of partner-owned touchpoints such as service provider facilitation. By definition, service providers' facilitation in service recovery refers to their ability to create an environment or platform for employees to interact with customers and resolve the service failure (Prahalad & Ramaswamy, 2004 a, b; Ramaswamy & Ozcan, 2016). Service providers' practices in facilitating customers' needs in service recovery will vary based on a business's logic. Traditional service recovery research with GDL focuses on aspects of firms' responses to service failures by providing customers

with tangible compensation (e.g. refunds and replacements) (e.g. Sparks & McColl-Kennedy, 2001). In contrast, SDL and CDL studies the effects of service recovery strategies on the service provider's facilitating factors in co-creating service recovery value with customers (Hazée et al., 2017). Those facilitating factors include service providers' supportive actions in providing easily accessible recovery, offering different options, and correcting the service failure with clear instructions notified to the customer (Dong & Sivakumar, 2017). Furthermore, service recovery efforts under MDL can incite customers' emotional reflections in real-time activities that facilitate their positive memories (Lemon & Verhoef, 2016; Puccinelli et al., 2009).

In addition, previous studies suggest that a well-programmed service provider facilitation will further increase the service organization's efficiency in managing customer participation and enhance customer subjective well-being, along with customer-brand identification at the service recovery stage (Lam et al., 2013; Van Vaerenbergh & Orsingher, 2016). Subjective well-being of customers at the service recovery stage describes how people evaluate their service recovery experiences and create satisfactory appraisals when the service failure is successfully resolved (Su et al., 2016; Ngamaba, et al., 2018). This is different from transaction-based customers' service recovery satisfaction.

Subjective well-being of customers at the service recovery stage includes customers' life satisfaction. This implies that service failure stressors may deteriorate satisfaction among customers, however the optimal support for customers during the service recovery could identify the role of service recovery experience through subjective well-being dimensions in the formation of life satisfaction (Su et al., 2015). Thus,

subjective well-being of customers at the service recovery has relied almost entirely on reports of life satisfaction, which are retrospective assessments of a customer experience (Kahneman & Krueger, 2006).

Customer-brand identification refers to a customer's psychological state of perceiving, feeling, and identifying him or herself with the brand (Lam et al., 2013). Studies have illustrated that when service failure happens, customers' identification with symbolic, hedonic, or esthetic service value can be violated (Kirillova & Chan, 2018), where customer-brand identification can also be affected. If the service provider fails to provide a good service recovery after the initial service failure, they will likely lose those customers forever (Kaur & Sharma, 2015; Lu et al., 2018). This is also known as service failure double deviation (Bitner et al., 1990). Service failure double deviation could lead to customers' loss of trust in the service brand (Fang & Liao, 2015; Pacheco et al., 2019).

Therefore, effective service recovery should be driven by the service provider's facilitation but should also be formed in a context where the focus is customer-specific, and the service recovery is socially structured with mutual benefits to the customer and the service provider (Maslowska et al., 2016). Specifically, service providers should encourage dissatisfied customers to complain, as it will prevent the service organization from losing that customer if they can resolve the complaint appropriately (Chebat et al., 2005). Service providers should even go one step further to reward customers who complain about the service and invest more resources in resolving customers' complaints (Dong & Sivakumar, 2017). This allows providers to wisely allocate service

recovery resources between service firms and customers to increase efficiency in managing customer participation (Van Vaerenbergh & Orsingher, 2016).

1.1.7 Touchpoints in Customer Journey Mapping and Customer Role

According to previous studies of customer participation in service recovery, customers often complain about the service failure in order to seek a claim, blame the service provider for the service failure, or boycott the service organization (Bergel & Brock, 2018; Ekinici et al., 2016; Fernandes & Fernandes, 2018; Kaur & Sharma, 2015; Lu et al., 2018). Although these complaining behaviors from the customers sometimes can be tricky for the service providers to resolve, dissatisfied customers who voice their complaints are providing the major source of innovative service recovery ideas, which can become core competencies for service firms (Cai & Qu, 2018; Duverger, 2012; Lu et al., 2018; Qiu et al., 2018; Ro, 2015; Xu, 2019). However, when the customer complains about a service failure, they can either act as an active participant or a passive participant (Campos et al., 2018; Chang, 2016; Chen, & Raab, 2017; Dong & Siu, 2013; Tussyadiah, 2014). If the customer is an active participant during the service recovery, they often have a sense of control or fairness in resolving the service failure (Jin et al., 2019). If the customer is a passive participant during the service recovery, they often act as a recipient of the service recovery without directly being involved in the service recovery process (Dong, 2015). This is further explained by a classification of customer participation roles in the service, which can be a voluntary or involuntary customer role.

A voluntary customer role during service recovery means the customers have a greater willingness to exercise extra-role behaviors, meaning the helpful behaviors of customers support the ability of the service firm to deliver service quality (Yi & Gong,

2016). The voluntary role of customers involves a sacrifice on their part concerning time, effort, and physical welfare (Staub, 1978; Yi & Gong, 2013). Furthermore, an involuntary customer role in service recovery means customers have mandatory activities in the service recovery. The involuntary role of customers are behaviors that are required to be performed in order to receive basic service recovery. For example, providing a description of service failure, asking for assistance, or completing a pre-designed survey after the service recovery are examples of involuntary customer roles (Bove et al., 2009; Yi & Gong, 2013). These roles from customers are in line with the service literature on recognizing customers' contributions to the service recovery stage (Chen & Raab, 2017).

1.1.8 Customer Role in Journey Mapping and Business Logic

In terms of how to engage customers during the service recovery process, previous studies viewed the customers' role from the perspectives of value co-production and co-creation when describing various business logic (Campos et al., 2018; Kranzbühler et al., 2018; Vargo & Lusch, 2008a, b). Value co-production and co-creation differ in describing the level of customer participation and their roles played in service encounters. Value co-production means simultaneous production and consumption exchanges between customers and service providers with excessive offering activities from the service provider (e.g. Chandler & Vargo, 2011; Jaworski & Kohli, 2014; Prahalad & Ramaswamy, 2004a, b).

Therefore, value co-production emphasizes a firm-centric view of customer involvement in the service recovery process, which follows the traditional view of GDL. This means the primary role of customers under GDL is involuntary because neither service providers are actively providing customers with options to choose from, nor

customers are actively seeking opportunities to involve themselves in the service process (Vargo & Lusch, 2004a, b).

Furthermore, co-creation emphasizes a collaborative view between customers and service providers, which can simultaneously engage these two parties in the service production and recovery processes (Felleson & Salomonson, 2016). As business logic such as SDL, CDL, and MDL emphasize the reciprocity between customers and service providers, the customer role under these business logics can be considered as voluntary because customers can actively participate in value co-creation (Chester et al., 2018; Wynstra et al., 2010). Specifically, SDL encourages customers' voluntary roles by interacting with service providers, CDL encourages customers' voluntary roles by enlarging customers' control of the service, and MDL encourages customers' voluntary roles by emphasizing the psychological aspects and interactions with the service production and recovery experiences (Akaka et al., 2013; Baron & Harris, 2010; Heinonen et al., 2010; Medberg & Heinonen, 2014; Voima et al., 2011).

Therefore, classifying customers' roles during the service recovery can encourage service providers to interpret the dynamic customer interactions, thus allowing them to reduce service recovery complexity by avoiding the negative consequences of customers becoming negative referrals or not repatronizing the service (Mikolon et al., 2015; Schmitt et al., 2011; Tschimmel, 2012). However, previous studies have not yet examined service recovery variables, such as service providers' facilitation, customer complaining behavior, customer roles, nor the varied business logic (e.g. Chathoth et al., 2013; Grönroos & Voima, 2013; Plé & Chumpitaz Cáceres, 2010; Plé & Demangeot, 2019). Thus, this research also aims to address such limitations in the previous literature.

1.2 STATEMENT OF PROBLEM

Customers' motives behind a purchase from a specific organization can vary significantly depending on marketing initiations, business strategies, and service organizations' system operations that satisfy customers' purchasing needs and desires (Lemon & Verhoef, 2016; Shukla & Pattnaik, 2019). However, studies have not yet assessed how customer journey mapping might be applied to develop or refine marketing and business strategies. Business logic in the marketing literature emphasizes the service organization's strategic choices. It relates to the customer service value creation and how that can benefit the service organization's stakeholders, particularly customers and service providers (Teece, 2010).

Based on business logic, the service provider will develop their product or service (Chandler & Lusch, 2015), and customers who purchase products or services from an organization using a different business logic may have different perceptions regarding the service (Heinonen et al., 2013; Vargo & Lusch, 2004a, b). However, this has not been addressed in the previous literature. Thus, service literature remains lacking in the study of demonstrating the possibility of different business logic creating varied customer service outcomes in the service consumption and recovery stages of customer journey mapping (Grönroos, 2011; Heinonen et al., 2013; Schmitt, 2011; Prahalad & Ramaswamy, 2004a, b).

Moreover, seen from the organizational literature, there is also a lack of understanding how business logic can help service organizations in expanding their service operations. Indeed, service organizations can broaden the scope of their business operations by exercising institutional pluralism (Greenwood et al., 2010; Kraatz & Block,

2008). Institutional pluralism refers to service organizations adopting more than one business logic in service operations (Kraatz & Block, 2008; Ocasio & Radoynovsa, 2016). Research has shown that the need for institutional pluralism is fundamental to customer service. Specifically, customers' mental and physical well-being depend on the service system's well-being, which is operated in multiple institutional spheres with plural business logic (Dunn & Jones, 2010). Institutional pluralism, therefore, leads to better service outcomes for customers because service organizations support distinct interests from various customer groups, which also can create dynamic tensions and reveal how to provide excellent customer service (Greenwood et al., 2010). However, this aspect has not been addressed previously when mapping the customer service journey.

Furthermore, it is still unclear how business logic can become a competitive advantage in establishing unique service characteristics to involve a larger customer base and maximize profits. Strategy literature indicates that institutional pluralism in adopting multiple business logic can benefit both customers and service providers by developing better customer-firm relationships (Freeman et al., 2010; Johnson et al., 2008; Kraatz & Block, 2008; McPherson & Sauder, 2013). However, whether the effects of business logic could be applied to strategy execution in terms of shaping better customer service outcomes is still unknown from the previous literature (e.g., Durand et al., 2013; Jones et al., 2010). Thus, to date, there are very few studies that explore the effectiveness of customer service experience through the collaborative lenses of marketing logic, service operations, and strategy execution.

The current research aims to specify the key components of service touchpoints throughout the entire service system, in turn showing how marketing, organizational

operations, and strategy can work together to meet customer expectations at every touchpoint in customer service journey mapping. By considering all these aspects, this research intends to significantly broaden researchers' knowledge of customer service generated from varied business logics using customer journey mapping. The research will help service providers guide strategy choices for their organizations in terms of developing customer segments, creating distribution channels, and building long-term customer relationships (Ocasio & Radoynovsa, 2016).

1.3 AIMS, OBJECTIVES, AND RESEARCH QUESTIONS

The objective of this research is to investigate customer journey mapping that integrates both the supply and demand side of business logic through customer experience in the service consumption and recovery stages. Below are the three objectives of the current study with research questions under each objective.

Objective 1: To examine the effect of customers' perceived value proposition on their affective service outcomes (i.e. happiness, subjective well-being) and behavioral service outcomes (i.e. positive referral, repatronage intention) in foodservice operations while considering four types of business logic applied in restaurants.

- 1) To what extent does business logic influence customers' happiness and their subjective well-being with a restaurant experience?
- 2) To what extent do customers' perceived value proposition (connected vs. dispositioned) with the business logic of service influence their happiness and subjective well-being?
- 3) To what extent do customers' value formation of the service and service providers' value formation of the service mediate the relationship between

customers' perceived value proposition and happiness, as well as the subjective well-being of service?

- 4) To what extent do customers' enhanced happiness and subjective well-being affect their positive referral behavior and repatronage intention?

Objective 2: To examine how business logic affects the service provider's facilitation ability during service recovery and how service providers' facilitation in service recovery influences customers' affective service outcomes (i.e. subjective well-being, customer-brand identification), as well as behavioral service outcomes (i.e. positive referrals, repatronage intentions).

- 1) Will business logic have an impact on service providers' facilitation during service recovery in a foodservice operation?
- 2) To what extent does the service provider's facilitation in service recovery influence the relationship between business logic and customers' subjective well-being, as well as customer-brand identification?
- 3) To what extent do customers' enhanced subjective well-being and customer-brand identification influence their positive referral behavior and repatronage intention?

Objective 3: To examine whether a customer's role in service recovery will make any difference in deciding their behavioral intentions (such as positive referral behavior and repatronage intention after service recovery) and determine whether customers' complaint efforts play a mediation role in this relationship.

- 1) To what extent does the effect of the customer's role in service recovery (voluntary vs. involuntary) influence customers' positive referral behavior?

- 2) To what extent does the effect of the customer's role in service recovery (voluntary vs. involuntary) influence customers' repatronage intention?
- 3) To what extent does the likelihood of customers' role in predicting positive referral behavior and repatronage intention mediate through customers' service complaining effort?

1.4 LIMITATIONS AND DELIMITATIONS OF THE STUDY

The following limitations and delimitations are presented to set the overall scope of the current research. First, since this study only focuses on the interactions that happen during the consumption and service recovery stages of the customer journey mapping, the pre-consumption stage is not taken into account. There are two specific reasons for narrowing the scope of the study to these two stages of customer journey mapping.

First, the pre-consumption stage is more concerned with the customers' searching behaviors about a business. This has been known as the "zero moment of truth," meaning this is simply a shared "truth" of somebody's subjective experience, which influences another person's purchase decision. Since customers' zero moments of truth often happen when customers are checking a recommendation on the internet, this phase of the customer journey is only considered as speeding up the course of making an initial decision (Steils et al., 2019). Thus, the pre-consumption stage is not considered as effective as the communication activities that often happen between service providers and customers.

Second, service failure is an instant action. Numerous studies showed nuances of service failure is an instant action that it is inevitable (e.g., Lewis, & McCann, 2004), meaning it can happen anytime, such as the outcome failure of delivering the wrong

service (Tax et al., 1998). Studies also showed that service failure occurs when service is delivered in a flawed manner, resulting in customers experiencing a failure in the performance of the product or service (de Matos et al., 2013). Therefore, understanding how to control the frequency of service failure occurrence can better sustain customer relationships (Wang et al., 2011). This indicates that service failure is an instant action that happens during the customer journey.

Arguably, there are more than two stages of service experience in the literature, in terms of analyzing customer journey (with multiple touchpoints), and consumption and recovery will be the main stages to consider because both are process-based action plans. For example, the service consumption stage considers actions needed in delivering good service (design product, adopting business model etc.). The service recovery stage considers how to maintain customers with various effort–facilitation, customer role (engagement), and complaining. Thus, this research particularly focuses on the service consumption and service recovery stages of customer journey mapping to analyze the possibility of service failure occurrences and service recovery approaches, thus aiming to sustain customer relationships.

This study is limited to adult customers who have used restaurant services such as fast food, casual dining, and fine dining restaurants. Therefore, customers who experience other food services such as online foodservice delivery, ghost kitchens, or food trucks are excluded from the current research. Moreover, as this research only focuses on interpersonal service-based organizations (e.g. restaurants), it is neither assessing online service settings nor other industries such as retail, lodging, tourism, and non-profit service organizations.

Lastly, for the qualitative interview data, participants will be only recruited from the southeastern United States with nonprobability sampling techniques. Thus, geographically the interview data in the current research are not representing customers from other countries. This further indicates that this research neglects the practice of business logic in a complex phenomenon, such as the international business context, which has more nuances and challenges to interpret.

One key delimitation addressed in this research is that it considers shaping customer journey mapping both in service consumption and service recovery stages. Therefore, the research aims to understand customers' service expectations—both in the consumption and service recovery process—and work systematically to remove service organizational barriers that lead to poor customer service in these two stages. Another key delimitation addressed in this research is that both roles played by the service providers and customers are considered when analyzing customer service outcomes, specifically using touchpoints in the service consumption and recovery stages. Therefore, the current study aims to comprehensively recognize customers' and service providers' roles, which can monitor their readiness to embrace service value co-creation in service excellence by using the customer journey mapping approach.

1.5 DEFINITIONS OF TERMS

- 1) Customer Journey Mapping: a widely used tool for designing and assessing customer experience in the service (Johnston & Kong, 2011).
- 2) Business Logic: The determination of how a service utilizes an operation mindset that can benefit the business (Harrington et al., 2019a). Following this, four types of business logic exist in current service marketing literature.

- a. Goods-Dominant Logic (GDL): A service based on the mass production of physical goods or mass production of service activities that are provided by the supplier (Grönroos, 2008; Harrington et al., 2019b; Vargo & Lusch, 2011).
 - b. Service-Dominant Logic (SDL): A service process that describes the socialization between customers and service providers in terms of value co-creation (Heinonen et al., 2010; Prahalad & Ramaswamy, 2004a, b; Schembri, 2006; Vargo & Lusch 2004a).
 - c. Customer-Dominant Logic (CDL): A service process that reflects an experience-based mindset, where services are co-created with the customer by incorporating customers' sensory, affective, cognitive, physical, and social aspects (Helkkula et al., 2012).
 - d. Memory-Dominant Logic (MDL): A service process where customers gain a positive experience that is socially influenced by the service provider and has a long-lasting effect on their memory (Dasu & Chase, 2013; Heinonen et al., 2019).
- 3) Customer's Value Proposition: Customers' overall assessment of the utility of a product or service based on the perceptions of what is received and what is given (Itani et al., 2019; Zeithaml, 1988). This can be used as a strategic tool by a company to communicate with their customers and to provide value to customers who perceive the firm's objectives best fit their lifestyle, budget, and personal preferences (Payne et al., 2017).

- 4) Customer Value Formation: “Customers’ emerging behavioral and mental processes of interpreting, experiencing, and integrating offerings in their everyday lives/business, with either positive or negative outcomes” (Heinonen & Strandvik, 2015, p.479).
- 5) Service Provider Value Formation: The service provider’s “evolving process of strategizing, designing, and implementing offerings based on its capabilities and skills and interpretation of customer logic, with either positive or negative outcomes” (Heinonen & Strandvik, 2015, p.479).
- 6) Service Provider’s Facilitation: The service provider's ability to create an environment or platform to interact with customers and design better service experiences for them (Prahalad & Ramaswamy, 2004a, b; Ramaswamy & Ozcan, 2016).
- 7) Customer Happiness: Customers' cognitive state of delight, which involves a positive judgment based on a comparison of expectations with the actual performance of a product or service (Niedermeier et al., 2019).
- 8) Customer Subjective Well-being: Customers’ evaluation of their life by striking the balance between positive and negative feelings (Deci, & Ryan, 2008; Diener, 2000; Ngamaba, et al., 2018).
- 9) Positive Referral: Customers’ behavior based on having positive communications about the ownership, usage, or characteristics of particular goods, services, and/or their sellers, which can become a positive way to acquire more customers (Westbrook, 1987; Schmitt et al., 2011).

- 10) Customer Repatronage Intentions: Customers' positive attitude, commitment, and loyalty toward a service provider by engaging in repeated purchasing behavior (Getty & Thompson, 1995; Han et al., 2009; Jones, 1998).
- 11) Customer-Brand Identification: "A customer's psychological state of perceiving, feeling, and valuing his or her belongingness with a brand" (Lam et al., 2010, p. 130).
- 12) Customer's Complaining Effort: A customer's decision to voice a dissatisfaction to the service providers (Gursoy et al., 2007; Hoffman et al., 2016; Lu, et al., 2018).
- 13) Customer's Role: Customers have two types of roles that are necessary for measuring their influence on the success of service creation.
- a. Voluntary Customer's Role: A role played by the customer in service encounters that can offer service providers information required to produce good customer service (Bove et al., 2008; Chen & Raab, 2017; Yi, Nataraajan, & Gong, 2011).
 - b. Involuntary Customer's Role: A role played by the customer in service encounters that is passive, then offers activities and inputs that are only required for receiving basic service (Chen & Raab, 2017; Yi & Gong, 2013).
- 14) Foodservice: A major component of the hospitality industry that prepares and operates food-related services such as selling beverages, offering carry-out services, or presenting live nontheatrical entertainment directly for customer consumption in the host establishment (U.S. Census Bureau, 2010).

15) Restaurant: A business establishment where meals and refreshments may be purchased (Merriam-Webster's Collegiate Dictionary, 2020). Restaurants establishments, including a wide variety of meal offerings and service models ranging from inexpensive fast food restaurants to mid-priced casual restaurants to high-priced fine dining establishments (DiPietro, 2017).

1.6 CHAPTER SUMMARY

The purpose of this research is to investigate how four specific types of business logic position customer journey mapping touchpoints in service consumption and recovery stages. Results of this research will help foodservice operators determine what resources are needed to achieve a positive customer experience in the foodservice sector. Specifically, the results will provide a better understanding of how different types of business logic may influence customer experiences and how foodservice segments could improve the service with business logic when considering customer journey mapping. As the first chapter introduced the problem statement of the study along with the overall purpose, objectives, research questions, and terms used for the current research, the following chapter will review relevant literature and provide theoretical frameworks that will guide the hypothesis development for the current research.

CHAPTER 2

LITERATURE REVIEW

The following chapter reviews relevant literature, introduces the underlying theory, and discusses the variables examined in the current study. The chapter also highlights a detailed review of how four types of business logic and related factors influence customer service outcomes during customer journey mapping. The study also emphasizes how customer journey mapping in service consumption and service recovery will affect their ultimate service outcomes, such as happiness, subjective well-being, customer-brand identification, positive referral behavior, and repatronage intention.

2.1 CUSTOMER JOURNEY MAPPING

2.1.1 Customer Journey Mapping

Customer journey mapping is a visual representation of customers' experiences of using a business's service in various stages, steps, and touchpoints (Johnston & Kong, 2011; Marquez et al., 2015). This is a commonly used tool in service design to lay out customers' actual behavior in the context of where the service is provided (Marquez & Downey, 2015). In practice, service organizations such as KPMG, Amazon, and Google all require chief customer experience officers, customer experience vice presidents, or customer experience managers to be responsible for creating and managing the experience of their customers (Lemon & Verhoef, 2016).

The customer journey starts with their consumption stage. This is the phase where the customer evaluates “the moment of truth” (Verhoef et al., 2015). If the customers are satisfied with a certain product or service compared to other alternatives, they will make a purchase. However, occasional service failure is inevitable (Lewis & McCann, 2004); it can happen at any time within an instant. Examples of such service failure include outcome failure (delivering a wrong service outcome) or process failure (flawed delivery manner, such as rudeness from an employee) (Tax et al., 1998). In both cases, the customer will experience failure in the performance of the product or service (de Matos et al., 2013). This further indicates that service failure is an instant action that happens at any point during the customer journey mapping. Therefore, understanding how to manage service failures becomes the key to sustaining customers (Wang et al., 2011).

Moreover, when a service failure happens, the happiness that customers derive/receive from “the moment of truth” has the potential to be reduced (Beaujean et al., 2006). In this case, converting the service failure into “an opportunity to assess the capabilities of service providers” (Hübner et al., 2018) regarding their abilities to provide sufficient service recovery facilitations is optimal. The reason is that customers who are dissatisfied about the service failure, but experienced excellent service recovery, may ultimately be more satisfied than those who never experienced a service failure. This is described as the service recovery paradox (McCollough & Bharadwaj, 1992). Therefore, service organizations must improve their service facilitation abilities, especially during the service recovery process, to regain dissatisfied customers.

2.1.2 Service Failure and Recovery During Customer Journey Mapping

Most of the service failure and recovery studies focus on investigating the conceptualization of customers' complaints, in which multiple actors specify their resources (i.e. skills, time, money, effort) during the service recovery process. The firm-centric orientation has traditionally regarded the customer as passive, referring only to the firm's responses in rectifying a service failure (Gronroos, 1988). These studies typically analyze how a firm can coordinate its resources for service recovery in a way that makes the customer feel that he or she has been fairly treated (Gelbrich & Roschk, 2011). In particular, these studies address how service firms can allocate their resources to ensure that the service recovery process is as acceptable as possible in meeting customer expectations (Boshoff, 1999; Gelbrich & Roschk, 2011) and in dealing with the customer's emotional distress (DeWitt et al. 2008). Early service recovery research was grounded in the pioneering work of Gronroos (1988) along with Kelley and Davis (1994), and typically focused on the time and effort invested by service firms to solve the customer's problem.

Alternatively, the recent customer-centric approach assigns the customer a more active role and explores how direct involvement in the process influences his or her evaluation of service recovery (Dong et al., 2008). The customer-centric orientation emphasizes the customer's role in the recovery encounter and often views the service firm as static. As customer participation in service recovery has drawn attention since 2008, when Dong et al. (2008) introduced the concept of customer co-creation, a stream of research has been focused on studying value co-creation between service providers and customers. Under this line of research, contexts such as self-service technology (Zhu et

al., 2013), the customer's role as partial employees in service (Bowen, 2016), and collaboration of service recovery have been studied in general service settings (Edvardsson et al., 2011). Most recently, there has been a shift toward dyadic orientation; this focuses on the combined efforts of customer and service firms (Hazée et al., 2017), which encompasses and challenges the earlier approaches (Dong et al., 2016; Roggeveen et al., 2012).

Several different theories have been applied to explore this dyadic relationship and the perceived fairness of the outcome from the customer's perspective, including justice theory (Gohary et al., 2016) and attribution theory (Sugathan et al., 2017). Research on marketing and consumer behavior has also highlighted the importance of the social environment as a dimension that shapes the customer experience, especially in terms of the influence of different actors within a community (Lemon & Verhoef, 2016). Altogether, when it comes to the service recovery, one critical thing that service providers should remember is the danger of an insufficient service recovery effort, which can reshape the customer's positive experience.

Insufficient service recovery efforts include not listening to customer complaints, not understanding the cause of the failure, not treating customers fairly, not learning from previous service recovery experiences, and over-promising the service recovery resolution (Heidenreich et al., 2015; Loo & Boo, 2017; Xu et al., 2016). These variables all lead to the service failure double deviation – the unsuccessful service recovery attempt to restore customer satisfaction (Bitner et al., 1990). Consequently, customer journey mapping is structured as a sequence of phases: “the moment of truth” at the consumption stage (Beaujean et al., 2006), the “opportunity to assess the capabilities of service

providers” after a service failure (Hübner et al., 2018), and not mishandling the service recovery (Hocutt et al., 2006). However, customer journey mapping is considered more complex due to our limited understanding of service value co-creation through the supply and demand side of perspectives. This requires researchers to consult business logic. Business logic is a firm's capability to develop innovative business service concepts and products that influence markets (Berghman et al., 2006).

The central idea of business logic is to determine the capacity of value creation based on the internal organizational practices and network that are established from external customers. Therefore, studying business logic in customer journey mapping can help researchers understand the supplier’s process of providing resources for the customer’s use. In addition, studying business logic can help customers understand how the customer’s process of turning service into value will interact with service providers at various stages of customer journey mapping (Grönroos & Ravald, 2011).

2.2 BUSINESS LOGIC AND CUSTOMER JOURNEY MAPPING

2.2.1 Business Logic and The Customer Experience in Journey Mapping

At a broader level, customer journey mapping can be viewed as a network of the service system that integrates resources for value co-creation with the service provider and the customer (Ng et al., 2012). However, the enabling structure behind value co-creation, which is business logic, is rarely recognized in previous literature. Business logic refers to a service firm’s way of handling their product development, company branding, marketing approaches, public relations, employee training, and sales program development (Gregory & McNaughton, 2004; Grönroos & Ravald, 2011; Johnson et al., 2008; Payne et al., 2017). Business logic can be viewed as an approach to marketing that

strives to optimize the customer experience by precisely communicating service offerings, clearly articulating proposed value, and creating a brand expectation beyond relying on a brand promise (Purcărea, 2018).

The key to implementing a seamless customer journey is to align the organizational structure of the firm to its customers and service providers facilitations. Business logic is so deeply entrenched in product, process, and culture, that the term “customer experience” would not exist in the organization without it. Specifically, business logic determines the lifecycle of customer journey mapping, allowing the service organizations to design products and services with customer expectations at each stage of the journey (Alter, 2008). Thus, business logic is the groundwork as it offers service providers the framework to map the customer journey by identifying gaps and opportunities for improvement, minimizing friction, and maximizing retention (Shahin & Samea, 2010; Thakur & Summey, 2010). Therefore, business logic is the foundation used to create a service encounter that can be transmitted to an intended customer. The dynamic relationships established between service providers and customers can be influenced by a number of experiential elements, depending on the type of business logic (Heinonen et al., 2013).

At a broader level, business logic can be seen from the supply-side, where business perspectives are formed in the service organization’s world; and demand-side, where business perspectives are formed based on how they might be perceived by the customer (Heinonen et al., 2010). More specifically, previous literature suggests that there are four types of business logic used by service organizations to meet customers’ needs and create a service experience: Goods-dominant Logic (GDL), Service-dominant

Logic (SDL), Customer-dominant Logic (CDL), and Memory-dominant Logic (MDL) (Chandler & Lusch, 2015; Harrington et al., 2019a). GDL is formed entirely from the service organization's priorities, which is based on mass production of physical goods or service activities that are operated by the supplier (Grönroos, 2008; Harrington et al., 2019b; Vargo & Lusch, 2004 a, b; 2006 a, b; 2011). GDL focuses on the service provider's manufacturing processes and their capacity to produce output to be exchanged in the market (Vargo & Lusch, 2004a). Moreover, the service system under GDL, which provides customer service experiences, focuses on the service provider's ability to create basic service outcomes (Heinonen et al., 2010).

SDL is formed in the service interaction area of service organizations' and customers' worlds, and refers to a service process that reflects a mindset of co-creation (Helkkula et al., 2012). The focus of SDL is on the resource integration between the service provider and the customer in order to highlight the core activities and experiences between these two parties (Hilton et al., 2012). Specifically, SDL focuses on the broader need for service innovations to advance the quality based on the customers' needs, along with explaining how value is co-created, disseminated, and applied from service providers to customers (Chandler & Vargo, 2011; Vargo & Akaka, 2012; Vargo & Lusch, 2004a, b; 2008a, b).

CDL is based on the primacy of the customer and contributes to the discussion of the customer's role in service value creation (Heinonen et al., 2013; Shah et al., 2006). CDL emphasizes the idiosyncrasies in the customer-to-customer and customer-within-customer ecosystem (Heinonen & Strandvik, 2015; Rihova et al., 2013). The focus of CDL is on positioning the customers' individual needs and desires as the priority to

ensure service providers truly accommodate the everyday life of customers (Heinonen & Strandvik, 2015).

MDL was proposed with the consideration of how service providers can impact the current customer experience beyond their adequate service expectation by increasing the likelihood of creating a unique memory (Harrington et al., 2019a). The focus of MDL is on creating remarkable experiences that will facilitate customers' memory and allocate meaning into the next purchase (Harrington et al., 2019b; Roos et al., 2009).

2.2.2 Overlapping Issues Among Different Types of Business Logic

Despite the boundary conditions among different types of business logic, it remains still unknown whether researchers continue to perceive overlapping issues as a contemporary problem in business logic investigation, and the concept of institutional pluralism is taken to support the cross-business logic adoption in practice. This research offers the following assertions to better illustrate that issues of overlapping landscape of business logic to clarify the distinction from the overlapping concern. Seen from the experience economy perspective (Pine & Gilmore, 2011) and the servicescape conceptual model (1992), the components of creating customer experience as well as their service design in exploring the impact of physical surroundings on the behaviors are not much different when adhering to different business logic. However, the main difference comes when the discussion is about the value dimensions.

In the service literature, customer value is foundational (Grönroos 2008; Vargo & Lusch 2008). Value dimension speaks to the customer issues with a focus on how customers perceive on the nature of value creation and cocreation. In customers' demand-side of logic, service providers cocreate value only in a joint value sphere and otherwise

facilitate customers' value creation, while customers are value creators (Grönroos 2011). Addressing such difference conceptual value-related definitions, this research highlight the lack of research on the understanding of the value process by indicating specific boundary condition as below.

2.2.3 Boundary Conditions Among Different Types of Business Logic

In terms of how these four different types of logic are conceptualized with boundary conditions, Harrington et al. (2019a) suggest three things. The first condition is the artificial separation of supply-side and demand-side perspectives. For example, supply-side logic focuses on traditional strategy literature, such as the resource-based view of managing internal resources and the external marketplace with the propensity to sense the market (Barreto, 2010; Priem et al., 2012), whereas demand-side logic assists in determining how and when firms can provide enduring value creation. Following this, various business logics (GDL, SDL, CDL, MDL) apply to the continuum of the dynamic nature of customer need (demand-side perspectives, external resources) and firms' service-experience design (supply-side perspectives, internal resources made for the service differentiation) for the creation of barriers to imitation (Harrington et al., 2019a).

Although the key theoretical assumption for this condition is that these four types of business logic are not mutually exclusive from each other, its practical applications in the service settings are not complementary. Depending on the specific business logic, the market context, service design, and customer preferences could be different. This argument is consistent with the concept of institutional pluralism (e.g. Dunn & Jones, 2010), meaning it is possible to adopt more than one business logic in an organization. However, to achieve institutional pluralism, service organizations should rethink core

elements of organizational strategies regarding its business models, governance, and other non-market strategies when adopting each business logic (Radoynovska et al., 2020).

The second condition of distinguishing business logic is the diversity in value conceptualization during the co-creation process. Value is derived from processes that are compiled with multiple stakeholders' attributes (Chandler & Lusch, 2015). For example, GDL promotes a value-in-exchange approach and customer value is transactional with the product they receive (Harrington et al., 2019a). SDL takes a perspective of shared responsibilities by both customers and service providers (Parahalad & Ramaswamy, 2004), indicating value is received with reliable, consistent, and responsive characteristics of service by the customer. This is described as value-in-use (Sandström et al., 2008). CDL value creation reflects the customers' belief that their needs are met beyond the basic exchange or individualized service quality assessment, which is seen as value-in-experience (Heinonen et al., 2013). MDL constructs a service experience delivered with the desire to potentially intervene in the relation between the actual experience and behavioral intentions, which is seen as value-in-memory (Wirtz et al., 2003).

The third condition is that varied business logic has different illustrations for pre-dominant service delivery. For example, GDL aims to deliver tangible products, SDL considers the system of distribution channels that impact its service experience level, CDL provides experience-based service with a customer-centric focus, and MDL occurs when the service culture considers the likelihood of creating reflections and memories based on the customer's unique experience (Harrington et al., 2019a).

2.3 FOODSERVICE AND BUSINESS LOGIC

Foodservice operations and strategies based on GDL refer to a very limited type of service that is focused only on developing products such as vending machines, take-out services, buffets, or quick-service restaurants (Grönroos & Ravald, 2011; Harrington et al., 2019a, b).

Foodservice operations and strategies based on SDL allow customers to participate in the service experience as a value co-producer by contributing physical labor towards the production of a service offering (e.g., adding/taking away ingredients from the menu item while ordering) (Brodie et al., 2011; Dong et al., 2015). For example, MOD pizza provides “custom artisan-style pizzas” in a fast-food context, where customers can not only select pre-designed pizzas, but can also create their pizzas with preferred ingredients and varied sizes (MOD, 2019).

Foodservice based on CDL can include restaurants that hire celebrity chefs as a unique value proposition. By telling stories and sharing the ingredients of a dish, the chef can connect with the customers and add value to their dining experience. One example of CDL is a fine dining restaurant located in the heart of New York City called Eleven Madison Park. This establishment allows customers to visit the bar, thus co-creating the product and service that they will receive. Co-creation of the service activities includes customers tasting abbreviated menu items and having conversations with the service staff about their likes/dislikes of dishes (Eleven Madison Park, 2019). Foodservice based on MDL can be restaurants that deliver a surprise birthday cake to customers or design a special meal for them when they are having a personal event, which then may remain embedded in the memory of their restaurant experience (Harrington et al., 2019a).

Overall, foodservice based on various business logics represents diversity in service operation and customer service that has been recognized as a great part of creating customer experience. Next, the theoretical framework of the current study is introduced to discuss how theories underpin the dynamics of customer service in foodservice operations.

2.4 THEORETICAL FRAMEWORK

This section introduces the theories that bolster/support/build the framework for the current study. First, cognitive dissonance theory (Festinger, 1957) is discussed; it exhibits circumstances where the customer views service congruency with their existing understandings of the service propositions at the service consumption stage. Second, attribution theory (Kelley & Michela, 1980) is discussed, which assesses how customers are motivated to examine blame of service failures. Following this, appraisal theory (Scherer, 1999) discusses customers' evaluation of service providers' facilitations in relation to the service recovery stage.

Next, role theory (Solomon, Surprenant, Czepiel, & Gutman, 1985) is used as the framework for describing the customers' roles in service recovery. Additionally, expectancy-disconfirmation theory (Mccollough & Bharadwaj, 1992) is utilized to explain how customers compare the service outcome with their initial expectations when illustrating customers' affective service outcomes, such as happiness and subjective well-being. Finally, commitment-trust theory (Morgan & Hunt, 1994) is used to explain how customers' trust and commitment after a positive service experience will determine their behavioral service outcomes, such as positive referral behavior and repatronage intentions.

2.4.1 Cognitive Dissonance Theory

While studies indicate attitude-behavior relations rely on variables of attitude, situation, and the individual (Fiske, 2009), hospitality research has directed little attention towards examining these variables by utilizing the cognitive constructs. The cognitive consistency theory provides reasons for why people need a quick remedy to avoid cognitive dissonance. Specifically, individual's behavior of positing the consistency between attitude and behavior has been regarded as a way to avoid cognitive dissonance (Tsao et al., 2015). Cognitive consistency means a person will stay consistent with what he/she thinks and how he/she acts (Fiske, 2009), while cognitive dissonance is defined as the inconsistency between attitude (thinking) and behavior (acting) (Festinger, 1962). Studies of attitude-behavior relations indicate people often match their attitudes with their behaviors to minimize cognitive dissonance, as it can create an emotional discomfort that could shape an unhealthy state of psychological well-being (Albarracin & Shavitt, 2018).

In more recent years, research has expanded cognitive dissonance theory to consider not only one's emotional discomfort, but also one's lifestyle or overall well-being patterns. In other words, cognitive dissonance theory views the influence of corporate brand to a customer's overall evaluation and their actions on future occasions (Festinger, 1957). Cognitive dissonance theory explains that customers start analyzing the drawbacks of a product or service purchased when the merit of a company does not offer a certain brand identity toward customer service. Such thinking draws upon cognitive dissonance, where individual customers seek a stable state in which dissonance between service products, serving attitudes, and values are maintained at an acceptable minimum (Baumann et al., 2017). This means that dissonance in the value proposition and value

provided could dampen the customers' affective state, thus having a detrimental effect on their subsequent actions. For example, misaligned customer value propositions could trigger customer cognitive dissonance toward a service, potentially resulting in customer negative word-of-mouth and negative repatronage.

In the context of the present study, cognitive dissonance theory explains that when customers' value proposition is largely inconsistent with the value provided by the service provider, a discrepancy is encountered between the provided value proposition and the customer's desired value; this in turn decreases one's satisfaction and loyalty. It will indicate that the reciprocity between customer value proposition and business logic can be constrained in practice or interpreted as a divergence in perceptions between customers' desired value and proposed value from the service provider.

2.4.2 Attribution Theory

Attribution refers to the behavior of ascribing a particular cause to something or someone. When customers try to interpret the cause of service failures, there are two antecedents of causal inferences: information and motivation (Kelley & Michela, 1980). The information-based causal inference refers to how customers utilize information about service failure to make an attribution. Motivation-based causal inference is the fundamental motivational bias that aims to protect one's esteem (Folkes, 1988), which is the customer's tendency to attribute good outcomes to themselves but bad outcomes to external (service provider) or situational (service environment) causes. More specifically, Weiner (1980) classified the dimensions of attribution into three properties: (1) stability, (2) locus of causality, and (3) controllability. Stability is when customers' perceived cause of service failure is attributed to the likelihood of recurrence. The locus of causality

describes that the cause of failure can be located in customers themselves, in the service provider or company that offers the service, or in unexpected environmental aspects.

In addition, in terms of service interaction, it is also necessary to recognize invisible interactions from the service provider's activities that might influence the customers' lives (Guo et al., 2016). This means that although service recovery situations seemed to be well-handled and managed, there might be a need to acknowledge how the service is offered and accepted by customers. As such, in the context of the present study, attribution theory explains how customers evaluate the attribution dimensions to reduce the dissatisfaction from a service failure, and how unconditional service facilitation after a service failure, that is affected by various business logic perspectives would help reduce the disappointment from service failures, as well as moderate negative word-of-mouth and repatronage intentions.

2.4.3 Appraisal Theory

According to appraisal theories of emotions (Ellsworth & Smith, 1988), customers appraise service provider performance along with the two dimensions: valence and agency. The valence dimension of appraisal indicates whether an event is positive or negative from the customer's perspective. If the customer views the service event as positive/negative, their appraised emotions will also be positive/negative. The agency dimension of appraisals suggests who reacts to the event. Drawing from this, Scherer (1999) suggests that understanding the emotional experience is possible by integrating knowledge of valence and agency dimensions. Emotional appraisals can be viewed as integrated processes that include antecedents of events, psychological responses to these events, and the activity brought from the agent to deal with the event. More specifically,

the appraisal theory has been described as an evaluative process that begins with a primary appraisal (measures the goal congruency), and then leads to the secondary appraisal (measures elicited positive/negative emotions) (Cai et al., 2018). Thus, the result of an appraisal process begins with an initial cognition (i.e., primary appraisal) and progresses through secondary cognitive and emotional assessments (i.e., secondary appraisal), which further determines an individual's behavioral intentions (Liu et al., 2016).

In the current study, appraisal theory provides the conceptual framework to illustrate a holistic assessment of the customer's service failure stimuli by capturing a dynamic customer-to-employee interaction. Specifically, appraisal theory explains how customers evaluate service facilitation that follows different types of business logic, which adds explanatory rigor to the interpretation.

2.4.4 Role Theory

Role theory emphasizes the nature of people as social actors who learn behaviors appropriate to the positions they occupy in society (Solomon et al., 1985). Although the “actors” in a service setting mostly refer to the service providers, as they always have predefined service roles to play, the implicit structure of role theory articulates that the recipients also play a role. This means the customer role in service recovery includes a set of learned behaviors based on the specific service environment and other situational cues (Solomon et al., 1985). For example, the customer role in an upscale restaurant involves very different actions than an appropriate customer role in a fast-food setting (Broderick 1999).

Moreover, Biddle (1986) states that the role theory focuses on three major concepts: (1) role behavior, the patterned and characteristic activities of a person occupying a particular position; (2) social position, the part of the identity that is assumed by social participants; and (3) role expectation, the standards for role behavior that adhere to the role performers. These role concepts have been studied with the service providers and suggest that service providers' role expectations are connected to specific positions (Katz & Kahn, 1978). Thus, when the service providers' roles are clearly defined, their service performance can be better managed. However, the customer side of service roles has received little academic attention, even though the inseparability feature of services makes customers' roles in service settings indispensable.

In conclusion, the role of customers in a given service context can differ depending on the business logic, as customers' beliefs about their ability to perform service roles under different business logic can also vary (Qiu et al., 2015). The role theory consists of 'role conflict' and 'role ambiguity' that can be integrated into the service framework. Role conflict exists where customers find themselves having to carry out more roles than the service provider. Role ambiguity consists of uncertain responsibility for the roles a customer should play, which makes customer resistance in participation (Bettencourt & Brown, 2003). Early research identifies two types of customer value co-creation behavior: (1) customer participation behavior, which refers to required (in-role) behavior necessary for successful value co-creation, and (2) customer citizenship behavior, which is voluntary (extra-role) behavior that provides extraordinary value to the firm but is not necessarily required for value co-creation (Yi et al., 2011). These two

types of roles are further defined as voluntary and involuntary according to Yi and Gong (2013).

The current study posits voluntary customer role consists of customer citizenship behavior of providing feedback, advocacy, helping, and tolerance, while customer involuntary role refers to customer behaviors of seeking and sharing necessary information with service providers during the service recovery process (Yi & Gong, 2013). Role theory of voluntary and involuntary customer behavior in service recovery will aid service providers in selecting customers to facilitate value co-creation behavior, by which customer value co-creation behavior can be assessed at a more concrete level. By doing this, service providers can better predict customers' referral behaviors and repatronage intentions.

2.4.5 Expectancy-Disconfirmation Theory

Expectancy-disconfirmation theory describes that the intention of customers who repurchase a product or reuse a service is determined primarily by their subjective emotions with prior use of that product or service (Oliver, 1997). This theory implies that customers purchase goods and services with expectations about anticipated performance. More specifically, if the customers' outcome matches with the initial expectation, confirmation occurs; otherwise, disconfirmation will occur, indicating that product performance is less than expected, and thus implies that customers will have negative emotions about the product or service (Spreng & Mackoy, 1996). To understand how firms could respond to unfavorable customer experiences, disconfirmation theory was initially used to determine how customer expectations related to actual performance (Oliver, 1977). Therefore, expectancy-disconfirmation theory holds that consumers

develop different expectations of service quality from personal experience; thus, it allows customers to apply different standards in forming their subjective ratings or satisfaction judgments (Oliver, 1997).

In this current study, expectancy-disconfirmation theory is used to measure all affective outcomes generated from customers' (such as happiness and subjective well-being) that describe customers' evaluations on their expectations and service outcomes (Mccollough & Bharadwaj, 1992). Specifically, expectancy-disconfirmation theory is used to test the antecedents of customers' service outcomes as a result of the disparity between expectations of the service and perceived outcomes of the service.

2.4.6 Commitment-Trust Theory

Morgan and Hunt (1994) developed the commitment–trust theory based on the marketing act of establishing and maintaining successful relational exchanges. The model consists of five antecedents (shared value, relationship termination cost, relationship benefits, opportunistic behavior, and communication) and five outcomes (co-operation, uncertainty, conflict, acquiescence, and propensity to leave) of trust and commitment that can mediate the relationship among customers and service providers. Trust has been defined as the level of confidence in an exchange partner's integrity and reliability (Morgan & Hunt, 1994).

Trust is the most crucial element for developing a successful relationship among the brands or service provider and their customers (Agag & El-Masry, 2016). Trust can be classified into two components: (1) benevolence trust and (2) performance or credibility trust. In service contexts, benevolence trust is the customer's reliance upon the honesty, concern, and care revealed by the service provider. Competence trust refers to

the ability, skills, and knowledge of the service providers (Martínez & Del Bosque, 2013).

Moorman, Zaltman, and Deshpande (1992) defined commitment as “an enduring desire to maintain a valued relationship” (p. 316). Researchers have verified that commitment was a vital factor in establishing and maintaining long-term relationships among business partners (Morgan & Hunt, 1994). Specifically, customer commitment refers to a customer’s willingness to maintain an essential, enduring relationship with the service organizations that they currently use. Overall, maintaining trust and commitment in a relationship is extremely valuable because it decides the customers’ willingness to build connections with a service (Sahoo, 2011). In the current study, the relationship quality, characterized by trust and commitment, has a strong positive impact on customers’ loyalty, which is reflected by their positive referral behaviors and repatronage (O’Mahony et al., 2013).

Based on the reviewed literature, assessed theories, and models, the following section proposes the independent, mediating, and dependent variables of the present study. Subsequently, the hypotheses are presented in order to develop the current study’s model.

2.5 CUSTOMER VALUE PROPOSITION

2.5.1 The Practical Application of Value Propositions in Marketing

In a practical sense, Kotler and Armstrong (2012) define the value propositions as “the set of benefits or values [that a brand] promises to deliver to consumers to satisfy their needs” (p. 6). Based on this definition, there are five possible value propositions that a brand can choose from. First, if a brand can justify a higher price by providing their

customers with a relatively higher level of benefits in their product, this is called the more-for-more proposition. For example, North Face produces top-notch well-made, rugged wear for men, women, and children, as well as tested, tough outdoor equipment, shoes, athletic wear (Atkins, 2018), and more when compared to other counterparts such as Patagonia. Second, if a company provides the lower price and still offers the same quality of the product, the company demonstrates a more-for-the-same value proposition to boost a company's position above that of its competitor. For example, the iPhone XR model is the typical case of a more-for-the-same value proposition with relatively lower prices but has the same fundamental features as high-end iPhones such as iPhone Pro or iPhone XS (Casey, 2020).

Third, if a company aims to provide more benefits to the customers for a lower price, their value proposition is the more-for-less proposition. This is hard to achieve as companies are more likely to promote sustainability; this is because sometimes the more-for-less proposition leaves the company with a loss as the low prices cannot cover high costs. For example, Toyota introduced its Lexus line with a more-for-less value proposition and offered higher quality for a low price. However, Toyota failed in this inquiry as the low price cannot offer high costs like Mercedes and BMW. Fourth, companies also use a powerful value proposition called the-same-for-less to sell the same products as much as possible at a lower price than most of its competitors. For example, Walmart's ability to charge lower prices makes them a top retail store in the world even though they are offering the same products as other stores.

Lastly, there are companies who offer lower quality and fewer benefits in their products with less incurring costs who adopt less-for-much-less value proposition. The

best example of this proposition is reflected in the success of the iconic dollar stores, such as Five Below or Dollar General.

2.5.2 The Theoretical Implications of Value Propositions in Customer Service

More studies articulate that value propositions help organizations relate with their customers. They also link to value co-creation, knowing that these propositions for firms can be viewed as a competitive advantage that distinguishes an organization from its closest competitors and communicated through all promotions (Prahalad & Pamaswamy, 2004; Vargo et al., 2008). A value proposition can invite engagement not only from customers but also from a constellation of other factors such as suppliers, distributors, buyers, and so on and so forth. Specifically, studies show that value propositions for firms result from both situation and action in terms of time (when things can be done), place (where things can be done), actor (who can do what), and constellation (with whom it can be done) (Chandler & Lusch, 2015; Lovelock & Gummensson, 2004). As follows, Payne, Frow, and Eggert (2017) further defined the customer value proposition as a strategic tool used by a company to communicate with their customers and provide value to those who perceive the firm's objectives as best fitted for their lifestyle, budget, and personal preferences.

Customers' value proposition properties are important in customer service as they can indicate how customers participate in the service process through their integrated role in initiating and guiding service co-creation with service providers (Ballantyne et al., 2011; Frow & Payne, 2011). For firms, customers' connected value proposition to the firm is viewed as a competitive edge that distinguishes an organization from its counterparts (Chandler & Lusch, 2015; James et al., 2006). For customers, customers'

connected value proposition can help service organizations relate to their preferences as a way to fulfill customer service value (Björk & Kauppinen-Räsänen, 2019; Grönroos, 2008). Specifically, customers' engagement can be composed of two core properties of value: connections and dispositions (Chandler & Lusch, 2015). Connected customer value proposition means a service exchange from the past continuously influences customers in the present time (Chandler & Lusch, 2015; Etgar, 2008; Kjellberg et al., 2015). Dispositioned customer value proposition means a service has begun to lose potential customers with a decreasing level of engagement in service exchange (Arnould & Thompson, 2005; Chandler & Lusch, 2015). Customers' value proposition intensity can regulate their level of engagement in service value co-creation (Grönroos & Voima, 2013; Prahalad & Ramaswamy, 2004). However, if customers' value intensity is dispositioned with inactive customer engagement in service, service value will possibly become co-destructed (Prior & Marcos-Cuevas, 2016).

Meanwhile, customers' value proposition is important in service co-production and co-creation. Co-production means simultaneous production and consumption exchanges between customers and service providers, basically with excessive service activities offered from the service providers to the customer (e.g. Chandler & Vargo, 2011; Jaworski & Kohli, 2014; Prahalad & Ramaswamy, 2004). Co-creation means the customer's participation in the service process, where their participation reciprocity can be mutually beneficial to the service providers and themselves through exchanges of integrating resources, interests, and expectations of customers (Alves et al., 2016; Buonincontri et al., 2017; Matthing et al., 2004). Drawing from co-production and co-creation, customer value proposition demonstrates how

customers participate in diverse service processes through their integrated roles with service providers (Ballantyne et al., 2011; Frow & Payne, 2011).

2.5.3 Customer Value Proposition and Business Logic

Based on different business logic, customer value propositions can be influenced in various ways. Customer value proposition under GDL is firm-influenced by customers' exchanges with the product or the service offered by the supplier (Anderson & Narus, 1998; Harrington et al., 2019a, b; Vargo et al., 2008). Customers will receive the service outcome offered by the service provider in the exchange of their money, thus no service value is co-created. Besides, Vargo and Lusch (2008a) suggest that since SDL introduces social interactions between customers' and service providers' effort to share information and create a better service experience, customer value proposition under SDL can be socially influenced by both parties (Antorini, et al., 2012; Brodie et al., 2011; Dong et al., 2015). This is consistent with the basis of SDL, which suggests that customers' experiences can be influenced by the service providers' facilitation efforts (Akaka et al., 2013; Grönroos & Ravald, 2011).

Moreover, other studies highlight some possible relationships between customer value proposition and its association with CDL and MDL. Customer value proposition under CDL can be influenced by all of the elements in the servicescape, such as service rules, norms, and standards with service providers, as well as other customers (Edvardsson et al., 2014; Helkkula, 2011; Harrington et al., 2019a, b). MDL focuses on the customers' memory-centric view of the service that emphasizes the conversion from customers' "experiencing self" to "remembering self" (Harrington et al., 2019a, b). Specifically, the experiencing self is about the individuals' responses to life as it comes

for better or worse, whereas the remembering self is about the individuals' reflections on what they have experienced (Kahneman & Riis, 2005). To give an example, "How is your food?" is a question for the customers' experiencing self, while "How was the service overall?" is a question for the remembering self. Varying interpretations of the same event can conjure different self entities (Zajchowski et al., 2017). More specifically, the remembering self considers memories that are all retained from living experience and has an effect on the remembering self (Kahneman, 2011). MDL allows the conversion from experiencing self to remembering self by enabling customers to find self-congruent variables in the service experience, which in turn can encourage individual customers to naturally engage in happiness-enhancing behaviors. An example of this may be recalling a particular experience from the past, which will affect the customer's present and future service experience (Manthiou et al., 2014). Customer value proposition under MDL is focused on the customers themselves, where customer experience impacts their memory of service stages that can facilitate their emotional arousal and reflective observations (Harrington et al., 2019a, b). See Table 2.1 for detailed information about the customer value proposition and their relationships with business logic.

Table 2.1. Conceptualization of Value Proposition and Business Logic

Business Logic	GDL	SDL	CDL	MDL
Customer Value Proposition	Firm influenced	Social influenced by the customer and the service provider	Social influenced by all elements of the servicescape	Influenced by individual sense making of the service experience
Value co-creation	N/A	Facilitated by service provider	Created by individual /collective customer experience	Personal and emotional value attached by customer at individual/collective level

Value span	In the moment when the outcome is delivered	Transactional time span during the service process	Relative time span in creating the service experience	Long time span affected by the memorable recall
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Adopted from Harrington et al., (2019a)

2.6 VALUE FORMATION IN CUSTOMER JOURNEY MAPPING

2.6.1 Value Formation

Alongside value proposition's assessment of the way businesses target customers with products or services (Čirjevskis, 2019), customers' and service providers' value formation about the service experience can also be viewed as important variables when mapping the customer journey (Chandler & Lusch, 2015; Kjellberg et al., 2015). Specifically, value formation begins with the service organization's capabilities and resources (determined from the business logic), which is then executed with the understanding of customers' service expectations (Chathoth et al., 2013). Studies indicate that business logic determines how a service utilizes a value formation mindset with the potential for benefiting a business (Heinonen et al., 2010; Harrington et al., 2019; Prahalad & Ramaswamy, 2004). However, service value formation can also be different depending on the business logic. GDL is a business logic that first originated from the idea of transaction-specific service exchanges, which focuses on customers' monetary value paid in market exchanges with the demanded tangible product from the supplier (Fleetwood, 1997; Smith & Colgate, 2007).

2.6.2 Value Formation and Business Logic

According to GDL, customer service value is formed by the firm through products and exchanged by the customer at the moment of consumption (Plé &

Chumpitaz Cáceres, 2010; Vargo & Lusch, 2008a, b). Under GDL, the value formation from customers and service providers has been defined as value-in-exchange, meaning “the value produced through the exchange of goods with money as the medium of exchange” (Agrawal & Rahman, 2015, p. 149). Thus, the value created or destroyed in GDL is a one-time transaction from the service provider to the customer and is not shared between customers and service providers.

SDL value formation from customers and service providers comprises constituent concepts of value-in-use, which emphasize the processes and activities that underline resource integrations between service providers and customers in the service eco-system (Lusch & Nambisan, 2015). Specifically, SDL seeks to extend the understanding of the service provider-customer relationship and engage a wider range of customers that are relevant in co-creating service value (Chester Goduscheit & Faullant, 2018; Wynstra et al., 2010). Thus, in SDL, the roles of customers and service providers in forming value are indistinct (Vargo et al., 2008).

In relation to SDL’s emphasis of integrating the customers’ resources in value co-creation, CDL value formation from customers and service providers is embedded in customer experience, which evaluates how customers’ roles and experiences in a service context are influenced by the service provider (Heinonen et al., 2010; Voima et al., 2011). CDL focuses on the customers’ control of service situations and requires service providers to understand customers’ patterns of activities rather than forming service value by creating direct contact points with them (Akaka et al., 2013; Baron & Harris, 2010; Heinonen et al., 2010; Medberg & Heinonen, 2014). Thus, CDL enforces the mechanism of customer contributions in forming value that can bring new insights into service

strategy, service design, and service innovation (Heinonen et al., 2013; Heinonen & Strandvik, 2015).

Adapting Kolb's (1984) Experiential Learning Model and Ballantyne, Packer, and Sutherland's (2011) framework of interpretive experiences with memorable components, MDL emphasizes customers' memory when forming service value (Harrington et al., 2019a). MDL focuses on the customers' psychological aspects with the service experience process that enables customers to reminisce with reflective observations, which creates value-in-memory (Chase & Dasu, 2014; Kim et al., 2012; Lemon & Verhoef, 2016). Therefore, MDL challenges service providers' value formation for managing the customers' experience outcomes over a prolonged period to surpass a specific one-time transaction experience (Harrington et al., 2019b). See Table 2.2 for detailed information about the conceptualization of business logic in customer service.

Table 2.2 Business Logic in Customer Service

Business Logic	GDL	SDL	CDL	MDL
Scope and content of service experience	Linking number of variables or attributes of service to final service outcomes received by customer	A subjective, event-specific; context-specific phenomenon	Focuses on stages and phases of the service process; before, during, and after the service	Focuses on stages and phases of past, present and future of the service experience
Context of service experience	Different kinds of service settings	Different kinds of events and service settings	Different kinds of phases and service settings	Different kinds of phases and service settings
Subject of experience	Focus on the aggregate data of multiple customers	Any relevant actor in the service encounter	Customers at individual and collective levels	A customer at individual level

Value co-creation	No value co-creation only	Value co-creation from actors	Value co-creation mostly by customers	Long-lasting value created by actors
Value Formation	Value-in-exchange	Value-in-use	Value-in-experience	Value-in-memory

Adapted from Harrington et al., (2019a) and Helkkula (2011)

2.7 SERVICE PROVIDERS' FACILITATION IN SERVICE RECOVERY

While the service value is co-created with the positive value formation from customers' and service providers' in-consumption stages of service, how service providers facilitate during the service recovery process should be given more attention in terms of value co-creation. Studies show that service recovery facilitation should be driven by the service provider but should be managed in a context where the service recovery is socially structured with mutual benefits to the customer and service provider (Maslowska et al., 2016; Prahalad & Ramaswamy, 2004; Ramaswamy & Ozcan, 2016). If the service provider's facilitation in the process of service recovery is only formed for their benefit and neglects customers' interests, the service organization will eventually lose their customers (Echeverri & Skålén, 2011). However, depending on how a business decides on its logic, the service provider's practices in facilitating customers' needs in service recovery can be varied.

Traditional service recovery research under GDL mainly focuses on two aspects of firms' responses to service failures: (1) the form of tangible compensation provided to customers as service recovery outcomes such as refunds (e.g. Sparks & McColl-Kennedy, 2001) and (2) the intangible attributes and behaviors of service providers in the service recovery process, such as explanations and apologies (e.g. Tax et al., 1998). Both aspects focus on the service provider's role in compensating the core activities of service recovery but ignore the customer's role as an active value co-creator rather than a passive

service recipient (Guo et al., 2016). The core activities a service provider tries to protect are the quality-of-service recovery, quick response to the complaint, simple problem acknowledgment, basic problem solution, apology, compensation, and fundamental actions to prevent future service failure (Pacheco et al., 2019; Rasoulilian et al., 2017; Shuqair et al., 2019; Van Vaerenbergh et al., 2019).

With the SDL and CDL introduced to service marketing, literature has investigated the comparative effects of service recovery strategies on service providers' supportive factors in co-creating service recovery value with customers (e.g., Hazée et al., 2017). Supportive factors include service providers' facilitation in providing accessible recovery, offering different options, and correcting the service failure by informing customers with clear instructions (Dong & Sivakumar, 2017; Heidenreich et al., 2015; Van Vaerenbergh & Orsingher, 2016). Such innovative service recovery efforts allow service providers to widely allocate resources between service firms and customers to stimulate voluntary customer participation and promote their brand loyalty (Dong & Sivakumar, 2017; Van Vaerenbergh & Orsingher, 2016).

In addition, as MDL recently added to the value co-creation literature, more studies have focused on service providers' recovery efforts at the contextual level, where customers' positive previous experiences and memories could influence customers' preference in service recovery (Lemon & Verhoef, 2016; Puccinelli et al., 2009). Customers' preferences of an effective service recovery from the past affects their later service recovery participation attributes, values, and social relationships with service providers (Patterson et al., 2006; Ryu & Lee, 2017). For example, service providers can ask customers to provide the most impressive service experience and customize the

current service to the similar practices so as to provoke customers positive reflections. Effective service recovery under MDL also enforces customers' habits and abilities to resolve service failures by sharing their preowned knowledge and skills (Bone et al., 2015; Harmeling et al., 2017).

2.8 CUSTOMER ENGAGEMENT DURING SERVICE RECOVERY

2.8.1 Customer Role in Service Recovery

Along with the service provider's facilitation during the service recovery, assessing customers' participation in service process contributed to the discussion of the roles that customers play in helping service providers to resolve service failures (e.g., Chathoth et al., 2013; Kandampully et al., 2015; Walls et al., 2011). According to the previous literature, customers' role in service recovery is two-fold: voluntary and involuntary. Voluntary customer participation has been termed customer citizenship or extra-role behavior (Yi & Gong, 2013). This type of customer behavior includes activities in which a firm engages customers for the customers' benefit, which includes offering activities and input rather than simply receiving the service from service providers (Zolfagharian et al., 2018). Therefore, voluntary customer participation can lead to a higher degree of service co-creation, in which the customer provides more expressions of informational, physical, behavioral, and emotional contributions to stages of service processes, such as provision, production, presentation, and evaluating (Chen & Raab, 2017; Uzokurt, 2009). With such a voluntary role, customers often provide information that can determine service production and exhibit conversational behaviors that can produce an innovative and satisfactory service outcome (Murae et al., 2019).

Involuntary customer participation has been termed customer in-role behavior (Yi & Gong, 2013). This type of customer behavior requires the service provider's engagement of customers in the service process by conducting customer satisfaction surveys or requesting customers to refer new customers to the service organizations (Chen & Raab, 2017). According to Uzokurt (2009), voluntary customer participation has greater informational, physical, behavioral, and emotional contributions to the various stages of the service process (e.g., provision, production, presentation, and evaluation). This means voluntary customer participation has higher willingness and ability to contribute to enhancing their service satisfaction, as well as value co-creation. Siu et al. (2016) suggests that voluntary customer participation in the service determines customer enjoyment and further underlines their subjective well-being by producing meanings. This indicates that customer voluntary participation in the service appears to be closely related to emotional responses that are intrinsic to service experiences, such as happiness and subjective well-being of the customer after the service experience (Campos et al., 2018; Grisseman & Stokburger-Sauer, 2012).

According to Yi and Gong (2013), customer in-role participation behavior is critical for successful value co-creation, and customers' extra-role participation contains citizenship behavior that can provide extraordinary value to the service firms (Yi & Gong, 2013). Therefore, studying such active customer roles in the service recovery process will also have the potential to turn service failures into co-creation of service recovery. However, research on this phenomenon is still in a pioneer stage, lacking enough explanations on how customers' voluntary/involuntary participation will also make an effect on the situations of service recovery.

2.8.2 Customer Complaining Behavior in Service Recovery

To understand negative reactions from customers after service failure, most recent studies have attempted to examine customer complaining behaviors as another form of customer participation (e.g., seek a claim, blame the responsibilities, or boycott) in the service recovery process (Bergel & Brock, 2018; Ekinçi et al., 2016; Fernandes & Fernandes, 2018; Kaur & Sharma, 2015; Lu et al., 2018). To specifically analyze how customer complaints contribute to the improvement of service recovery strategies, well-known theories such as the cost-benefit framework (Gursoy et al., 2003), equity theory (Lapidus & Pinkerton, 1995), effort model (Huppertz, 2003), and the principle of reciprocity (Kaltcheva et al., 2013) suggest important insights. The cost-benefit framework indicates that customers are more likely to complain about a service when the benefit received (e.g., refund, gift card) justifies the cost of complaining (Hsiao et al., 2016).

According to the equity theory and effort model, when complaining about service failure, customers expect equitable service recovery outcomes from their complaint effort (Huppertz, 2003; Lapidus & Pinkerton, 1995). The principle of reciprocity and effort model suggest that if the customer perceives that their complaint effort is not well reciprocated by the service providers, they consider their service recovery input inequitable, which often leads to their negative responses (Cheng et al., 2015; Kaltcheva et al., 2013; Ro, 2015). Therefore, service providers need to know that if they cannot immediately rectify the flawed service at their own expense, customers' will see the service recovery process as inequitable to their effort and time spent complaining (Lu et al., 2018).

2.9 CUSTOMER OUTCOMES IN CUSTOMER JOURNEY MAPPING

2.9.1 Customer Affective Outcomes

2.9.1.1 Happiness

Noting that all customers in service encounters want to be happy, service providers are working diligently to appeal to customers' inquiries of happiness (Mogilner et al., 2011) to achieve their loyalty behavior (Schmitt & Van Zutphen, 2012). According to multi-disciplinary research from psychological (Diener Biswas-Diener, 2011; Hills & Argyle, 2002) and marketing theories (Haberstroh et al., 2018; Schuchert-Guler et al., 2001), there are three main categories of happiness worth studying in service encounters.

The first category is philosophical happiness, which derives from the cognitive judgment a customer makes based on the existing service conditions and their original expectations (Niedermeier et al., 2019). The expectations often derive from customers' desires, service norms, perceived goals of the service, and life experience (Haybron, 2005). Second is hedonic happiness, which is an episodic feeling or experience of pleasure; this can be attributed to customers in high spirits and a good mood (Raibley, 2012). The intent for hedonic happiness is to adopt pleasant emotions but avoid negative feelings in a short-term service touchpoint (Brölde, 2007; Niedermeier et al., 2019). Third is harmony happiness, which often refers to tranquility and peacefulness (Delle Fave et al., 2011).

Harmony happiness strives for long-term effects that are congruent and balanced (Czikszentmihalyi, 1990; Lemon, & Verhoef, 2016), which includes both affective and cognitive components in the long-term (Niedermeier et al., 2019). However, current service research neither offers evidence for how customers' happiness is determined in

service encounters nor identifies whether customer happiness will be affected by varied business logic. Thus, this study seeks to address these critical issues.

2.9.1.2 Subjective Well-being

The goal of any type of service is to create a delightful customer experience (Torres & Ronzoni, 2018). Subjective well-being is a specific term that describes how people evaluate their life experiences and create satisfactory appraisals (Su et al., 2016). Since this research is drawn from an argument of a continuum of business logic to convert experiences to memories, the outcomes of measurement present not only the customer experience that is based on the actual experience, but also reflects the customer's stable memories that create a longer impact (Kahneman & Riis, 2005).

Accordingly, the continuum of business logic is likely to be impacted by the customers' affective responses (Dasu & Chase, 2013), cognitive evaluations (Kim, Ritchie, & McCormick, 2012), and other factors related to the past experience, the familiarity of the service context, and engagement (Huang & Seo, 2016). Thus, higher-order customer outcomes that incorporate facilitating factors such as attributes, well-being, and quality of life are needed. These subjective evaluations integrate affective components of how people perceive the balance between positive and negative affects, and cognitive components of what they believe is important for the fulfillment of their goals (Schimmack et al., 2002).

Especially, subjective well-being is often conceptualized based on particular experience domains (e.g., service encounter, consumption, service failure situation) and general life satisfaction, which emerges from the culmination of many circumstances (Dagger & Sweeney, 2006; Ouyang et al., 2019). As customers' overall satisfaction of

service depends on service providers' special attention to transaction-specific satisfaction, as well as customers' efforts in building a good cumulative evaluation (Saeed et al., 2013), customers' overall subjective well-being requires service providers' superior value delivery to customers in a way that maintains and improves their state of well-being (Järvi et al., 2018).

In addition, Vargo et al. (2008a) suggest that customer value co-creation will be measured in terms of the service system's adaptiveness or ability to fit customers to the service environment. During the process of customer value co-creation in the service system, service providers and customers will share their resources (e.g. skill, knowledge) in a mutually beneficial way (Arnould et al., 2014). This will eventually lead to an enhanced customer subjective well-being if the integration is successful (Andreassen et al., 2016). However, there has been little research investigating the relationship between a sense of the customer value co-creation and their outcome of subjective well-being. It might be particularly important to reinforce service co-creation with customer participation for individual customers who tie the service experience to their service outcomes. In other words, the customer often links their service experience with their subjective well-being, including transaction-specific delightfulness and long-term cumulated sense of well-being (e.g., Anderson & Ostrom, 2015), which speaks to the need for researchers to examine the relationship between variables of service co-creation and customers' subjective well-being.

Meanwhile, as subjective well-being has been conceptualized as a customer-balanced state of pleasant and unpleasant affects (Niedermeier et al., 2019), customers' evaluation on the service quality and service fairness becomes an important aspect of

service evaluation after a service failure (Dagger & Sweeney, 2006; Smith, 2013; Su et al., 2016; Su et al., 2015; Su et al., 2018). In this case, to restore customers' satisfaction after a service failure, service providers' facilitation ability in resolving service failures becomes a significant indicator of customers' subjective well-being (Sthapit & Coudounaris, 2018; Su et al., 2015). Yet, such an aspect is not fully explained in the service recovery co-creation literature. Thus, there is a need for more attention to be drawn towards answering an important question: how to create customer experience through their journey mapping.

2.9.1.3 Customer Brand-Identification

Customers' preferences about a brand often reflect their fundamental self-identity and symbolic meanings, which will build customers' trust in the company and customer-organization value congruence (Elbedweihy et al., 2016; Moliner et al., 2018). Following this, social identity theory suggests that the individual customer often articulates a sense of self by building membership with various organizations (Kang et al., 2015; Zeugner-Roth et al., 2015). According to Mael and Ashforth (1992), customers' organizational identification occurs when a customer perceives a sense of connectedness with an organization and begins to use aspects of an organization to define their own identity (e.g. "I'm an Apple fan").

According to value-belief-norm theory, customer service value motivates them to purchase repeatedly (Jansson et al., 2011), and their satisfactory experience with a product/service will lead to customers' better value expectations (Yeh et al., 2016). This is the same as the utility theory in economics, which suggests that customers' purchase

decisions are mainly based on their product/service evaluations (Lemon & Verhoef, 2016; Zeithaml, 1988).

Moreover, according to the principle of utility maximization theory, customers often choose the product/service that has superior attributes than other alternatives, as that spuriousness will better satisfy their needs (Gabler et al., 2017). Thus, customer-brand identification can be referred to as how customers use a company to identify themselves through their cognitive perceptions of belongingness and their use of the company to satisfy self-definitional needs (Bhattacharya & Sen, 2003; Bhattacharya, Rao, & Glynn, 1995; Kang et al., 2015).

Accordingly, customer-brand identification can be referred to customers using company identities to define themselves through their cognitive perceptions of belongingness and using the company to satisfy self-definitional needs (Bhattacharya & Sen, 2003; Bhattacharya et al., 1995; Kang et al., 2015). In addition, prior studies have illustrated two mechanisms that can affect customer-brand identification.

One, the customer always needs the consistency of the product/service, which can match customers' self-definitional attributes (Stokburger-Sauer et al., 2012). Two, the customer always seeks self-esteem, which drives customers to approach an ideal product/service that helps raise their ideal self and attachment (Berrozpe et al., 2019; Helm et al., 2016). However, during the service recovery process, when there is a disruption during the ideal service, customers' identification with symbolic, hedonic, or esthetic service value can be violated (Beckers et al., 2018; Kirillova & Chan, 2018); therefore, customers' brand identification can also be affected. As customer value has been recognized as having different nuances among different business logics, customers'

emotional connection and self-brand integration can also be varied in their construct of brand evaluation (Beckers et al., 2018). Accordingly, the study also posits that the distinctiveness of customer-brand identification is a key outcome to consider, especially when studying different service recovery nuances among different types of business logic.

2.9.2 Customer Behavioral Outcomes

2.9.2.1 Positive Referrals

Continuing previous efforts of studying customer affective outcomes of happiness and subjective well-being in service settings, there are numerous studies on the relationship between positive referrals and customer satisfaction. Customers' positive referral behavior refers to informal positive communication among customers regarding the service providers and their product/service characteristics (Westbrook, 1987; Tax et al., 1993). When customers receive services (either in the consumption stage or during the service recovery) that exceed their expectations, customers are satisfied and are willing to become positive referrals, thus bringing new customers (East et al., 2016). Based on previous literature, variables such as customer satisfaction, customer loyalty, commitment, trust, quality, and perceived value can influence the generation of positive references (Shi et al., 2016). When customers get into a service environment that can be consumption-based or recovery-based, they gain an impression of its quality of service features (Abubakar & Mavondo, 2014). This has implications for customers' overall evaluation of the experience and willingness to recommend the service organization to others (Deng et al., 2013).

2.9.2.2 Repatronage intention

While a majority of the literature talks about how to avoid the consequences of a service failure with a remedial service recovery process and encourages customers' positive referrals, the most important end goal for the service recovery is to retain customers' repatronage behaviors (e.g., Balaji et al., 2018; Byun & Jang, 2018; Migacz et al., 2018). Customers' repatronage intentions refer to customers' positive attitudes, commitment, and loyalty toward a service provider by engaging in a repeat purchasing behavior (Han et al., 2009).

According to the commitment-trust theory (Morgan & Hunt, 1994), customers' trust and commitment after a positive service experience can mediate variables between five service antecedents (i.e., relationship termination cost, relationship benefits, shared value, communication, and opportunistic behavior) and five service outcomes (i.e., acquiescence, propensity to leave, co-operation, functional conflict, and decision-making uncertainty). This means customers' repatronage intention is a compelling indicator of the commitment undertaken by customers to return to the service organizations (Hellier et al., 2003).

As Roggeveen, Tsiros, and Grewal (2012) indicate, when the firm is not responsible for the failure, co-creation activities in the service recovery process negatively impact customer evaluations, such as repatronage intention. This suggests that when service failures occur, the implementation of service providers' corrective actions to restore customers' affective service outcomes is the key to regain their customers' repatronage intention (Gelbrich & Roschk, 2011; Nikbin et al., 2013).

2.10 HYPOTHESES AND CONCEPTUAL MODEL DEVELOPMENT

Given the support from the underlying theories and the literature review guiding the current study, three experimental studies will be conducted under three research objectives to holistically describe the customer journey mapping from (1) the consumption stage where customers evaluate the service value propositions to (2) a service recovery stage where customers analyze their responses toward the service failure, as well as (3) their roles that are played during the service recovery. Under the research objectives, several hypotheses have been developed and will be assessed with a theoretically proposed model that can add value to the overall conceptual framework.

2.10.1 Hypotheses Under Objective 1: “Moment of Truth” in Service Consumption Stage

The first objective of the research is to examine the effect of customers' perceived value proposition on their affective service outcomes (i.e., happiness, subjective well-being), as well as behavioral service outcomes (i.e., positive referral, repatronage intention) in foodservice operations while considering four types of business logic applied in restaurants. Drawing on the cognitive dissonance theory (Festinger, 1957), people exhibit cognitive dissonance when the reality of a circumstance is not congruent with their existing thoughts, beliefs, or attitudes. Cognitive dissonance means a psychological state of discomfort resulting from an imbalance in cognitions (Kim, 2011).

Applied to service settings, when a service organization offers a service that is incongruent with customers' existing perceptions of that service, customers might experience cognitive dissonance. To avoid customers' cognitive dissonance, service organizations often comply with certain service offerings that reflect the consistency between their service delivery and the business logic.

Specifically, service delivery under GDL is perceived as a process that uses a co-production approach, with which customers can receive service from the service provider with an exchange of money (Vargo & Lusch, 2004). SDL defined service delivery as a process that attempts a co-creation approach, with which customers can receive expected service delivery that is facilitated by the service provider (Grönroos, 2011; Prahalad & Ramaswamy, 2004a, b). Moreover, CDL applies service delivery in a co-creation approach that offers an experience-based service incorporating sensory, affective, cognitive, physical, and social aspects (Heinonen et al., 2013; Schmitt, 2011). The service delivery from MDL offers a memory-based service with emotional arousal and reflective observations that can facilitate a satisfactory recall from customers for a longer duration of time (Chase & Dasu, 2014, Holmqvist et al., 2015; Newman, et al., 2014). If a customer perceives a service delivery from the service provider is following their business logic, they may be satisfied, as their expectation matches with the service outcome. Thus, the customer's happiness and subjective well-being might be positively influenced.

Hypothesis 1: Business logic has a significant impact on (a) customer happiness and (b) customer subjective well-being in a foodservice operation.

Furthermore, depending on how intensively a customer perceives the value proposition of a service, Chandler and Lusch (2015) proposed two core properties of customer value proposition in service that describe this intensity: connected vs. dispositioned. Connected customer value proposition means the product or service proposed by the service provider matches with customers' expectations of the particular

service, while dispositioned customer value proposition means the product or service proposed by the service provider is not what customers expected (Kjellberg, et al., 2015). If customers perceive a connected value proposition from the service provider, they may be satisfied because their expectation matches with the service outcome, thus the customers' happiness and subjective well-being might be positively influenced.

Hypothesis 2: Customers' connected value proposition of a service has a significant impact on (a) customer happiness and (b) customer subjective well-being in a foodservice operation.

When engaging customers in the service, a core argument that has been missing in the service co-creation rationale is how the service providers' value formation should be in line with the customers' value formation (e.g. Heinonen et al., 2013; Vargo & Lusch, 2011). Customers' value formation refers to the “customers' emerging behavioral and mental process of interpreting, experiencing, and integrating offerings in their everyday lives/business, with either positive or negative outcomes” (Heinonen & Strandvik, 2015, p.479). Studying customer value formation from their emerging mental processes of interpreting, experiencing, and integrating service offerings during the customer service journey could show either positive or negative outcomes (Heinonen & Strandvik, 2015).

Seen from the perspective of business logic and its relationship with the customer value formation, GDL defined customer value formation as a process in which the customer can receive a standardized product or service from the service provider (Vargo & Lusch, 2004a, b). SDL defined customer value formation as a process in which the customer can participate in the service value co-creation process and design services for themselves (Grönroos, 2011; Prahalad & Ramaswamy, 2004a, b).

CDL defined customer formation as an approach that offers an experience-based service engagement with the service provider by incorporating sensory, affective, cognitive, physical, and social aspects (Heinonen et al., 2013; Schmitt, 2011). MDL defined customer value formation as an approach that offers a memory-based service with emotional arousal and a satisfactory recall from customers (Chase & Dasu, 2014; Holmqvist et al., 2015; Newman et al., 2014). As customer value formation under different business logic is viewed differently, it is also possible that customer happiness and subjective well-being might be differently influenced. Thus, it is hypothesized that customer value formation can influence customers' overall happiness and subjective well-being (Anderson & Ostrom, 2015; Saeed et al., 2013).

Hypothesis 3: Customers' value formation of service mediates the relationship between business logic and (a) customer happiness and (b) customer subjective well-being.

Hypothesis 4: Customers' value formation of service mediates the relationship between customer value proposition and (a) customer happiness and (b) customer subjective well-being.

Moreover, customers' perceived service provider value formation of staging, designing, and implementing offerings based on their capabilities, skills, and interpretation of customer logic can affect customers' positive or negative outcomes (Heinonen & Strandvik, 2015). Service provider value formation refers to the service provider's "evolving process of strategizing, designing, and implementing offerings based on its capabilities, skills, and interpretation of customer logic, resulting in either positive or negative outcomes" (Heinonen & Strandvik, 2015, p.479). This indicates

customers' evaluations of the undesirable service might become important components of unpleasant affects.

In contrast, amiable service recovery from the service providers' value formation of establishing congenial service encounters might become critical components of pleasant affects (Sthapit & Coudounaris, 2018; Su et al., 2015). This further indicates that if the service providers offer a successful resolution with effective service delivery, the customers' affects of unpleasant feelings about service failure could be offset, in which case, customers' happiness and subjective well-being might also be enhanced (Baloglu et al., 2019; Hsieh et al., 2018; Su et al., 2015).

Hypothesis 5: Service provider's value formation of service mediates the relationship between business logic and (a) customer happiness and (b) customer subjective well-being.

Hypothesis 6: Service provider's value formation of service mediates the relationship between customer value proposition and (a) customer happiness and (b) customer subjective well-being.

In addition, since a happier customer is more likely to be committed to a service relationship, customer happiness can be viewed as an indicator of positive referrals and repatronage intentions (Belanche et al., 2013; Nicolao et al., 2009). The power of customer happiness potentially prompts the customer to make more purchases that enhance their overall happiness about the service organization (Williams, 2014). Similarly, Kim et al. (2012) suggest that if the level of customers' happiness and subjective well-being increases, their behavioral

outcomes (such as positive referrals and repatronage intentions) will also become positive.

This argument can also be seen from Oliver's expectancy-disconfirmation theory (1980). It indicates that customer subjective well-being is largely determined by customers' expectations of the service experience, which can become a powerful driver of positive referrals and customer repatronage intention (Chan et al., 2015; Ferguson et al., 2010).

Hypothesis 7: The relationship between business logic and customer behavioral outcomes (positive referrals, repatronage) is sequentially mediated by value formation (customer, service provider) and customer affective outcomes (happiness and subjective well-being) in the food service operation.

Hypothesis 8: The relationship between customer value proposition and customer behavioral outcomes (positive referrals, repatronage) is sequentially mediated by value formation (customer, service provider) and customer affective outcomes (happiness and subjective well-being) in the food service operation.

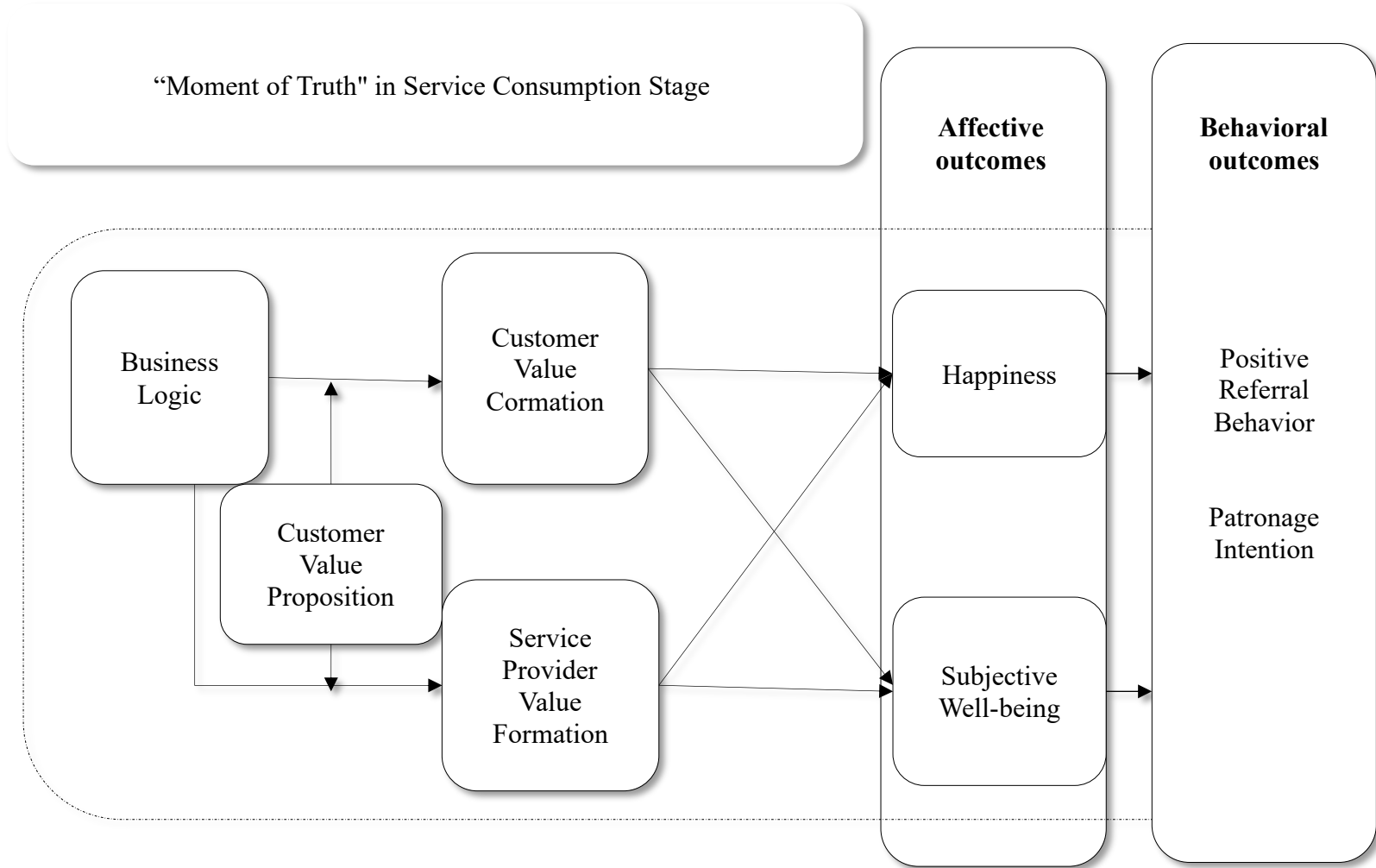


Figure 2.1 Conceptual Model Under Objective 1

2.10.2 Hypotheses Under Objective 2: “Opportunities to Elevate” After a Service Failure

The second objective of the research examines how business logic impacts the service providers’ facilitation ability after a service failure. It also looks at how service providers’ facilitation in service recovery influences customers’ affective service outcomes (i.e. subjective well-being, customer-brand identification) and behavioral service outcomes (i.e. positive referrals, repatronage intentions).

According to attribution theory, customers are motivated to examine the causes of service failures (Kelley & Michela, 1980), and since the cause of service failures might be varying in different business logic, customers may attribute blame differently. Goodwin and Ross (1989) conducted one of the pioneering studies of attribution and equity: investigating the responses of air travel and restaurant customers. There are numerous studies about how customers attribute the service failure to the service employee, themselves, or even fellow customers (Kim & Jang, 2014). More recently, based on developments in customer attribution, the psychological state that drives this pattern of blame attribution is understood as a sense of vulnerability towards the same failure possibly befalling oneself, as opposed to negative emotions felt towards the negative experience associated with the observed service failure.

Study results show that the increased blame assignment to the studied service provider would further hinder key outcomes such as perceived service quality, likelihood to use the service, and intention to choose the focal service provider. Consequentially, this could hurt the company’s bottom line (Wan et al., 2011). A boundary condition under the attribution construct is that when the observing customer perceives more personal similarity with the focal customer of the service failure, more blame is assigned

to the service provider (Pacheco et al., 2018). When a service organization adopts GDL, studies indicate that the service failure attributes to the service provider while service control is formed in the supply-side. This will make customers expect service providers to take the full responsibility in resolving the service failure (Jin et al., 2019; Koc et al., 2017). When a service organization adopts SDL, studies suggest that customers are favorable toward the service providers' facilitation by involving customers in the service recovery process. However, under SDL, as the service providers' facilitation is only limited to restoring the core activities rather than doing something beyond it, customers are still attributing the service blames to the service provider (Heninonen et al., 2010).

By adopting CDL, service providers can co-create service recovery value with customers (Hazée et al., 2017). This includes the service providers' facilitation ability in providing easily accessible recovery, offering different options for recovery, and correcting the service failure with clear instructions given to the customer (Dong & Sivakumar, 2017; Heidenreich et al., 2015; Van Vaerenbergh & Orsingher, 2016). Specifically, under CDL, customers are treated as substitutes for leadership and as organizational consultants when resolving the service failure (Vargo & Lusch, 2004 a, b).

This perspective views customers as co-creators of service encounters, where customer roles are established to allow each participant to understand when and how customers may contribute to the service recovery (Van Vaerenbergh & Orsingher, 2016). Similarly, under MDL, service providers can offer recovery efforts at the contextual level, where customers' positive previous experiences and memories will affect their preference in service recovery (Lemon & Verhoef, 2016; Puccinelli et al., 2009). The differences among these four types of logic, in terms of service recovery initiations,

might differently affect the service providers' facilitation after a service failure (Patterson, et al., 2006; Ryu & Lee, 2017).

Hypothesis 9: Business logic has a significant effect on the service provider's facilitation after a service failure.

Meanwhile, the literature suggests that customer participation during service recovery and the service provider's role in facilitating service recovery can affect customers' subjective well-being (Diener, 2000; Ngamaba et al., 2018; Niedermeier et al., 2019; Su et al., 2016). During the service recovery process, customers often evaluate positive or negative affects of service experience and try to restore the balanced state of affects when a service failure happens (Dagger & Sweeney, 2006). As a result, customers' evaluation of positive and negative affects of a service failure encounter could be viewed as the most relevant variables that can influence customers' subjective well-being (Smith, 2013; Su et al., 2018).

This further indicates that when a service failure happens and service providers offer a successful resolution with effective service recovery, customers' affects of unpleasant feelings of service failure could be offset, in which case, customers' subjective well-being might also be enhanced (Baloglu et al., 2019; Su et al., 2015). Studies have also illustrated that when there is a service failure among ideal services, customers' identification with symbolic, hedonic, or esthetic service value can be violated (Kirillova & Chan, 2018). This could affect customers' brand identification, which has been shaped from positive expectations or an effective service recovery that influences customers' brand trust over a long time. When a service failure happens, the consistency of the product/service that the customer expects may not be met (Stokburger-

Sauer et al., 2012), and customers' self-attachment to an ideal product/service might be weakened (Berrozpe et al., 2019; Helm et al., 2016). Therefore, to regain customers by restoring their ideal self with the brand, service providers' facilitation after a service failure is needed to maintain customers' ideal service (Berrozpe et al., 2019; Helm et al., 2016; Kirillova & Chan, 2018).

Hypothesis 10: The effects of business logic on (a) customers' subjective well-being and (b) customer-brand identification were mediated by the service providers' facilitation after a service failure.

Furthermore, customer subjective well-being after service recovery, positive referral behaviors, and repatronage intentions have been linked with each other by a number of researchers (e.g. Komunda & Osarenkhoe, 2012; Lee et al., 2016). According to appraisal theory (Scherer, 1999), customer subjective well-being after service recovery comes from their positive appraisal based on service providers' facilitation, which concerns their positive referrals (Nikbin et al., 2013). There is also evidence that correctly solving and addressing a customer's dissatisfaction leads to enhanced customer subjective well-being (Zhao et al., 2014). In contrast, a dissatisfied customer whose problem is not solved by an effective service recovery may leave the service organization and switch to other counterparts (Fang et al., 2011).

Hypothesis 11: The relationship between business logic and (a) customers' positive referral behavior and (b) repatronage intention is sequentially mediated by service providers' facilitation and customer subjective well-being in a foodservice operation.

In a like manner, previous studies report positive effects of higher degrees of customer-brand identification on key indicators of marketing success, including customer satisfaction (Lin, 2015), brand commitment (Tuškej et al., 2013), customer loyalty (Wolter et al., 2016), and repatronage intention (Torres et al., 2017). Also, researchers emphasize that customer-brand identification significantly increases customer positive referral intentions, brand advocacy, and other supportive behaviors for the benefit of the company (Boenigk & Helmig, 2013; Sauer, Ratneshwar, & Sen, 2012).

Therefore, customer-brand identification is considered a crucial driver of marketing success because it forges long-term customer-firm relationships (Apenes Solem, 2016; Boenigk & Helmig, 2013). Especially when customers service recovery expectations and the service provider's facilitation share similar values, customer-brand identification will be strengthened (Donavan et al., 2004). This could lead to a positive referral and repatronage behaviors (Chan et al., 2015; Ferguson et al., 2010).

Hypothesis 12: The relationship between business logic and (a) customers' positive referral behavior and (b) repatronage intention is sequentially mediated by service providers' facilitation and customer-brand identification in a foodservice operation.

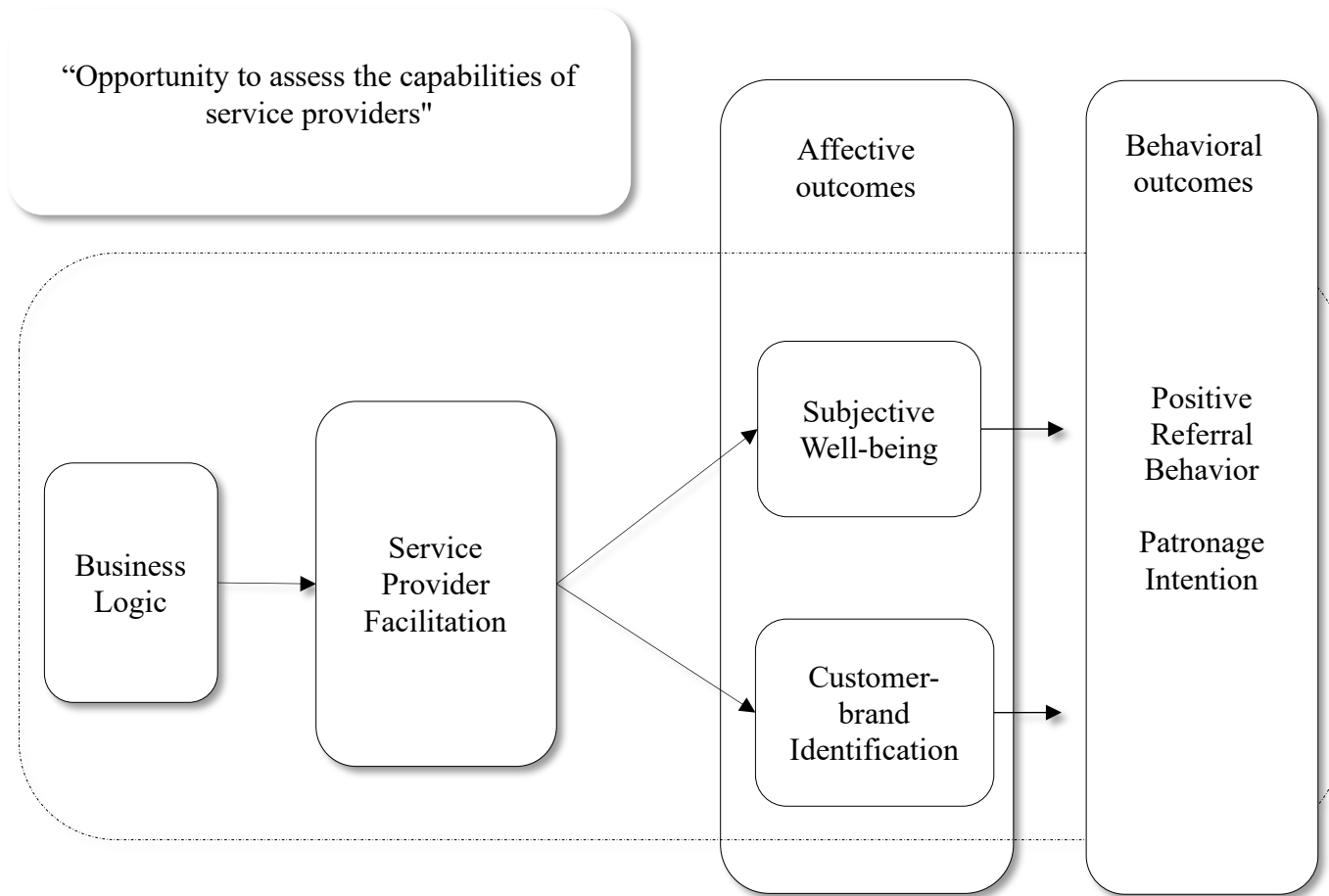


Figure 2.2 Conceptual Model Under Objective 2

2.10.3 Hypotheses Under Objective 3: “Be Cautious about Mishandling” in Service Recovery Stage

The third objective of the research is to examine whether a customer’s role in service recovery will make any difference in deciding their behavioral intentions (such as positive referral behavior and repatronage intention) after service recovery, as well as determine whether customers’ complaint efforts play a mediation role in this relationship.

According to the role theory, customers in a service context may be expected to perform roles as co-producer or partial employee (Solomon et al., 1985). However, when they are forced to participate in the service recovery, they may promote inappropriate role behaviors and potentially deteriorate service output. This further suggests that effective service recovery efforts that align between service providers and customers should focus on studying the readiness of a customer regarding participation in the service recovery (Dong & Sivakumar, 2017; Van Vaerenbergh & Orsingher, 2016). Seen from customers’ role in service, customers are involuntary participants under GDL because they are playing a passive role in service encounters. Customers’ roles here only provide activities and inputs that are required for the basic conversation, thus producing an adequate service recovery outcome (Chen & Raab, 2017; Yi & Gong, 2013).

SDL focuses on the customers’ active role in the service, where customers’ participation reciprocity can be mutually beneficial to the service provider and the customer through sufficient dialogue of integrating resources, interests, and expectations of customers (Alves et al., 2016; Buonincontri et al., 2017; Matthing et al., 2004). CDL classifies customers’ degree of participation as their higher willingness to contribute resources to value co-creation, as well as a higher responsibility for the outcome they co-

created with the service provider (Heinonen et al., 2010; Terblanche, 2014; Yi & Gong, 2013).

Further, if a customer participated in a memorable service experience co-created with the service provider under MDL, the customer's role in service could be elevated to a level where they could share the delightful experience (Dasu & Chase, 2013).

Therefore, customers' roles in service under SDL, CDL, and MDL are all *voluntary* because customers are playing an extra role in service encounters, which can offer service providers/firms the extraordinary value that is required for value co-creation (Chen & Raab, 2017; Yi & Gong, 2013; Yi et al., 2011; Yi & Gong, 2013).

Customers' active participation in service recovery can increase their control and autonomy (Andreassen et al., 2018), which might drive the customers' adaptability to fit in the service recovery environment (Tuan et al., 2019; Vargo et al., 2008a, b). This means that when their voluntary service recovery leads to a success, customers' negative feelings of service failure could be compromised and their emotional depletion (e.g. psychological losses of self-esteem, social support, and self-efficacy), due to the stress of service failure, could also be minimized (Borah et al., 2019; Harrison-Walker, 2019; Machin et al., 2019). This further reveals that a higher degree of customers' physical and psychological involvement can allow service providers to place greater emphasis on the customers' perspective when assessing service recovery strategies. This could in turn enhance customers' positive referral behavior and repatronage intention (e.g. Balaji et al., 2018; Byun & Jang, 2018; Migacz et al., 2018).

Hypothesis 13: The customer voluntary role (vs. involuntary role) could lead to higher levels of (a) customers' positive referrals and (b)

repatronage intentions when considering GDL, SDL, CDL, and MDL in a foodservice operation.

In addition, studies indicate that the purpose of customers voicing their complaints is to contribute a major source of innovative service recovery (Duverger, 2012; Lu et al., 2018; Xu, 2019). Specifically, the effort model (Huppertz, 2003) indicates that the more energy and time customers put into the complaining effort, the more customers will expect the service recovery to be successful with their heightened participation in the service recovery process (Chan et al., 2015; Ro, 2015; Wright & Larsen, 2017). This suggests that when customers' complaining effort is not worth restoring the loss from the service failure with an expected service recovery outcome or their complaining effort is not reciprocated by the service provider with equitable compensations, their intentions to repatronage the service may weaken (Lu et al., 2018; Yang & Mattila, 2016). This also indicates that customers' anticipated effort in complaining mediates the relationship between customer role and their positive referral behavior (Deng et al., 2013), as well as the repatronage intention of the service (Huppertz, 2003, 2014; Istanbulluoglu et al., 2017).

Hypothesis 14: The likelihood that a customer becomes (a) a positive referral and (b) repatronage the service is related to both the customers' role and their complaining effort when considering four types of business logic.

“Be cautious about mishandling”

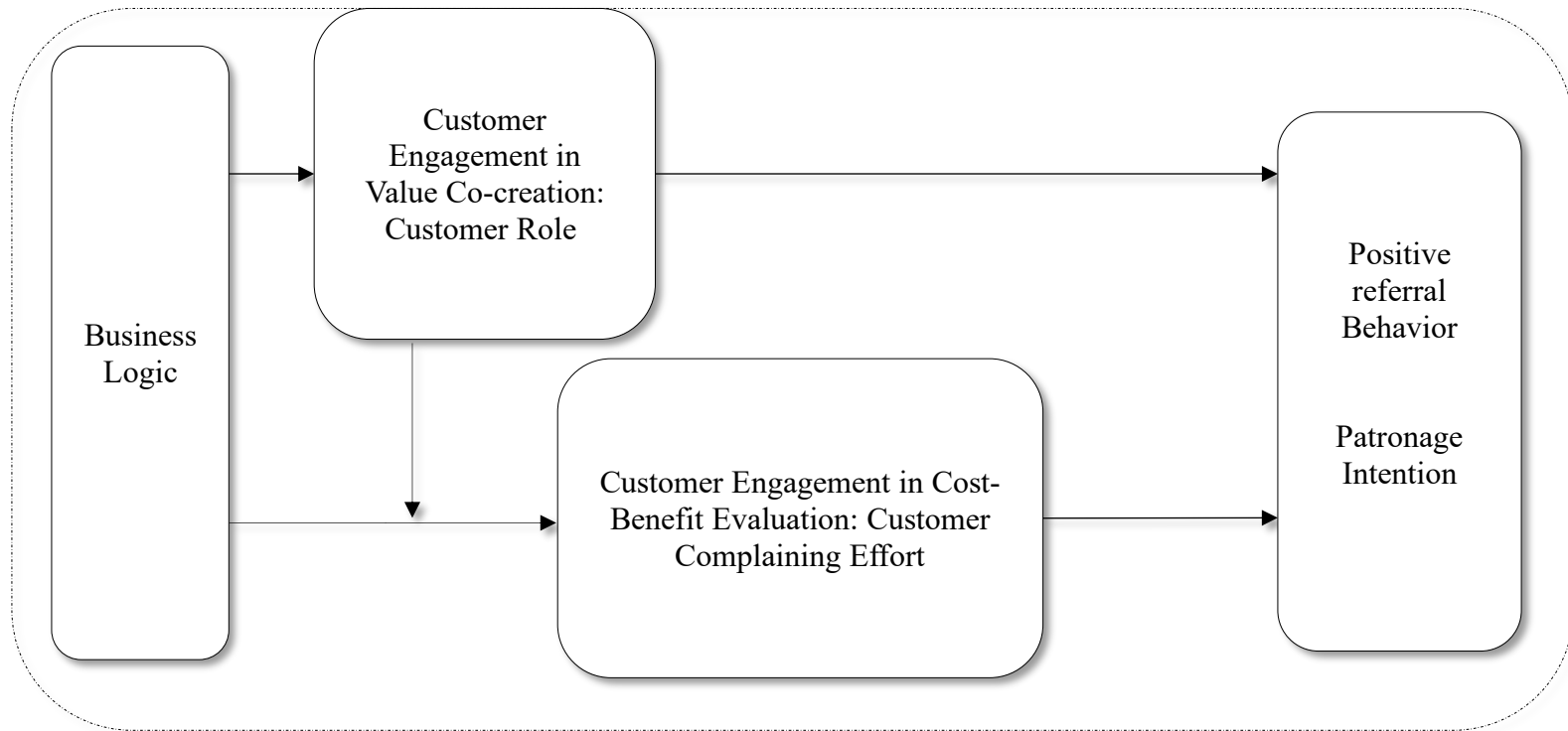


Figure 2.3 Conceptual Model Under Objective 3

2.11 CHAPTER SUMMARY

This chapter is comprised of a discussion about constructs and variables that are guiding the current study, along with a comprehensive review of the literature. First, a review of customer service journey mapping, business logic, and its substantial effects on foodservice is presented. Second, a discussion of service touchpoints happening in customer service journey mapping is provided; specifically, an explanation of how customers' brand touchpoint (service providers' value formation) and social touchpoint (customer role) account for service consumption and recovery stages of customer journey mapping. This is followed by a discussion of customer affective and behavioral service outcomes that can explain customers' potential feelings of service experience (happiness, subjective well-being, brand identification) and behavioral intentions (positive referral, repatronage). Finally, a discussion of the hypotheses development and a conceptual model is provided (Figure 2.4). The next chapter presents the methodology and data analysis used in the current research.

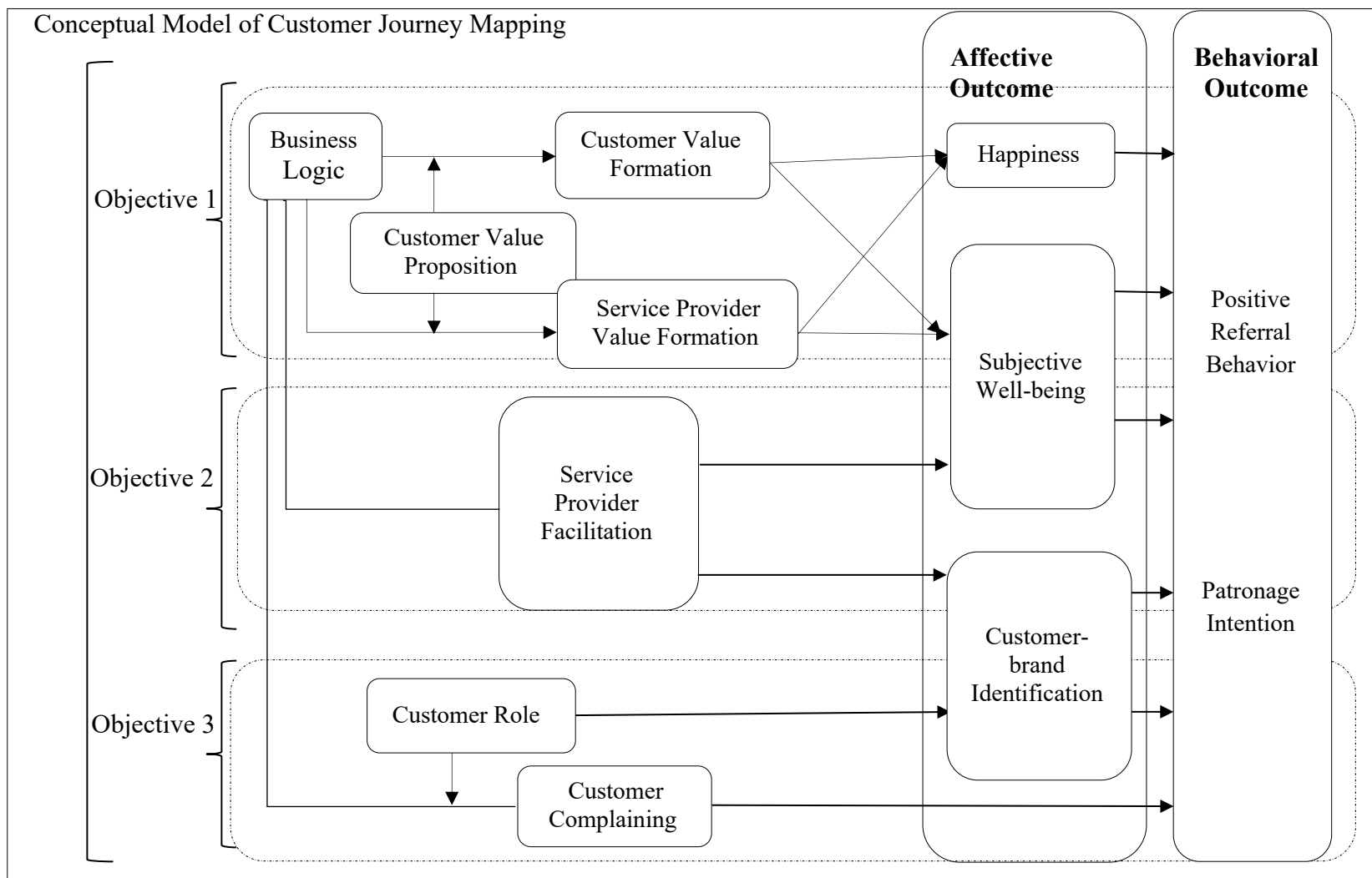


Figure 2.4 Customer Service Journey Mapping in Foodservice Operation

CHAPTER 3

METHODOLOGY

3.1 METHODOLOGY UNDER OBJECTIVE 1

The methodology of objective 1 is presented with a mixed-method approach. The qualitative research approach with the focus group interview was chosen to answer the research question of how customers' affective outcomes (such as happiness and subjective well-being) are affected differently by the four types of business logic in foodservice settings. A 2 (customer value proposition: connected vs. dispositioned) \times 4 (business logic: GDL vs. SDL vs. CDL vs. MDL) between-subjective design is used for the quantitative approach. Using the mixed-method approach is beneficial for applying results from the qualitative inquiry to strengthen additional insights in the early stages of construct development and item generalization (Dörnyei, 2007; Gerbing & Anderson, 1988).

The main functionality of the focus group interview used in the first phase of mixed-methods is to examine trends in the circumstances surrounding business logic, which can further benefit the development of the survey in the next phase of the experiments regarding creating the instruments and survey items. Specifically, the study uses a sequential transformative design for integrating qualitative data (such as descriptive, inferential analysis, coding, and thematic analysis) and quantitative data (such as quantitative scales compared with qualitative themes, qualitative themes are converted into scores) (Creswell, 2013; Harrison & Reilly, 2011).

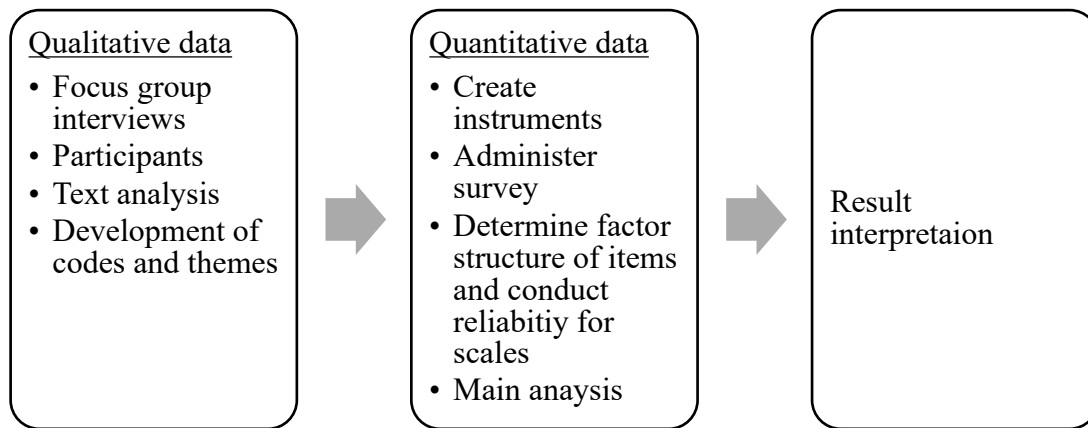


Figure 3.1 Sequential Mixed Methods
Adopted from (Creswell et al., 2003)

3.1.1 Focus Group Interview Approach

As Patton (2002) indicated, researchers cannot observe or predict everything as feelings, thoughts, and intentions. This demonstrates a need for a research method that can explore collaboration from customers' perspectives on their value propositions, thoughts, and psychological associations with the service to reveal a deeper understanding of the customer ideology surrounding their service journey mapping. This focus group interview incorporated interpretative methods to understand customers' perspectives of service value for four types of business logic by asking their perspectives on service evaluating outcomes. Furthermore, understanding customer perspectives in value by using the focus group interview can assist in creating specific measurement items for the survey questionnaires. Thus, the focus group interview method is beneficial in improving survey instructions as well. See Appendix A for more details regarding focus group interview questions.

3.1.2 Focus Group Procedures and Protocol

Specifically, the interview utilized three interview techniques in designing questions: (1) informal conversational interview, (2) general interview guide, and (3) standardized open-ended interview to capture customers' perceptions (Charmaz & Belgrave, 2012), which can contribute to the comprehension of customer evaluation outcomes from their perspective. The interview protocol followed recommendations by Patton (2002).

First, the informational conational interview was conducted with open-ended questions, which consist of a spontaneous response arising from direct context. For example, "Recall an incident where you were a customer of a foodservice business, where your experience is entirely based on purchasing tangible food and beverage products." This type of question aims to allow the respondent to tell stories and talk subjectively without any restrictions, which can explore customers' recent experience of foodservice across different business logic and their overall service value co-creation encounters (Jacob & Furgerson, 2012). The participants were invited to provide scenarios that describe those four different types of business logic based on their experience. By stimulating discussions amongst participants, this approach was aiming to gain an understanding of customers' experience of business logic and contribute to the debate about business logic.

Second, the general interview guide should be given based on the researcher's prepared checklist with certain prompts, which can be categorized as a semi-structured interview. This ensured all respondents are asked the same question to find all relevant issues under each topic (Kallio et al., 2016). The researcher involved in the discussion

probed participants' experiences related to the business logic by offering clear definitions regarding business logic, asking them to share and compare experiences, and discussing the extent to which they agree or disagree with each other (Breen, 2006).

Third, standardized open-ended interview questions that include the main research questions and anticipated topics should be asked for each participant. This reduces the irrelevance of issues and improves possible misunderstandings to comparisons among participants (Turner III, 2010). For example, "If so, how did it affect your perceptions, such as happiness, subjective well-being?"

3.1.3 Focus Group Recruiting Process

The sample population was limited to people from the United States who are over 18 years old and have had food service experience in fast food, casual dining, and fine dining restaurants during pre-COVID 19 circumstances. Purposeful sampling, convenience sampling, and snowball sampling techniques will be used to identify and select an information-rich individual case that particularly has experience with the topic of interest (Etikan et al., 2016). To recruit the participants, researchers first sent an invitation email to customers for interview with descriptions. Also, the researcher have reached out the customers and ask for their participation in the interview with the study purpose. The interviewees who were willing to participate in the interview could look at the descriptions and research goals of our study, and may choose to participate in this interview depending on their own intention. The consent form was be also be attached in the email.

When individual customers decided to participate in our interview, they would see our interview questions one week in advance. Once they start to read the questions, the

consent form was be appeared at the first page to inform them of the important elements, such as purpose of this study, procedures, confidentiality, and contact information. Also, it led participants to the voluntary-based interview questions, which allowed them for plenty of time to determine by themselves. In this sense, the selected respondents for the focus group are the typical case (Teddlie & Yu, 2007) who should be able to communicate their knowledge and experience related to the chosen topic (Palinkas et al., 2015). Therefore, a focus group interview is appropriate for meeting the later needs of item generation and construct development of the survey items, where the key themes from interviews can be fully covered or explored by the researcher using the quantitative approach (Onwuegbuzie & Leech, 2007).

The location of the meeting was conducted online using a Zoom Meeting channel due to the COVID-19 social distancing issue. Prior to the meeting, researchers sent an invitation email with descriptions to potential participants. The participants who were willing to partake in the interview can look at the descriptions and research goals of our study, then choose to participate depending on their own intention. The consent form was attached to the email. 12 individuals who met the criteria participated in the discussion. These participants were diversified by their age, gender, ethnicity, etc. The interview lasted for an hour and a half from 6 p.m. to 7:30 p.m. on Thursday, September 10th, 2020 and was recorded by a digital audio device. For the first 10 minutes of the interview, the researcher was introduced the purpose of the study and the procedures of the interview. Then, for the next forty-fifty minutes, the 12 participants were taking turns to provide their personal stories in relation to GDL, SDL, CDL, MDL, service

failure, and customer roles in service recovery situations. Another researcher was assigned to take notes during the interview.

3.1.4 The Focus Group Research Question and Data Collection

The focus group contained two sessions. The first session asked the participants to recall an incident of foodservice business associated with each business logic and recorded their perceptions regarding happiness, subjective well-being, brand-identification, positive referral, and repatronage intentions. Once these discussions appeared to have reached a saturation point, the focus group discussions were then summarized by a note-taker, and the first session of the interview came to a close. The probing questions included:

Scenario Description

- Recall an incident where your experience is entirely based on purchasing food and beverage products.
- Recall an incident where service providers are providing recommendations to customers by combining the product, price, and service dimensions of an offering.
- Recall an incident where service providers are flexible to meet your needs by providing personalized, customer-centric experiences.
- Recall an incident where you were a customer of a foodservice business, where service providers are empowered to create excitement, unique experiences, and emotional connections to individual wow factors.

Response questions during the consumption stage

- What kind of emotions did you experience? Please describe why you felt those emotions as a result of the experience.
- What behavioral perceptions did you form toward the company after experiencing that incident? Please explain why you formed those behaviors toward the foodservice business.

Next, the second session of the interview began with a focus on gathering any episodes of service failure during visits to different foodservice businesses associated with different types of business logic. Following this discussion, the participants were asked to share their perceptions of the same affective and behavioral outcomes, as well as their anticipated willingness to participate during the service recovery process. The probing questions included:

Service Failure Scenarios

- Are there any episodes when service failure happens during your visit at [indicated foodservice business]? For example...

Response questions during the recovery stage

- What kind of emotions did you experience? Please describe why you felt those emotions as a result of the experience.
- What behavioral perceptions did you form toward the company after experiencing that incident? Please explain why you formed those behaviors toward the foodservice business.
- How did it affect your anticipated willingness to participate during the service recovery process?

Once these topics reached a saturation point, the second session of the focus group's discussions were summarized by a note-taker, and then the focus group interview ended.

3.1.5 Focus Group Data Analysis

Following qualitative data analysis instructions proposed by Silverman (2006), first, the data is collected and organized by transcription from the recorded interviews. Utilizing Critical incident techniques (CIT) method, a focus group interview is used to collect critical incidents in regard to each type of business logic. CIT aims to generate new research evidence about the phenomena of interest (Gremler, 2004) in order to gain an understanding of the incident from the perspective of the individual, which is appropriate for collecting cognitive, affective, and behavioral perceptions (Chell, 1998).

In service research, the approach generally asks respondents to tell a story about an experience related to the topic (Gremler, 2004). Therefore, the use of CIT is justified for this study in generating scenarios from customers regarding each type of business logic. This process is necessary in terms of letting the data drive the theory (Baker & Kim, 2019) so that the data collections must continue until the point of theory saturation is reached (Strauss & Corbin, 1998). The CIT is collected with the focus group interview followed by the method of theoretical sampling. Each interview was then immediately transcribed, coded, and analyzed when completed (Corbin & Strauss, 2008).

Specifically, CIT relies on a set of procedures to collect, analyze, and classify observations of individual behaviors under different circumstances. When analyzing the qualitative data using CIT, first the researcher determines a general frame of reference to describe the incidents and where main categories and subcategories will be developed

using the inductive approach (Gremier, 2004). When the themes are well developed in terms of properties, dimensions, and variations, the data analysis reaches the theoretical saturation point (Corbin & Strauss, 2008). At this point, the interview data collection can provide richness and depth to the narrative responses of critical incidents (Butterfield et al., 2005).

The following criteria was used for data analysis of manual coding guided by the approaches suggested by Spiggle (1994): categorization, abstraction, comparison, dimensionalization, integration, and refutation. (1) Categorization: the inductive and deductive coding techniques were used to categorize data units; (2) Abstraction: the data was abstracted with levels of topics into more general, conceptual classes; (3) Comparison: the data compared individual interview responses with similarities and differences to minimize or maximize subgroup difference (Ployhart & Holtz, 2008); (4) Dimensionalization: the data was identified using category properties that can vary within certain dimensions; (5) Integration: integrated conceptual construct through selective coding to verify the validity of the identified categories by repetitive data screening (Lune & Berg, 2016); (6) Refutation: the analysis will use a refutation technique to identify the correctness and representativeness of the interpretations and conclusions (Mota Pedrosa et al., 2012). Second, the incident classification scheme was developed, and the respondent's narratives were carefully examined with common themes.

3.1.6. Assessing Trustworthiness and Reliability of Focus Group Research

Lincoln and Guba (1985) suggest that when conducting the qualitative research, the researcher should establish confidence in the truth of the findings for the subjects or informants and the context in which the study was undertaken (Lincoln & Guba, 1985).

To accomplish this, Lincoln and Guba (1985) further note that the findings of a study should be transferable to another situation or population, which emphasized the neutrality in qualitative research from the researcher to the data. They also suggest that the criterion of neutrality can be achieved when the final presentation of the data reflects the experience accurately (Lincoln & Guba, 1985). Following this, Wallendorf and Belk (1989) suggested five criteria of trustworthiness of qualitative customer research, including credibility, transferability, dependability, confirmability, and integrity.

Using the quality of research regarding a qualitative study, the trustworthiness is measured by (1) credibility, which is to ensure whether the findings are congruent with reality (Shenton, 2004); (2) transferability, which is to ensure whether the findings are applicable in other contexts (Noble & Smith, 2015); (3) dependability, which is to ensure whether the study with same or similar respondents can attain the same results when replicated (Zohrabi, 2013); (4) confirmability, which is to ensure the rigor of qualitative findings using triangulation (Anney, 2014); (5) integrity, which is to ensure respondents and researchers will not give false information or lie to maintain their image (Moyers et al., 2003). Following these criteria of trustworthiness, all the critical incidents will be categorized by the two independent judges. The intercoder agreement and reliability will be tested (Bitner et al., 1990).

3.1.7 Experiments

A 2 (customer value proposition: connected vs. dispositioned) \times 4 (business logic: GDL vs. SDL vs. CDL vs. MDL) between-subjective study is used while considering the effects of customers' and service providers' value formation as mediators on customers' affective outcomes (happiness, subjective well-being) and behavioral outcomes (positive

referral, repatronage intention). This study was conducted using an online survey panel. Only those who met the selection criteria of being over 18 years old and had recently experienced fast food, casual dining, and fine dining restaurants were recruited.

3.1.8 Design and Procedure

Participants were asked to read a scenario designed for a service experience from one of the four business logic conditions, which were adopted from Harrington et al. (2019a). Once the respondents finished reading the guidelines, they were asked to read the content of the experiment scenario and complete the questionnaire according to the instructions. Respondents were randomly assigned to one of four scenarios and asked to respond to questions measuring the dependent variables of customer happiness and subjective well-being.

3.1.9 Experimental Stimuli and Measures

Business logic was manipulated at four levels: GDL, SDL, CDL, and MDL. The magnitude of value dimensions. In GDL, customers received a service that is oriented toward a quick service. In SDL, customers visited a service operation that can facilitate customers' needs and wants. In CDL, when interacting with service providers, customers' was received enough accommodations during their ordering and dining. In MDL, customers had an experience that can stimulate a reflective memory aftermath of the service. The experiments were designed using a foodservice scenario stimulus specifically for the study (see Appendix). The stimuli of these types of business logic conditions are pertained to foodservice examples (limited foodservice, casual dining, fine dining, and a special memorial event associated with dining experience), as suggested by Harrington et al. (2019a). The customer value proposition is manipulated in terms of the

intensity: (1) connected and (2) dispositioned (Chandler & Lusch, 2015). In the connected value proposition condition, participants were perceived service value as good. In the value dispositioned condition, participants saw the opposite where the service had no value-matching of the service as they expected. The items are adopted and developed for this study are based on terms drawn from the prior focus group interviews. Scenario realism and manipulation checks will also be collected in the survey. To test the effectiveness of these manipulations, a series of ANOVAs were conducted. Planned comparisons of business logic were used to see the differences among the four types of business logic, as well as comparing customers' connected and dispositioned value proposition conditions.

For specific measurements, customer value proposition items are adopted (Akaka et al., 2013; Chandler & Lusch, 2015) and measured on a 1-7 Likert scale (Chandler & Lusch, 2015). Mediators of customer perceived value (Chandler & Lusch, 2015) and service provider behavior in providing good customer service are measured using three items adapted from Heinonen et al. (2019). The first dependent variable of customer happiness is measured using a 1-7-point Likert computation on the agreement of item statements (Niedermeier et al., 2019). The second dependent variable of customer subjective well-being is also measured on a 1-7-point Likert scale on the agreement of item statements (Diener et al., 2010; Su et al., 2016). Further, the effects of happiness and subjective well-being on the positive referral behaviors (Ferguson et al., 2010) and re-patronage intentions will be tested (Blodgett et al., 1993). Customers' positive referral behaviors will be measured using 1-7-point Likert scale on the agreement of item statements (Ramaseshan et al., 2017; Ryu, & Feick, 2007). The variable of customer re-

patronage intention will be measured on 1-7-point Likert scale on the agreement of item statements (Stokburger-Sauer, et al., 2012; Su et al., 2016).

3.1.10 Data Analysis

The main effect analysis under objective 1 is conducted by using MANOVA with IBM Statistical Software for Social Sciences (SPSS) Version 25 and PROCESS macro (Hayes, 2017) were used for all analyses. In the PROCESS model (Model 6), business logic is served as the independent variable (IV), customer value proposition is the moderator (W), customers' perceived value formation (M1) and their perceived service provider's value formation (M2) are the mediators, and customer happiness with the service (DV1), as well as their subjective well-being (DV2) serve as dependent variables.

Furthermore, a PROCESS model macro in SPSS is used to test the moderated (i.e. customer value proposition) serial mediation effect of happiness and subjective well-being on the relation between business logic and positive referral behaviors (Ferguson et al., 2010) and repatronage intentions (Blodgett et al., 1993).

3.2 METHODOLOGY UNDER OBJECTIVE 2

3.2.1 Design and Procedures

A single-factor (business logic: GDL vs. SDL vs. CDL vs. MDL) experimental design was employed. The scenarios are adopted from Harrington et al (2019a) and developed based on the real examples described from the pretest participants. Participants were recruited from an online survey panel called Qualtrics based on the following criteria: (1) over 18 years old, (2) have experiences of fast food, casual dining, and fine dining restaurants in a pre-COVID 19 situations, and (3) are currently living in the United States. Selected participants were randomly assigned to one of the four experimental

conditions. After reading the assigned scenario, participants were asked to complete the measure for the variables examined in the study.

3.2.2 Experimental Stimuli and Measures

Manipulation checks were conducted to ensure that the stimuli used for the business logic are performed. For business logic manipulation checks, the stimulus messages were presented with four aspects with questions asking how service value formation (value-in-exchange, value-in-use, value-in-experience, and value-in-memory) has been shaped under each type of business logic. Participants in GDL were given a situation where they were visiting a quick food service operation. In the SDL condition, participants were given a situation where they could interact with the service provider for recommendations.

Participants in SDL conditions were given a scenario that described a service that can accommodate customers' demands. In the MDL condition, participants were introduced to the situation where they had a memorable dining experience with the food service operation. To test the effectiveness of manipulations, a series of ANOVAs were conducted to test the differences among the four types of business logic. The service failure situations were used as a default condition that describes a service that is delivered in a flawed manner.

A 7-point scale is used to measure participants' perceptions of the service provider's facilitation with 7 items (Harrington et al., 2019a; Heidenreich et al., 2015; Van Vaerenbergh & Orsingher, 2016). Customer-brand identification was measured using a 4-item, 7-point scale on the agreement (Bergami & Bagozzi, 2000; Lam et al., 2010; Stokburger-Sauer et al., 2012; 1=strongly disagree; 7=strongly agree). Mediation

variables of customer subjective well-being of service recovery (Diener et al., 2010; Su et al., 2016) and customer-brand identification (Bergami & Bagozzi, 2000; Lam et al., 2010; Stokburger-Sauer, et al., 2012) were measured using 1-7 scale anchored by strongly disagree to strongly agree. To measure positive referrals, one item is adapted from Ferguson et al. (2010).

Repatronage intentions were adopted by Blodgett et al. (1993). Further, customers' positive referral behaviors were measured using 1-7-point Likert scale on the agreement of item statements (Ramaseshan et al., 2017; Ryu & Feick, 2007). The variable of customer repatronage intention was measured on 1-7-point Likert scale on the agreement of item statement (Stokburger-Sauer, et al., 2012; Su et al., 2016).

3.2.3 Data Analysis

The analysis of objective 2 applied PROCESS model macro (Model 6, Hayes, 2017) in SPSS to test the serial mediation analysis of business logic → service provider facilitation → customer affective outcomes (subjective well-being, customer-brand identification) → customer behavioral outcomes (positive referral, repatronage intention). Business logic was served as an independent variable. Service providers' facilitation and customer affective outcomes served as serial mediators in this relationship. Customers' positive referral behavior and repatronage intention were served as dependent variables.

3.3 METHODOLOGY UNDER OBJECTIVE 3

3.3.1 Design and Procedures

A 2 (customer role in service recovery: voluntary vs. involuntary) × 4 (business logic: GDL vs. SDL vs. CDL vs. MDL) between-subject experimental design was employed. The experimental conditions were manipulated by scenarios adopted from

Dong et al. (2008), and Harrington et al. (2019a), then developed based on the participants' recalled experiences from the pretest. Participants were randomly assigned to one of the four business logic conditions with an online questionnaire created using Qualtrics software, which enables participation randomization.

The data was collected through a web-based survey platform (Qualtrics) with the use of attention checks throughout multiple stages of the survey to ensure the quality of the data. Recruiting criteria was limited to U.S. adult residents who have dined in fast food, casual dining, and fine dining restaurants in a pre-COVID 19 situation. The survey consisted of three main parts: (1) scenario manipulations, (2) measurement of variables, and (3) respondent demographic characteristics.

3.3.2 Experimental Stimuli and Measures

Business Logic was manipulated at four levels, GDL, SDL, CDL, and MDL by measuring the value dimensions of a food service business. Participants in GDL condition have had the experience of dining in a quick-service operation. In SDL condition, when dining in a food service operation, participants have had an experience of receiving some facilitations from the service providers. In CDL condition, participants had a service that was accommodated by the service provider regarding their food and drinks. In MD condition, participants have had a pleasant experience, which led them to have a strong memorial connection with the foodservice business. The service failure condition was set as a default throughout the four types of business logic experimental stimuli.

The customer role manipulation was designed to capture the relevant dimensions of service engagement intentions: voluntary and involuntary roles. In the voluntary role

condition, participants had a stronger capability in resolving the service failure with the service providers. In the involuntary role conditions, participants had not shown any intention to resolve the service failure along with the service provider. A series of ANOVAs were conducted to test the effectiveness of these manipulations. Planned comparisons of business logic were used to see the differences among the four types of business logic, and a t-test was used to compare customers' voluntary and involuntary role conditions.

Questions concerning customers' role in the service industry recovery was measured on a 4 item, 7-point Likert scale further categorized by 1-3 involuntary customer role in service and 4-7 voluntary customer role in service. Questions concerning customer complaint effort were asked and measured on a 7-point Likert scale (1=strongly disagree; 7=strongly agree; 4 items).

The dependent variables of customers' anticipated positive referrals and repatronage intention were measured using a 7-point Likert scale anchored by 1=strongly disagree; 4=neither agree nor disagree; 7=strongly agree; 4 items (e.g. "How likely do you recommend and intend to revisit this foodservice business in the future?").

The anticipated positive referral behavior of the service was further categorized using dichotomous responses, including 1-4 "No" representing negative referral behavior and 5-7 "Yes" representing positive referral behavior (Ryu & Feick, 2007). Another dependent variable of repatronage was measured using 4 items on a 1-7 point Likert scale anchored on 1=strongly disagree; 4=neither agree nor disagree; 7=strongly agree (e.g., "I intend to revisit this foodservice business in the future").

The anticipated intention to repatronize the service was further categorized using dichotomous responses, such as 1-4 “No” to repatronage and 5-7 “Yes” to repurchase (Reichheld, 2003). In the last section, questions for the scenario realism were measured, and survey participants’ sample characteristics were determined. Attention check questions were embedded throughout the survey.

3.3.3 Data Analysis

To test the effectiveness of manipulations, a series of ANOVAs were conducted. Planned comparisons of business logic were used to see the differences among the four types of business logic; customers’ voluntary and involuntary roles were also compared. The main effect analysis under objective 3 was conducted using MANOVA with IBM SPSS ver. 25, and the mediation analysis using multilevel binary logistic regression. Specifically, multilevel binary logistic regression was used as an attractive statistic framework for statistical modeling when testing the response variable as dichotomous.

As seen from the assumptions, when formulating a two-level model of study using customer complaining as level 1 and customer role in service recovery as level 2, it is common to assume normality for the cluster-level variation (customer role in service recovery), as well as the variation and independence of units within-cluster (individual complaining effort) (Grilli & Rampichini, 2015).

The purposes of using multilevel binary logistic regression are as follows. First, the majority of hospitality studies have focused on traditional measures of association using fixed-effect regression models for customer role in service and repurchase intentions (e.g., Cai & Qu, 2018; Han et al., 2019; Hu et al., 2019; Kim et al., 2018). Other studies have focused on determining the components of customer repurchase

intentions after service recovery (e.g., Hazée et al., 2017; Vázquez-Casielles et al., 2017; Migacz et al., 2018; Shin et al., 2017).

However, neither the traditional fixed-effect regression analysis nor the calculation of intraclass correlation regression analysis can provide sufficient explanations when it comes to dichotomous response variables (Larsen & Merlo, 2005). Thus, new measures are needed to quantify such limitations in previous methods.

Second, the frequently used intraclass correlation was often interpreted as the proportion of total variation explained between groups or as a correlation between individuals within the same group. Thus, this method is lacking the rigor of determining whether or not grouping/clustering is an important factor (Bujang & Baharum, 2017).

Third, the fixed effect is not comparable to the intraclass correlations because multinomial association-based regression cannot tell the difference between the random effect and the fixed effect in nature, especially since the random effects become fixed effects with an additional distributional assumption (Larsen & Merlo, 2005). As such, multilevel binary logistic regression is more flexible than multinomial regression and considered more appropriate in this empirical study.

In terms of heterogeneity, multilevel binary logistic regression can determine two different odds ratio interpretations of fixed-effect parameters, which are the population-averaged interpretations (overall heterogeneity) and subject-specific interpretations (provide the possibility of quantification of heterogeneity) based on a two-level model (Inan & Ilk, 2019). In terms of the variance, multilevel binary logistic regression modeling aims to detach the within-cluster effects (individual complaining effort) from the between-cluster effects (customer role in service recovery) using odd ratio, thus

unifying interpretations of fixed and random effects through a subject-specific approach (Sommet & Morselli, 2017).

The parameters corresponding to the covariates are in the vector β . The main analysis is to quantify the variation between clusters. Thus, a normal distribution is assumed and parameters characterizing this distribution can be characterized by the heterogeneity induced by the random effects (Hosmer et al., 2013). The response variable is a dichotomous variable with “yes” or “no” for repurchase intentions. The model has two levels.

Level 1: For a person with covariate vector x , corresponding to the K th cluster, the probability of observing $Y = 1$ is:

$$P(Y = 1|u_k; x) = \frac{\exp(\eta(X, u_k))}{1 + \exp(\eta(X, u_k))}$$

Level 2: For that individual, the second-level equation is:

$$\eta(x, u_k) = \beta x + u_k, \text{ where } u_k \sim N(0, \sigma^2)$$

The covariate vector, x , contains customer complaining (level 1) and customer role in service recovery (level 2) covariates. The model assumes there are differences when interpreting the effects of variables varying within customer complaining and customer role in service recovery. See Table 3.1 for the summary of the main notation and definition of multilevel binary logistic regression.

Table 3.1 Main Notion of Multilevel Binary Logistic Regression

Sample size	N Level-1 sample size (number of observations)	K Level-2 sample size (number of clusters)
Variables	$x_{1ij}, x_{2ij}, \dots, x_{Nij}$ Level-1 variables (observation-related characteristics)	X_1, X_2, \dots, X_K Level-2 variables (cluster-related characteristics)
Intercept	B_{00} Fixed intercept (average log-odds that the outcome variable equals one instead of zero $\text{Logit}(P(\text{odds}))$, when all predictor variables are set to zero)	u_{0j} Level-2 residual (deviation of the cluster-specific log-odds that the outcome variable equals one instead of zero from the fixed intercept; the variance component $\text{var}(u_{0j})$ is the random intercept variance)
Level-1 effect	$B_{10}, B_{20}, \dots, B_{N0}$, Fixed slope (average effect of a level-1 variable in the overall sample; it becomes the odds ratio when raised to the exponent $\exp(B) = \text{Odd Ratio}$)	$u_{1j}, u_{2j}, \dots, u_{Nj}$ Residual term associated with the level-1 predictor $x_{1ij}, x_{2ij}, \dots, x_{Nij}$ (deviation of the cluster-specific the effect of the level-1 variable from the fixed intercept; the variance component $\text{var}(u_{1j})$ is the random slope variance)
Level-2 effect	$B_{01}, B_{02}, \dots, B_{0K}$, Necessarily fixed slope (average effect of a level-2 variable in the overall sample; it becomes the odds ratio when raised to the exponent $\exp(B) = \text{Odd Ratio}$)	

Note. Adapted from (Sommet & Morselli, 2017)

3.4 CHAPTER SUMMARY

This chapter has introduced the methodology used in the current study. A mix-method will be used to provide both a qualitative description of customers' service touchpoints (value proposition) with the focus group interview as well as a quantitative measurement of assessing customer service outcomes with survey methods. Focus group interviews will be analyzed using critical incident techniques to gather particular themes

concerning customer value propositions at the service consumption stage. Later, a survey-based quasi-experimental research design will be used to examine three sets of causal relationships proposed in the hypotheses: (1) the effect of business logic (IV) and customer value proposition (W) on customers' happiness, subjective well-being, positive referrals, and repatronage intention (DVs); (2) the effect of business logic (IV) and service provider facilitation (M) on customers' subjective well-being, positive referrals, and repatronage intention (DVs); (3) the effect of business logic (IV) and customer engagement (M) on customers' positive referrals and repatronage intention (DVs). In order to test these relationships proposed in the hypotheses, regression-based PROCESS modeling and binary logistic regression analysis is conducted using SPSS v. 25. Chapter 4 describes the results of the experiment and data analysis in detail.

CHAPTER 4

RESULTS AND FINDINGS

4.1 INTRODUCTION

This chapter presents the results and findings of the research. Overall, the research aims to add understanding of customer journey mapping, which considers both the supply and demand side of business logic through the customer experience in the service consumption and recovery stages. The first objective of this research was to examine the relationship between the independent variables (business logic and customer value propositions) on the affective outcomes (happiness and subjective well-being) and behavioral outcomes (positive referral and repatronage intention), while considering the customers' and service providers' value formation as mediating variables (objective 1). Based on customer cognitive dissonance theory, a conceptual model was developed under objective 1. A mixed method of focus group interviews using convenience sampling and experimental design using the online survey panel, Qualtrics, were used to test objective 1.

The second objective of this research was to examine how business logic impacts the service provider's facilitation ability during service recovery. Specifically, the objective looks at how service providers' facilitation in service recovery influences customers' affective service outcomes (i.e. subjective well-being, customer-brand identification), as well as behavioral service outcomes (i.e. positive referrals,

repatronage intentions). Based on attribution theory, a conceptual model was developed to measure customers' anticipated motivations and service outcomes after service failure. A serial mediation analysis of business logic, service provider facilitation, customer affective outcomes (subjective well-being, customer-brand identification), and customer behavioral outcomes (positive referral, repatronage intention) was used to assess objective 2. An online survey panel, Qualtrics, was used to gather the data for objective 2.

The third objective of the research was to examine whether a customer's role in service recovery could make any difference in deciding their behavioral intentions, such as positive referral behavior and repatronage intention after service recovery. This research determined whether customers' complaint efforts play a mediating role in this relationship. Aligning with role theory, a conceptual model was developed under objective 3. A 2 (customer role in service recovery: voluntary vs. involuntary) \times 4 (business logic: GDL vs. SDL vs. CDL vs. MDL) between-subject experimental design was employed. Data was also collected via Qualtrics survey and the outcome variables were measured using multilevel binary logistic regression.

The results and findings under each objective are presented in this chapter. The first section describes the demographic profile of the sample under each objective by discussing the descriptive statistics, followed by sections on the results of the content analysis, multivariate analyses, and binary logistic regression used to test the hypotheses. The chapter concludes by describing the direct effects of the independent variables on dependent variables, as well as anticipated indirect effects that are proposed under each conceptual model.

4.2 RESULT OF QUANTITATIVE STUDY: INTERVIEW

4.2.1 Focus Group Interview Sample

A total of 12 participants were involved in the focus group interview during September 2020 via Zoom. The average age of the participants was 41.5 years old, with fair distribution of gender regarding male (41.67 %) and female (50%). The majority of the participants were college graduates (58.34%) and the participants were diverse in their race and ethnicity (See Table 4.1).

Of these, 4 participants were working as full-time assistant or associate professors in higher education, 2 were working in administrative-related positions in academic institutions, 3 were Master students, 2 were doctoral students, and 1 was an undergraduate student.

At the beginning of the interview, the moderator briefed the interviewees on the basic rules and then presented the semi-structured interview questions. Initially, the participants were asked to share their views on business logic, service failure, and customer roles during the service recovery. The groups were then asked to discuss their view on the development of business logic and its effect on the hotel industry.

Table 4.1 Focus Group Participant Characteristics

Characteristics	Number (N)	Percentage (%)
Age		
19-25 years old	3	25 %
26-35 years old	2	16.7 %
36-45 years old	2	16.6 %
46-55 years old	2	16.7 %
56-65 years old	1	8.2 %
Over 66 years old	2	16.7 %
Gender		
Male	5	41.67 %
Female	6	50 %
Nonbinary	1	8.33 %

Race/Ethnicity		
White	4	33.33 %
Hispanic/Latinx	2	16.67 %
Asian	3	25 %
African American/black	2	16.67 %
Biracial	1	8.33 %
Education		
High school graduate	1	8.33 %
Some college or technical training	4	33.33 %
College graduate or more	7	58.34 %

4.2.2 Classification of Focus Group Interview Incidents

Transcripts of interview data were manually coded by the researcher to identify themes in the data and establish saturation of incidents from participants regarding the business logic. Specifically, the data analysis first went through the careful inspection of participants' responses and sorted the incidents based on the similarities that recurred. Second, each critical incident was analyzed and coded using the themes identified in the literature on business logic (Vargo & Lusch, 2004a, b; Grönroos, 2011; Prahalad & Ramaswamy, 2004a, b), customer value proposition (Chandler & Lusch, 2015; Etgar, 2008), service provider facilitation (Lam et al., 2013; Van Vaerenbergh & Orsingher, 2016), customer role (Staub, 1978; Yi & Gong, 2013), complaining behavior (Bergel & Brock, 2018; Kaltcheva et al., 2013; Ro, 2015), as well as customers' affective (Lingqvist et al., 2015; Ngamaba et al., 2018) and behavioral outcomes (Schmitt et al., 2011; Tschimmel, 2012). Themes extracted from this literature were investigated in line with corresponding theories that were used as the framework of developing hypotheses. Inter-coder reliability was also checked to identify discrepancies and agreements through rereading and discussion between the researcher and the notetaker from the focus group interview (Gadalla et al., 2013).

According to Bitner et al. (1990), the reliability between two coders should result in 80% agreement. In this study the inter-coder reliability was 92%, thus considered as satisfactory. Lastly, to be effective and efficient in terms of thematic analysis, after the principal researcher's initial manual coding, the second researcher further checked the establishment of the audit trails of concepts and key themes, which aims to overview the classification of incidents (Vaismoradi et al., 2016).

4.2.3 Types of Incidents

The focus group interviews mainly consisted of 6 in-depth interview questions regarding (1) incidents of GDL, (2) incidents of SDL, (3) incidents of CDL, (4) incidents of MDL, (5) incidents of service failure, and (6) incidents of customer role. From these 6 in-depth interviews, a total of 40 incidents were examined. The lowest number of incidents reported was two incidents by two participants regarding the customer role interview, and the highest was eleven incidents by 10 participants reported to the SDL scenarios. Among 12 participants, a majority of them reported either four or five incidents to each interview question. All discussions aim to reach theoretical saturation with no emerging themes being examined in the interviews (FitzGerald et al., 2008).

4.2.3.1 GDL Incidents

Results from CIT regarding GDL show that 80% were considered to have visited GDL-based foodservice operations, (such as cafeteria, food court, carry-out restaurants, self-checkout vending machines, drive-through services, pick-up service using mobile app) especially when they were hungry (75%), knew what to order before visit (90%), want check-out to be fast and convenient (95%), or want to save ordering and waiting time (70%).

“If we were going to get food as a takeout order, then I normally have what I want (in mind) before I go there. So, in that case, I'm just buying the thing that I want and thinking of it in my mind, but if I was going to eat in the restaurant or the place or the food court, then... I'll try anything that seems delicious or looks like everybody else is getting. It's different or whether I'm sitting there and eating or whether I'm just grabbing the food from the place.” (Respondent #4)

“I would say Starbucks. You know what you want when you go to Starbucks...using your app and quickly grab and go.” (Respondent #1)

“I would say Chipotle...I liked going there because I knew exactly what I'm going to get. It's consistently good and I can get in and out of there pretty quickly, especially if I order it on their app. I can just pick it up and they'll call my name, and I can go in and grab it. And it's quick. It's efficient.” (Respondent #5)

When asking respondents about their anticipated service outcomes, responses reflected that they don't have any good service experience due to the fast movement of getting the food and leaving (77%). Considering this purpose, respondents indicate that as long as the logistic of getting the food is seamless, they are satisfied (50%); however, if the waiting time gets longer for visiting GDL, they will be unsatisfied (92%).

“...for me, it is a kind of a quick thing. You go in, you eat, you get it and you go back... but dinner is more of a social event where you expect to sit down, have a drink or two, visit with whoever you went with, enjoy the meal, and then go home. So, it's a totally different expectation of why I went, not just for the food, but for the social aspect – lunches, a grab and go back to your office or home... So, I take that as long as I am satisfied where my basic expectations, you know, on average, then I'm good.” (Respondent #6).

4.2.3.2 SDL Incidents

CIT results from SDL indicted that 90% were considered SDL-based foodservice operations as a place customers can interact with the service providers for recommendations of food and drinks (81%), small talk with some questions for the menu (72%), engaging in the conversation to try new menus (63%), seeking some professional

questions regarding the food quality and cooking methods (45%), and having personal adds-on to the menu via conversations (36%).

“I like being able to chit chat with them and having them warm up to me... and asking their recommendations and just saying hello and recognizing them and they recognizing me (sic). I think that is an important element of the emotional connection” (Respondent #8).

“My favorite part is... I can try some foods that maybe I wouldn't have otherwise selected and I've been happy with it... Sometimes it can be a cocktail that has sweetness... like I tried this and it was really sweet or you can choose these added things... then I followed the server's choice” (Respondent #3).

“I have a feeling that I can talk with the servers and ask anything about the food quality and the method... people will tell you what's really good or what you've really got to try” (Respondent #10).

Responsive service outcomes from participants show that through these recommendations and conversations with the service providers, they feel more delighted (66%), satisfied (72%), and their dining experience was more relaxed without any hurry (90%), which leaves more opportunities to enjoy other people around them. Such meaningful conversations between customers and service providers, and the adventurous experience of trying new menu items based on the service provider's recommendations heightened the experience to some degree (92%), along with making customers feel more educated with new food quality and food cooking methods identified (75%).

“...whatever their server was recommending, beverages or food, they are really good. I think it makes it a little bit more fun. It's a little bit more like an adventure if you're trying something based on the servers' recommendation. So, I think it heightens the experience to some degree, at least” (Respondent #3).

“It's kind of like an experience, which is exciting, but for me, it's very relaxing as well. I'm not in a hurry. I'm relaxing, I'm enjoying it and enjoying the people that I'm with.” (Respondent #1).

“I like to take the recommendations of the servers at a restaurant...after asking for recommendations I get better service...and I also feel more educated after trying something new” (Respondent #9).

“...asking for recommendations will not only make me want to try new food, but also shows that the server actually values my opinion...” (Respondent #6).

4.2.3.3 CDL Incidents

Typical examples indicated in CDL incidents included Sushi bars, open kitchens, Oyster houses for trying abbreviated menus which paired food and wine, and high-end restaurants that are able to tweak the menu for their customers. Based on four incidents from CDL, the results indicate that 75% considered CDL-based foodservice operations as a place where customers could be exposed to certain types of accommodations regarding food or drinks during their visit. For example, respondents deemed that they were able to receive personalized service without any worries about ordering (66.7%). Also, customers perceived the service provider’s passion in designing a meal for the customer (50%) and appreciated the service provider’s modification of the menu based on their expertise (75%).

“...when I go to sushi restaurants that are the higher end. For example, and they're very personalized where they'll basically say, we're going to serve you. You don't even order, and the one thing they will do is they'll make sure to ask... what are the things you can't eat? And then specifically they'll re-customize everything. They'll serve you that day, which is a great experience, because you can just sit there and enjoy the food. You don't have to worry about ordering anything. You just know that they're going to make everything fresh right away for you. It's great” (Respondent #2).

“Yeah. We had a great experience in Charleston before COVID-19 happened, where we went to one of the oyster houses and ordered dinner and I ordered grill duck and I asked the waitress, what wine do you recommend? And she wasn't a hundred percent sure. She goes, I think you should have, you know, X...and she goes, but hang on. Then she goes to get some wines and bring them to the table” (Respondent #4).

“I am a vegetarian, I'm a big fan of Mexican food... it is convenient for me when the servers kept asking... are you sure you don't want this, I could do this vegetarian, you know, I could do that, let me put a few little extra lettuces and some goodies... and that becomes a very personal interaction where we've had conversations and they know what I want. And that really makes that experience delightful” (Respondent #9).

Customers whose experiences were analyzed based on CDL reported that they enjoyed the customer-centric accommodations from the server: tweaking their menus, asking for likes and dislikes, and their passion for designing the meal for the customer. 75% of respondents indicated that they were satisfied with modifications based on the respondents' preferences on foods and drinks, and 59% indicated that such accommodations from the service providers enhanced their meal experience, which signified a higher possibility of customers becoming loyal (72%).

“... I never complained about tweaking the menu because, you know, they're giving me something different, but I'm much more satisfied when there's a slight modification that really enhances the meal for me.” (Respondent #6).

“I'm much more loyal to go back there again because in part I enjoy what it was, what the menu item was. I think the flip side of that, though, might be if they recommended something that you didn't like, then you might be lerier. I think that's one of those customer-centric things that are different. It's not really a recommendation based on their expertise, but it's a willingness to, um, flex, I guess” (Respondent #12).

“...We have a conversation very similar to the idea of your likes, your dislikes. This goes well with what you're having. It was fantastic. So, I ordered a wine that was based on the servers' personalized modifications, which I'd never had before, and it turned out to be a great choice...I think it tasted better because their passion was involved in putting that meal together for me. It was a great experience” (Respondent #11).

4.2.3.4 MDL Incidents

A total of eight memorable dining experiences based on MDL incidents were gathered from respondents, which suggested that customers were more likely to be impressed when the restaurant owner offered a special service establishment that distinguishes themselves from their counterparts (75%). Specifically, when the restaurant has a special way to engage customers with the food and service (87%), a local celebrity adds instant credibility to the restaurant entertainment (37%), or customers (especially foodies) have the opportunity to interact with the well-known chef (20%).

“I have one, and it's related to the way that the restaurant wasn't trying to be anything super special...it was a restaurant in Santa Monica, California. It was fairly upscale, not super expensive, but the kind of place where there was a young chef who'd made a name for himself. It was kind of a neighborhood place, but they drew people from all over town to come to try his food. He was pretty well-known as a great chef. And he had a garden on the roof top. A lot of this stuff for his salads was fresh. What I remember was, first of all, the chef would spend his time outside of the kitchen greeting people. He was the chef in charge, but he spent a lot of time out in the front of the restaurant and telling me stories about how the restaurant had grown and what the offering was going to be this week and next week” (Respondent #6).

“... I won't ever forget that. I'll tell you, John Malcovich is coming in. And I said, John Malcovich. The famous movie star? He says, yeah. He called up and said, this is John Malkovich. Can I get a table for him? He said, oh, sure...After John Malcovich left and we were still there drinking wine ...he was talking about coming back again and it became this whole sort of story... It was like we had a connection. We had stories to tell about that experience. Plus, he was just always really engaged in both the food and the service, you know” (Respondent #7).

“...I kinda of want to jump in here to share my experience when I was in high school. So... I always go for a roast chicken...I've got good connections with the owner of the restaurant, and every time I pass by, he will tell me whether they are nearly grilled or gross chicken, and then share it with me or see if I want to have some saved for today or something like that...every time they have new menus come out, they will always be the

first one to contact me, see if I want that. I think that's like a new experience for my high school experiences. Yeah, it's like years ago, but I still remember the experience.” (Respondent #10).

The perceived service outcomes indicated from respondents in MDL scenarios consistently shows that they were more excited (90%), entertained (85%), as well as amazed and educated (75%).

“...they (Turkish restaurant owner) gave us the tradition of dessert, but they didn't make the dessert in the kitchen. They brought all the ingredients to the table and then they showed us how to make that dessert and how to cut that dessert and how to eat the dessert... I think there were two things to experience...The first one is if I'm eating and there's some kind of entertainment. Second, I think that makes it kind of exciting and unique.... “It's just that little extra that's unexpected; that lineup or your meal is what makes it even more exciting and unique” (Respondent #11).

“...I was just going to echo that some of my most memorable, um, dining experiences have been, uh...when the chef comes out. That's like a foodie's ultimate, you know... He (respondent's husband) asked if the chef had a moment and if I would come out. He wanted to talk to her (the chef) a little bit about ... and that was so cool” (Respondent #9).

“...we found out that he had written that pretty widely known cookbook in certain circles. And he kept sending us little toppers to try different things. Cause, he told us about menu items, um, that he specialized in and his whole thing and wanted us to try things...It was a really fascinating learning experience.... For those who love food, which most of us do, learning about it is part of the element as well” (Respondent #4).

4.2.3.5 Service Failure Incidents

A total of ten incidents of service failure were described by the respondents and the emerging themes were consistent among the four business logics. All respondents agreed that they perceived a service failure when the food served was mediocre (83%), the service delivery was slow (70%), less attention was paid to the customer by the service providers (68%), and customers observed unfavorable service attitudes (62%).

The indicated service outcomes from such service failures lead to customers' dissatisfaction (90%), non-repatronage intention (87%), confusion (75%), and some of the respondents even felt that they were discriminated against due to the failed service attitude (35%) and less attention (20%).

"I recently went to a fast-food chain... I ordered the food and paid upfront, but later they told me to pull up to the side and they'd bring my food out ... But they just never brought my food out. Since then, I hadn't been back there" (Respondent #7).

"...my dinner doesn't show up, and then when they finally run to the kitchen to try to correct it, they bring out something unacceptable. So, I am totally giving up on Outback and I'm not kidding. This has happened over a dozen times, so I've completely given up" (Respondent #10).

"Yeah. So, um, I have similar experiences, but, um, that's happened when you, um, booked a really good restaurant because you want to try some specific foods...But, um, after you're lined up for so many hours, they tell you that the food is already sold out and you have to order like something else, which you don't even want to have it... but you have been waiting for so long...but you still don't get what you want.... I think that's kinda like an awful experience" (Respondent #12).

"... being a female, you know, you go up there and you're like, and you're like, hey, like you're trying to order something. But then I noticed a male went in after me and he got his drink way faster than I ever got mine. I don't know what it was at the time. I even tried to get their attention and it's like, I wasn't even there. So yeah. What is that? Discrimination or what?" (Respondent #8).

Table 4.2 CIT analysis for Business Logic

Triggers	Themes	Codes	Anticipated outcomes
GDL	Quick service	Cafeteria, Food court Carry-out restaurants Self-checkout Vending machines	Average expectation met when the logistic
		Drive-through services Pick-up service using mobile app Interactive with the service providers Small talk with for the menu	Satisfied when food delivery is seamless Delightful Exceeded expectations
SDL	Interactive service based on recommendations	Engaging in trying new menus Seeking some professional questions Having personal adds-on to the menu	Heightened experience Feel more educated Feel satisfied
		High end restaurants	Great experience
CDL	Interactive service based on accommodations	No worries about ordering Tweak the menu for customers Modify menus based on expertise Chef has a special establishment Special way to engage customers	Flex experience Over satisfaction Become loyal Excited Entertained
		Local celebrity adds credibility Foodie's dream to interact with chefs	Amazed Educated

4.2.3.6 Customer Role Incidents

There were only two incidents generated for customer role in service recovery scenarios, in which one specific condition indicated that a majority of the respondents would like to engage only when the service provider is communicable in terms of how to

resolve the service failure with them (83%), while the rest of the customers said their level of engagement during the service recovery process depended on the guest that they were with (17%).

“Usually, I will try to make a recommendation of what I hope will happen. It is possible that you could X, Y, Z or what have you, but some of it, again, does depend on who you're with. It might be that the other guests that you're with just want to call it a day and leave. But I usually try to be really courteous and put in front of the server or whoever it is, some options that they should be able, um, to make it happen. But it really goes south when the, when the person that you're interacting with was unwilling to cooperate or help, which sometimes occurs” (Respondent #9).

“I'm always willing to work with them, the restaurant, and the service provider in order to get good service... as long as there is a consistency in what they're telling their customers. And I tell them what happened... That's an experience that we had. And as a result of that process, you know, we still enjoy going there to eat” (Respondent #5).

To summarize, the focus group interview results show a consensus on the four types of business logic scenarios. Respondents perceived the GDL condition as food service that provides the most basic service for take-out orders with zero to minimum interactions with the service provider, SDL condition as foodservice where the service providers offer recommendations with a moderate level of interactions with the customer, CDL condition as foodservice where the service providers can accommodate customers' orders by tweaking menus and creating personalized modifications, and MDL condition as foodservice where customers have fond memories of the business or the restaurant manager. This is in line with value co-creation literature (Vargo & Lusch 2004a, b) and the service engagement model (Heinonen et al., 2010).

Such results contribute to the existing literature by clearly explaining the boundary conditions among four types of business logic, which has rarely been

examined in previous literature (Harington et al., 2019). Therefore, CIT results will benefit the main experimental studies by quantitatively presenting relationships among critical constructs, including business logic, customer value proposition, service facilitation factors, and the customer engagement model. As a result, the CIT will benefit in clarifying the niches that happen from supply and demand sides during customer journey mapping under varied business logic. Based on the CIT results, the scenarios for the main study were revised. See Appendix C for more details.

4.3 RESULT OF QUALITATIVE STUDY: PILOT STUDIES

4.3.1 Result of Pilot Study for Objective 1

Respondents of objective 1 were those who had experience at a restaurant during the past 6 months in pre-COVID 19 circumstances. The main purpose of objective 1 was to examine the effect of customers' perceived value proposition on their happiness in foodservice operations while considering four types of business logic applied in restaurants.

A total of 139 valid respondents were collected with an average of 35 respondents in each experimental cell during August of 2019. Participants were recruited from the online survey panel Amazon Mturk and randomly assigned to one of the four business logic scenarios (GDL: n=35, SDL: n=35, CDL: n=33, MDL: n=36), then fairly distributed to the connected (n=70) and dispositioned value proposition conditions (n=69). Most of the respondents were female (59.7%). Regarding age, 39% were between 35-45 years old, and the majority (58.3%) had at least a bachelor's degree. See Table 4.3 for the detailed descriptive information from the pilot study for objective 1.

Table 4.3 Descriptive Data of Pilot Study for Objective 1 (N=139)

Variables	Classification	Frequency (N)	Percent (%)
Age	18-25 years	17	12.2
	26-35 years	45	32.4
	36-45 years	53	38.1
	46-55 years	13	9.4
	56-65 years	8	5.8
	66 years or older	3	2.2
Gender	Female	83	59.7
	Male	56	40.3
Education	Before High School	1	.7
	High School/GED	17	12.2
	Some College	27	19.4
	Associate's Degree	13	9.4
	Bachelor's Degree	50	36.0
	Master's Degree	30	21.6
	Doctoral Degree	1	.7
Ethnicity	Caucasian	92	66.2
	African-American	19	13.7
	Hispanic	12	8.6
	Asian	13	9.4
	Native American	2	1.4
	Others	1	.7
Marital Status	Single (never married)	51	36.7
	Married/Have a partner	72	51.8
	Separated	5	3.6
	Divorced	11	7.9
Annual income in US dollars	\$0-\$20,000	14	10.1
	\$20,001-\$40,000	33	23.7
	\$40,001-\$60,000	44	31.7
	\$60,001-\$80,000	28	20.1
	\$80,001-\$100,000	12	8.6
	\$100,001+	8	5.8
Freq. of dining out in a restaurant	Every day or more often	5	3.6
	Two to six times a week	59	42.4
	Once a week	75	54.0

A one-way ANOVA was performed on the manipulation check of different business logics and showed significant differences among those four approaches ($F=31.411, p<.001$) for four manipulation questions. First, I buy the product or service with money rather than pay for the excellent (Value-in-exchange) [$F=4.861, p <.01$; GDL

(M=5.24, SD=1.01) vs. SDL (M=4.53, SD=1.37), $t= 2.76$, $p<.05$; vs. GDL (M=5.24, SD=1.01) vs. CDL (M=4.70, SD=1.23), $t=3.83$, $p<.01$; GDL (M=5.24, SD=1.01) vs. MDL (M=4.24, SD=1.47), $t=4.23$, $p<.001$].

Second, the service is created on a reliable, consistent, and responsive basis between customers and providers (value-in-use) [$F= 2.767$, $p<.05$; GDL=(4.78, SD=1.32) vs. SDL (M=5.17, SD=1.42), $t=3.64$, $p<.01$; GDL=(4.78, SD=1.32) vs. CDL (M=5.52, SD=1.00), $t=4.27$, $p<.01$; GDL=(4.78, SD=1.32) vs. MDL (M=4.98, SD=1.30), $t=4.68$, $p<.001$].

Third, the service is created on an aesthetic, entertaining, and experiential basis between customers and providers (value-in-experience) [$F=7.822$, $p<.001$; GDL (M=4.07, SD=1.76) vs. SDL (M=4.60, SD=1.85), $t=3.96$, $p<.01$; GDL (M=4.07, SD=1.76) vs. CDL (M=5.43, SD=1.09), $t=5.73$, $p<.01$; GDL (M=4.07, SD=1.76) vs. MDL (M=5.29, SD=1.32), $t=5.84$, $p<.01$].

Fourth, the service created has a lasting power on the customers' mental state with the unique memory created in the restaurant (value-in-memory) [$F=16.26$, $P<.001$; GDL (M=4.20, SD=1.48) vs. SDL (M=4.15, SD=1.67), $t=4.37$, $p<.001$; GDL (M=4.20, SD=1.48) vs. CDL (M=5.77, SD=.89), $t=4.86$, $p<.001$; GDL (M=4.20, SD=1.48) vs. MDL (M=5.51, SD=1.57), $t=5.92$, $p<.001$].

Even though all four levels of service value were significantly different on the four questions, the mean values of value-in-use and value-in-memory on the manipulation questions varied from what the researchers expected. Based on the results, the scenarios of SDL and MDL were modified by rewording the difference between the two logics based on the focus group interview critical incidents. Accordingly, the

manipulation checks have also modified in the main study. Meanwhile, as intended, a t-test was performed on the manipulation check of customer perceived value proposition with 6 items, and a significant difference was found between the connected ($M=4.26$, $SD=2.18$) and dispositioned ($M=3.60$, $SD=2.36$) value proposition of the foodservice business ($t=-5.723$ $p<.001$).

Validity and reliability tests were conducted to examine whether all constructs met or exceeded the recommended thresholds of discriminant validity and reliability. The Kaiser-Meyer-Olkin measure was used to test the sampling adequacy for customer value formation, service provider value formation, happiness, subjective well-being, positive referral behavior, and repatronage intention, which all suggested a sampling adequacy of .6 or higher (Hair et al., 1998; Tabachnick & Fidell, 2001).

The Bartlett's test of significance was less than .05 for all constructs, indicating good validity of all these measurement scales. The Cronbach's alpha was .80, .71, .91, .95, and .92 for customer value formation, service provider value formation, happiness, subjective well-being, positive referral behavior, and repatronage intention; respectively, which exceed .70, indicating good reliability or internal consistencies for items that are measured in this study (Nunnally, 1978). Therefore, all measurement items for each construct remained the same for the main study.

4.3.2 Result of Pilot Study for Objective 2

Respondents of objective 2 were those who had a service failure experience at a restaurant over the past 6 months in pre-COVID 19 circumstances. The main purpose of objective 2 is to ascertain how business logic affects the service provider's facilitation

ability during service recovery and how service providers' facilitation in service recovery influences customers' service outcomes.

A total of 206 valid respondents were collected during September 2019 via Amazon Mturk, with approximately 50 respondents distributed to each of the four experiment cells of business logic type (GDL: N =53, SDL: N =50, CDL: N =51, MDL: N =52) and two conditions of service providers' facilitation (Yes: N =102, No: N =104). Demographic results showed that the mean age was between 36-45 years, 51% of the respondents were male, 75.2 % were Caucasian, 93.2% had a four-year college degree or above, and 79.6 % had an annual income of over \$40,000. See Table 4.4 for the detailed descriptive information of the pilot study for objective 2.

Table 4.4 Descriptive Data of Pilot Study for Objective 2 (N=206)

Variables	Classification	Frequency (N)	Percent (%)
Age	18-25 years	24	11.7
	26-35 years	41	19.9
	36-45 years	49	23.8
	46-55 years	19	9.2
	56-65 years	37	18.0
	66 years or older	36	17.5
Gender	Female	101	49.0
	Male	105	51.0
Education	Before High School	3	1.5
	High School/GED	11	5.3
	Some College	42	20.4
	Associate's Degree	15	7.3
	Bachelor's Degree	72	35.0
	Master's Degree	59	28.6
	Doctoral Degree	4	1.9
Ethnicity	Caucasian	155	75.2
	African-American	20	9.7
	Hispanic	11	5.3
	Asian	10	4.9
	Native American	206	2.4
	Other	5	2.4
Marital Status	Single (never married)	72	35.0
	Married/Have a partner	114	55.3

	Separated	5	2.4
	Widowed	1	.5
	Divorced	14	6.8
Annual income in US dollars	\$0-\$20,000	18	8.7
	\$20,001-\$40,000	42	20.4
	\$40,001-\$60,000	49	23.8
	\$60,001-\$80,000	50	24.3
	\$80,001-\$100,000	25	12.1
	\$100,001+	22	10.7
Freq. of dining out in a restaurant	Every day or more often	7	3.4
	Two to six times a week	78	37.9
	Once a week	120	58.5

The manipulation check of service providers' facilitation (yes vs. no) by using a t-test showed a significant difference as attempted for questions of: service providers' facilitation regarding support ($M_{yes}=5.46$, $SD_{yes}=1.14$ vs. $M_{not}=2.95$, $SD_{no}=2.06$, $t=10.73$, $p<.001$), resource allocation decision ($M_{yes}=5.14$, $SD_{yes}=1.31$ vs. $M_{not}=3.28$, $SD_{no}=1.82$, $t=8.39$, $p<.001$), utilizing technical support ($M_{yes}=4.75$, $SD_{yes}=1.43$ vs. $M_{not}=3.41$, $SD_{no}=1.98$, $t=5.58$, $p<.001$), implementing good service culture ($M_{yes}=5.19$, $SD_{yes}=1.45$ vs. $M_{not}=3.11$, $SD_{no}=1.95$, $t=8.69$, $p<.001$), and using an communication system ($M_{yes}=5.59$, $SD_{yes}=1.38$ vs. $M_{not}=3.09$, $SD_{no}=2.04$, $t=10.335$, $p<.001$). The manipulation check of business logic by using one-way ANOVA also showed significant differences across GDL, SDL, CDL, and MDL ($F=22.044$, $p<.001$). Therefore, both manipulation checks intended for this study were confirmed as successful.

Specifically, the four manipulation check questions have shown that there are significant differences among business logic in terms of service value. For example, I buy the product or service with money rather than pay for the service excellent (Value-in-exchange) [$F=3.295$, $p<.05$; GDL ($M=5.15$, $SD=1.46$) vs. SDL ($M=4.98$, $SD=.94$), $t=4.62$, $p<.05$; GDL ($M=5.15$, $SD=1.46$) vs. CDL ($M=4.43$, $SD=1.24$), $t=4.81$, $p<.01$; GDL ($M=5.15$, $SD=1.46$) vs. MDL ($M=4.73$, $SD=1.25$); $t=5.23$, $p<.01$].

The service is created on a reliable, consistent, and responsive basis between customers and providers (value-in-use) [$F=2.275$, $p<.05$; GDL=(4.55, SD=1.68) vs. SDL (M=4.50, SD=1.43), $t=3.29$, $p<.05$; GDL=(4.55, SD=1.68) vs. CDL (M=4.59, SD=1.56), $t=4.39$, $p<.01$; GDL=(4.55, SD=1.68) vs. MDL (M=4.63, SD=1.40), $t=4.37$, $p<.001$]. The service is created on an aesthetic, entertaining, and experiential basis between customers and providers (value-in-experience) [$F=4.386$, $p<.001$; GDL (M=4.38, SD=1.85) vs. SDL (M=4.56, SD=1.59), $t=3.84$, $p<.01$; GDL (M=4.38, SD=1.85) vs. CDL (M=5.22, SD=1.38), $t=4.45$, $p<.001$; GDL (M=4.38, SD=1.85) vs. MDL (M=5.23, SD=1.17), $t=6.37$, $p<.001$].

The service created has a lasting power on the customer's mental state with the unique memory created in the restaurant (value-in-memory) [$F=3.838$, $P<.05$; GDL (M=4.72, SD=1.73) vs. SDL (M=4.56, SD=1.51), $t=3.30$, $p<.01$; GDL (M=4.72, SD=1.73) vs. CDL (M=5.29, SD=1.22), $t=4.83$, $p<.001$; GDL (M=4.72, SD=1.73) vs. MDL (M=5.33, SD=1.22), $t=5.97$, $p<.001$]. However, considering that some of the wordings was confusing to a few of the respondents, the manipulation questions were modified for the main study by focusing on the how service was delivered to the customer across different business logics.

Study 2 also conducted reliability and validity tests for the constructs measured in this study. The results showed that the Kaiser-Meyer-Olkin measure of sampling adequacy value exceeded the .60 cutoff recommended by Hair et al., (1998). The validity of the measurements was established, as the Bartlett's test of significance was less than .05 for all constructs. The reliability of the measurement scales was checked using Cronbach's alpha, which showed .95, .89, .96, .92, and .91 for service provider

facilitation, subjective well-being, customer-brand identification, positive referral behavior, and repatronage intention, respectively, so that all constructs claimed reliability of all measurement scales (Nunnally, 1978). Therefore, all constructs have met the requirements of internal consistencies of the measurement items designed for the study focused on objective 2.

4.3.3 Result of Pilot Study for Objective 3

The main purpose of objective 3 is to ascertain how business logic affects customers' ability to participate in the service recovery process, and how their complaining efforts in service recovery influences customers' service outcomes. Respondents who had a service failure experience at a restaurant over the past 6 months in pre-COVID 19 circumstances were chosen for the pilot testing sample for objective 3.

A total of 198 valid respondents were collected via Amazon Mturk during October, 2019 with approximately 50 respondents distributed to each of the four business logic experiment cells (GDL:n=55, SDL:n=47, CDL:n=48, MDL:n=48). The distribution of respondents regarding the customer role in service recovery conditions was also deemed fair (Voluntary: n=97 vs. Involuntary: n=101). Demographic results showed that the mean age was between 36-45 years old, 49.5% of the respondents were male (female: 50.5%), the majority of the survey participants were Caucasian (73.2%), over 80% had a four-year college degree or higher, and over 70% had an annual income of over \$40,000. See Table 4.5 for more details.

Table 4.5 Descriptive Data of Pilot Study for Objective (N=198)

Variables	Classification	Frequency (N)	Percent (%)
Age	18-25 years	6	3.0
	26-35 years	40	20.2
	36-45 years	40	20.2
	46-55 years	18	9.1
	56-65 years	42	21.2
	66 years or older	52	26.3
Gender	Female	104	52.5
	Male	94	47.5
Education	Before High School	2	1.0
	High School/GED	2	1.0
	Some College	12	6.1
	Associate's Degree	27	13.6
	Bachelor's Degree	73	36.9
	Master's Degree	80	40.4
	Doctoral Degree	2	1.0
Ethnicity	Caucasian	152	76.8
	African-American	15	7.6
	Hispanic	10	5.1
	Asian	8	4.0
	Native American	4	2.0
	Others	9	4.5
Marital Status	Single (never married)	60	30.3
	Married/Have a partner	124	62.6
	Separated	2	1.0
	Divorced	12	6.1
Annual income in US dollars	\$0-\$20,000	32	16.1
	\$20,001-\$40,000	26	13.2
	\$40,001-\$60,000	30	15.2
	\$60,001-\$80,000	54	27.1
	\$80,001-\$100,000	24	12.2
	\$100,001+	32	16.2
Freq. of dining out in a restaurant	Every day or more often	8	4.0
	Two to six times a week	73	36.9
	Once a week	117	59.1

The manipulation check of customer role (voluntary vs. involuntary) by using a t-test showed a significant difference when attempted for questions such as, “I am fully capable of recovering service failure” ($M_{\text{voluntary}} = 4.02$, $SD_{\text{voluntary}} = 1.54$, ; $M_{\text{involuntary}} = 4.50$, $SD_{\text{involuntary}} = 1.65$; $t = 3.206$, $p < .001$) and “I am confident in my ability to solve

the service failure” ($M_{\text{voluntary}}=4.18$, $SD_{\text{voluntary}}=1.65$, ; $M_{\text{involuntary}}=4.60$, $SD_{\text{involuntary}}=1.50$; $t=1.337$, $p<.01$).

The manipulation check of business logic by using a one-way ANOVA also showed significant differences across GDL, SDL, CDL, and MDL for four manipulation check questions: I buy the product or service with money rather than pay for the service excellent (Value-in-exchange) [$F=1.754$, $p<.05$; GDL ($M=4.78$, $SD=1.29$) vs. SDL ($M=4.66$, $SD=1.31$), $t=3.78$, $p<.05$; GDL ($M=4.78$, $SD=1.29$) vs. CDL ($M=4.23$, $SD=1.40$), $t=4.05$, $p<.05$; GDL ($M=4.78$, $SD=1.29$) vs. MDL ($M=4.75$, $SD=1.42$), $t=4.27$, $p<.01$]; the service is created on a reliable, consistent, and responsive basis between customers and providers (value-in-use) [$F=1.280$, $p<.05$; GDL ($M=4.35$, $SD=1.49$) vs. SDL ($M=4.62$, $SD=1.51$), $t=4.09$, $p<.001$; GDL ($M=4.35$, $SD=1.49$) vs. CDL ($M=4.90$, $SD=1.37$), $t=5.87$, $p<.001$; GDL ($M=4.35$, $SD=1.49$) vs. MDL ($M=4.63$, $SD=1.30$), $t=6.15$, $p<.001$]; the service is created on an aesthetic, entertaining, and experiential basis between customers and providers (value-in-experience) [$F=13.835$, $p<.001$; GDL ($M=3.93$, $SD=1.74$) vs. SDL ($M=4.79$, $SD=1.44$), $t=4.38$, $p<.001$; GDL ($M=3.93$, $SD=1.74$) vs. CDL ($M=5.23$, $SD=1.17$), $t=5.45$, $p<.001$; GDL ($M=3.93$, $SD=1.74$) vs. MDL ($M=5.56$, $SD=.94$), $t=6.84$, $p<.001$]; the service created has a lasting power on the customer mental state with the unique memory created in the restaurant (value-in-memory) [$F=8.180$, $P<.05$; GDL ($M=4.29$, $SD=1.49$) vs. SDL ($M=4.68$, $SD=1.43$), $t=3.64$, $p<.05$; GDL ($M=4.29$, $SD=1.49$) vs. CDL ($M=4.96$, $SD=1.49$), $t=4.41$, $p<.01$; GDL ($M=4.29$, $SD=1.49$) vs. MDL ($M=5.65$, $SD=1.25$), $t=4.56$, $p<.01$].

However, similar to the pilot test for objective 2, some wordings from the manipulation check question mean that value-in-use and value-in-experience were

deemed not clear enough. Therefore, these two manipulation questions were modified for the main study.

The reliability and validity tests for the constructs were also measured for the objective 3 variables. The Kaiser-Meyer-Olkin measure of sampling adequacy value all exceeded the cutoff of .60 (Hair et al., 1998), and the Bartlett's test of validity showed significance for all constructs ($p < .05$). The internal reliability of the measurement scales was checked using Cronbach's alpha, and showed .92, .82, .86, and .83 for customer role in service recovery, customer complaining effort, positive referral behavior, and an intention, respectively. Therefore, all constructs under objective 3 had good internal reliability (Nunnally, 1978).

Meanwhile, as noted in the previous chapters, objective 3 is measured using the multilevel binary logistic regression to determine which of the focal concern variables, such as customer role and complaining efforts, could influence customer service outcomes. To do so, several statistical methods were used. As there is more than one independent variable in the regression equation, multicollinearity may be an issue in that it can cause unstable estimates and inflate variances (Midi, Sarkar, & Rana, 2010). Multicollinearity is present with very small tolerance values (less than .10) and very large VIF values (greater than 10) (Menard, 2000).

According to Hoffmann (2004), the conservative cut off point for these values are around .40 for tolerance values and 4.0 for VIF values. As suggested by Freedman (2009), a low tolerance value indicates that one or more predictors in the data are redundant, and a high VIF factor suggests variables may be highly correlated, which might lead to multicollinearity issues. As seen from Table 4.7, the smallest tolerance

value found within the models was .87, and the largest VIF value was 1.14, suggesting that there are no significant problems with collinearity within these models.

Table 4.6 Variance Inflation Factor and Tolerances

Independent Variable	VIF	Tolerance
Dependent Variable: Customer Positive Referral Intention		
Business logic	1.01	.97
Customer role	1.14	.88
Customer complaining effort	1.14	.87
Dependent Variable: Customer An Intention		
Business logic	1.01	.99
Customer role	1.13	.88
Customer complaining effort	1.14	.87

4.4 RESULT OF MAIN STUDY UNDER OBJECTIVE 1

4.4.1 Sampling Characteristics of Main Analysis under Objective 1

A total of 320 valid participants were recruited from Qualtrics, which features a diverse nation-wide customer pool and produces high-quality data (Monzon, Julio, & Garcia-Martinez, 2020). Attention checks and participants' ID address check were all implemented throughout the survey process. Respondents were equally and randomly assigned to one of the eight experimental cells (4 types of business logic by 2 types of value proposition conditions). Each experimental cell of the four different types of business logic had 40 participants, and 160 samples (response rate: 45%) were collected both for the connected and dispositioned value proposition conditions. As this research examines perceptions toward foodservice operations, respondents were asked about their frequency of dining out in a restaurant in the pre-COVID 19 environment as a screening question and eliminated participants who answered "never", "less than once per year", or "less than once per month."

Regarding the sample characteristics, the main study sample under objective 1 consists of 56.9% male, 43.1% female, and 0% prefer not to answer. Roughly three-quarters (74%) of the respondents were aged 25-34, and 80% of the respondents were Caucasian. Also, 40% of the respondents had a bachelor's degree or above. In terms of annual income, the majority of the respondents (64.4 %) were married and had an annual income of over \$50,000. Among the respondents, 74.4% had the experience of dining out in a restaurant more than once an week during pre-COVID19 conditions, and 79.1% indicated that their amount of dining out in an restaurant after the emergence of COVID-19 was at least once an month. See Table 4.7 for a full demographic profile of respondents from the study focused on objective 1.

Table 4.7 Sample Characteristics of Main Study under Objective 1 (N=320)

Variable	Frequency	Percentage
Age		
18-24 years	17	5.3
25-34 years	74	23.1
35-44 years	108	33.8
45-54 years	57	17.8
More than 54 years	64	20.0
Gender		
Female	182	56.9
Male	138	43.1
Prefer not to answer	0	0
Education		
Some high school but no diploma or less	8	2.5
High School diploma	102	31.9
Associate's degree	59	18.4
Bachelor's degree	75	23.4
Graduate degree	76	23.8
Ethnicity		
Caucasian	256	80.0
Asian	16	5.0
African American	22	6.9
Hispanic	17	5.3
Two or more	7	2.2
Others	2	.6

Marital status		
Single (never married)	72	22.5
Married/Have an partner	206	64.4
Separated	4	1.3
Widowed	13	4.1
Divorced	25	7.8
Annual income		
\$0-\$20,000	49	15.3
\$20,000 - \$49,999	96	30.0
\$50,000 - \$79,999	65	20.3
\$80,000 - \$99,999	27	8.4
\$100,000 or more	83	25.9
Pre-COVID19 Frequency of dining out		
Every day or more often	17	5.3
Two to six times an week	94	29.4
Once an week	127	39.7
Once an month	82	25.6
Post-COVID19 Last time dine out		
Yesterday	49	15.3
Within an week	141	44.1
Within an month	63	19.7
Within three months	21	6.6
Within six months	27	8.4
Within an year	19	5.9

4.4.2 Manipulation and Measures of Main Analysis under Objective 1

Business logic was manipulated at four levels (GDL vs. SDL vs. CDL vs. MDL). In the GDL condition, participants were given a scenario that described a take-out service experience. In the SDL condition, participants were exposed to a food service business that allowed them to try some foods that were based on the employee/server's recommendations. In the CDL condition, participants were asked to imagine themselves in an upscale foodservice business that offered personalized modifications to their dishes. In the MDL condition, participants read a scenario that described a foodservice business that created special memories for them.

The scenario effectiveness checks were performed in two ways. For realism, respondents rated the scenario prompt as realistic ($M=5.02$, $SD=1.34$), and there were no differences by scenarios, $F(7, 312) = 1.81$, $p = .58$. For imagining how difficult/easy the scenario was, respondents, rated the scenario as easy to read ($M=5.14$, $SD=1.37$), and there were no differences by scenarios, $F(7, 312) = .37$, $p = .92$. Taken together, these results indicate the successful manipulation of scenarios.

To test the effectiveness of the business logic manipulation, two revised manipulation questions from the pilot study were used considering the problems of mean values showed from customers' perceived value that is not congruent with the theoretical support. Participants were asked to indicate perceptions of the four types of business logics value creation, specifically regarding foodservice restaurants from the scenarios.

Planned comparisons were conducted to test perceptions of the value among different types of business logics on a 1-7 likert scale that ranges from 1 = strongly disagree to 7=strongly agree [$F(3, 316)=3.861$, $p<.05$; GDL ($M_{GDL}=4.50$, $SD_{GDL} = 1.48$) vs. SDL ($M_{SDL} = 5.23$, $SD_{SDL} = 1.37$), $t=3.24$, $p<.05$; GDL ($M_{GDL}=4.50$, $SD_{GDL} = 1.48$) vs. CDL ($M_{CDL} = 4.69$, $SD_{CDL} = 1.50$), $t=3.86$, $p<.05$; GDL ($M_{GDL}=4.50$, $SD_{GDL} = 1.48$) vs. MDL ($M_{MDL} = 4.64$, $SD_{MDL} = 1.45$), $t=4.54$, $p<.01$].

Also, participants' perceptions regarding value creation were measured by two aggregated items (item 1: ordered the food based on the service providers' recommendation and facilitation; item 2: received the accommodations and personalized modifications to the menu) and showed significant differences among the four types of business logic [$F(3, 316)=2.83$, $p<.05$; GDL ($M_{GDL}=4.40$ $SD_{GDL} = 1.64$) vs. SDL ($M_{SDL} = 5.04$, $SD_{SDL} = 1.66$), $t=3.82$, $p<.05$; GDL ($M_{GDL}=4.40$ $SD_{GDL} = 1.64$) vs. CDL (M_{CDL}

=4.74, $SD_{CDL} = 1.55$), $t = 4.60$, $p < .05$; GDL ($M_{GDL} = 4.40$ $SD_{GDL} = 1.64$) vs. MDL ($M_{MDL} = 4.99$, $SD_{MDL} = 1.35$), $t = 5.13$, $p < .01$].

The customer value proposition was manipulated at two levels: connected vs dispositioned. Participants in the connected value proposition condition were given a situation where they perceived the value of this food service operation as good. In the value dispositioned condition, participants did not perceive a convincing reason to buy the product or use a service from this foodservice operation (from the scenario that described foodservice operations being adopted by different business logic). Therefore, the value of a product or service from this foodservice operation was perceived poorly. An independent sample t-test was conducted while utilizing 6 items from the pilot study; its purpose was to check whether participants perceived the value proposition stimuli as the researcher intended.

As expected, the aggregated mean values from the 6 items showed that participants in the connected value proposition conditions rated the perceived intensity of invitation to engage in the service encounter significantly higher than the dispositioned value proposition condition (GDL condition: $M_{Connected} = 5.31$ vs. $M_{Dispositioned} = 4.24$, $t(318) = 7.58$, $p < .001$; SDL condition: $M_{Connected} = 5.45$ vs. $M_{Dispositioned} = 4.40$, $t(318) = 7.65$, $p < .001$; MDL condition: $M_{Connected} = 5.33$ vs. $M_{Dispositioned} = 4.05$, $t(318) = 6.05$, $p < .001$; MDL condition: $M_{Connected} = 5.71$ vs. $M_{Dispositioned} = 4.37$, $t(318) = 6.04$, $p < .001$). Therefore, these results indicate that the manipulations of cues were successful.

Before testing the hypothesized relationship among proposed constructs under objective 1, an Exploratory Factor Analysis (EFA) was performed to identify variables that formed the proposed latent variable constructs (Ruscio & Roche, 2012). Any items

that had a factor loading of less than .4 were used in accordance with the criteria of an item was retained only when it loaded greater than ± 0.40 on the relevant factor and less than ± 0.40 on the non-relevant factor (Hair, Black, Babin, Anderson, Tatham, 2006).

After assessing the EFA to ensure the factor loading, Cronbach's alpha coefficients were calculated for each factor to check for the internal reliability (Himkin, Tracey, & Enz, 1997). The resulting EFA for the items indicated a Kaiser-Meyer-Olkin (KMO) of .98 with a statistically significant Bartlett's Test of Sphericity ($p < .01$). Six factors had eigenvalues greater than one and accounted for 84.77% of the total variance (Mahmoud & Kamel, 2010). Table 4.8 below provides further information regarding the EFA and reliability analysis under objective 1.

Table 4.8 Measurements with Factor Loadings and Reliabilities (Objective 1)

Variable	Factor1 CVF	Factor 2 PSPVF	Factor 3 CH	Factor 4 CSWB	Factor 5 CPR	Factor 6 CRI
CVF1	0.80					
CVF2	0.77					
CVF3	0.82					
PSPVF1		0.54				
PSPVF2		0.76				
PSPVF3		0.69				
CH1			0.67			
CH2			0.64			
CH3			0.64			
CH4			0.62			
CSWB1				0.85		
CSWB2				0.92		
CSWB3				0.79		
CSWB4				0.76		
CSWB5				0.75		
CSWB6				0.82		
CSWB7				0.72		
CSWB8				0.57		
CPR1					0.51	
CPR2					0.50	
CPR3					0.49	
CPR4					0.50	

CRI1						0.90
CRI2						0.84
CRI3						0.91
CRI4						0.88
Alpha						
Reliability	.84	.82	.95	.95	.95	.94
Eigenvalues	4.12	2.90	2.43	2.22	2.06	1.51
% Variance	47.14	16.40	11.89	3.45	3.12	2.77

Note: CVF= Customer Value Formation; PSPVF= Perceived Service Provider Value Formation; CH= Customer Happiness; CSWB= Customer Subjective Well-being; CPR= Customer Positive Referral; CRI= Customer Repatronage Intention

4.4.3 Hypothesis Testing under Objective 1

To test the hypotheses proposed in objective 1, a two-way MANOVA was performed to test the effects of business logic and customer value proposition on the customers' affective service outcomes.

The results showed that business logic and customer value proposition have a significant effect on the customers' affective service outcomes, such as happiness [$F(7, 312) = 3.10, p < .05, \eta^2 = .82$] and subjective well-being [$F(7, 312) = 28.24, p < .01, \eta^2 = .76$]. Univariate results reveal a non-significant effect of business logic on customer happiness, $F(3, 316) = .95, p = .42$; and subjective well-being $F(3, 316) = 1.26, p = .29$, not supporting H1. Besides, customer value proposition showed significant effects on customer happiness, $F(1, 318) = 53.90, p < .001$; and subjective well-being, $F(1, 318) = 36.36, p < .001$, supporting H2. There were no significant interaction effects.

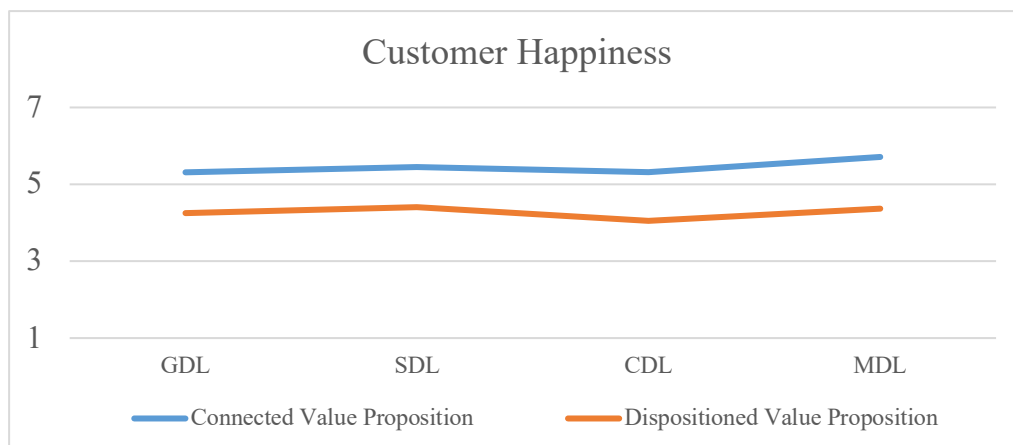
The result of the H1 and H2 suggested that business logic, which is a business rule proposed by the service firms, has no significant direct impact on customers' affective outcomes, such as happiness and subjective well-being. However, customers' connected value propositions, which formed in the customers' perspectives, did indeed influence their affective outcomes (happiness and subjective well-being).

Table 4.9 MANOVA and Univariate Follow-up Result for Objective 1

Source	Multivariate			DV	Univariate		
	Wilk's lambda	F (7, 312)	P value		F	df	P value
Business logic	.96	3.10	.03	HN	.95	3, 316	.42
				SW	1.26	3, 316	.29
Customer value proposition	.85	28.24	.00	HN	53.90	1, 318	.00
				SW	36.36	1, 318	.00
Business logic *Customer value proposition	.986	1.28	.28	HN	.21	3, 316	.89
				SW	.48	3, 316	.70

Note. DV=Dependent variable; HN=Happiness; SW=Subjective well-being

Specifically, the results of planned comparisons showed that participants were significantly more satisfied when they had a connected value proposition with the service. They were also more likely to show increased happiness ($M_{\text{Connected}}=5.45$, $SD_{\text{Connected}}=1.11$ vs. $M_{\text{Dispositioned}}=4.27$, $SD_{\text{Dispositioned}}=1.70$; $t(318)=7.37$, $p<.01$) and subjective well-being ($M_{\text{Connected}}=5.28$, $SD_{\text{Connected}}=1.04$ vs. $M_{\text{Dispositioned}}=4.45$, $SD_{\text{Dispositioned}}=1.40$; $t(318)=6.04$, $p<.01$) among the four types of business logic (see Figure 4.1-4.2). For specific breakdowns on means of business logic and value proposition on customer affective outcomes, see Table 4.9.

**Figure 4.1** Interaction Effect of BL and VP on Customer Happiness

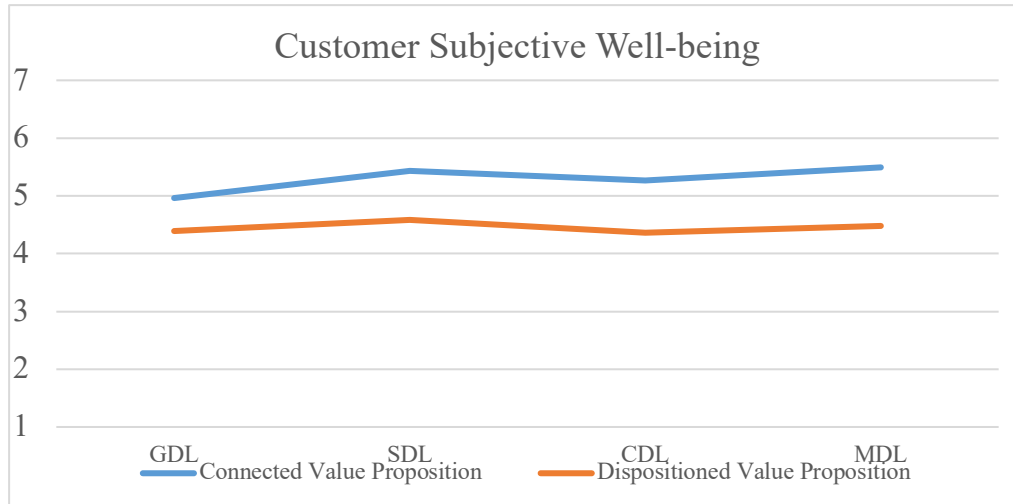


Figure 4.2 Interaction Effect of BL and VP on Customer Subjective Well-being

Table 4.10 Estimated Means of BL and VP on Customer Affective Outcomes

	Business Logic	Value Proposition	Mean	Std. Deviation	N
Customer Happiness	GDL	Connected	5.31	1.21	40
		Dispositioned	4.24	1.73	40
		Total	4.78	1.58	80
	SDL	Connected	5.46	1.16	40
		Dispositioned	4.41	1.69	40
		Total	4.93	1.53	80
	CDL	Connected	5.33	1.06	40
		Dispositioned	4.05	1.93	40
		Total	4.69	1.68	80
	MDL	Connected	5.71	0.99	40
		Dispositioned	4.37	1.47	40
		Total	5.04	1.42	80
Subjective Well-being	GDL	Connected	4.96	1.12	40
		Dispositioned	4.40	1.32	40
		Total	4.68	1.25	80
	SDL	Connected	5.43	1.11	40
		Dispositioned	4.58	1.30	40
		Total	5.01	1.27	80
	CDL	Connected	5.33	1.06	40
		Dispositioned	4.05	1.93	40
		Total	4.69	1.68	80
	MDL	Connected	5.71	0.99	40
		Dispositioned	4.37	1.47	40
		Total	5.04	1.42	80
	Total	Connected	5.45	1.11	160
		Dispositioned	4.27	1.70	160
		Total	4.86	1.55	320

CDL	Connected	5.27	0.94	40
	Dispositioned	4.36	1.66	40
	Total	4.81	1.42	80
MDL	Connected	5.49	0.93	40
	Dispositioned	4.48	1.31	40
	Total	4.99	1.24	80
Total	Connected	5.29	1.04	160
	Dispositioned	4.46	1.40	160
	Total	4.87	1.30	320

Note. BL=Business Logic; VP=Value Proposition

The bootstrap result of Hayes Model 4 (2017) used an 10,000 count bootstrap sample and showed that customers' value formation of service did not significantly mediate the relationship between business logic and their happiness (Index =.20, 95% CI= [-.15, .54]) and subjective well-being (Index =.17, 95% CI= [-.11, .47]), thus not supporting H3. This result provides preliminary support for the contention that customer value formation cannot indirectly lead to better customer affective outcomes (happiness and subjective well-being), as the business logic is predominated by the service firms and cannot guarantee affective thinking from customers. In support of H4, customers' value formation mediated the customer value proposition and its effect on both happiness (Index =-.48, 95% CI = [-.74, -.23]) and subjective well-being (Index =-.42, 95% CI = [-.64, -.20]). This result provides support for the notion that customers' perceived value from a service can lead to their more (less) enhanced affective outcomes (happiness and subjective well-being).

Additionally, the results showed that service providers' value formation of service did not significantly mediate the relationship between business logic and their happiness (Index =.01, 95% CI= [-.11, .16]) and subjective well-being (Index =.01, 95% CI= [-.09, .11]), thus not supporting H5. However, in support of H6, service providers' value

formation significantly mediated the customer value proposition and its effect on happiness (Index = -.68, 95% CI = [-.96, -.42]) and subjective well-being (Index = -.57, 95% CI = [-.80, -.35]). The bootstrap test of moderated mediation (Hayes Model 6, 2017) was conducted. Specifically, the indirect effect of business logic on customers' positive referral (Index = .04, 95% CI = [-.06, .13]) and repatronage intention (Index = .03, 95% CI = [-.05, .12]) via customer value formation and their happiness was not significant. Similarly, the indirect effect of business logic on customers' positive referral (Index = .04, 95% CI = [-.06, .14]) and repatronage intention (Index = .03, 95% CI = [-.05, .12]) via customer value formation and their subjective well-being was not significant.

The results of H5 and H6 support the view that since business logic is perceived as a dominant rule of service, it might not promise customers' perceptions of service providers' value formation. However, when customers have a positive value proposition of the service, their perceptions toward the service providers' value formation can be positive, which can lead to customers' enhanced affective outcomes (happiness and subjective well-being).

In addition, the relationship between business logic and customer behavioral outcomes (positive referrals: Index = .01, 95% CI = [-.09, .11], repatronage: Index = .02, 95% CI = [-.05, .09]) was not sequentially mediated by service provider value formation and customer happiness. Similarly, insignificant results showed for the relationship between business logic and customer behavioral outcomes (positive referrals: Index = .01, 95% CI = [-.09, .10], repatronage: Index = .01, 95% CI = [-.09, .11]) via service provider value formation and customer subjective well-being. These results show no support for H7. However, another bootstrap test of moderated mediation (Hayes Model 6, 2017)

revealed that the indirect effects of customer value proposition on customers' positive referral (Index = -.41, 95% CI= [-.63, -.20]) and repatronage intention (Index = -.36, 95% CI= [-.55, -.17]) via customer value formation and their happiness proved to be significant. Additionally, the bootstrap test examined the indirect effects of customer value proposition on customers' positive referral (Index = -.42, 95% CI= [-.64, -.21]) and repatronage intention (Index = -.37, 95% CI= [-.57, -.18]) via customer value formation and their subjective well-being, which were also found to be significant.

Furthermore, the relationship between customer value proposition and customer behavioral outcomes (positive referrals: Index = -.54, 95% CI= [-.77, -.33], repatronage: Index = -.52, 95% CI= [-.74, -.31]) was sequentially mediated by service provider value formation and customer happiness. A similar significant result was also found for the relationship between customer value proposition and customer behavioral outcomes (positive referrals: Index = -.54, 95% CI= [-.75, -.33], repatronage: Index = -.53, 95% CI= [-.76, -.32]) via service provider value formation and customer subjective well-being. Thus, supporting H8.

These results provide support for the notion that customers' and service providers' value formation is contrasted to earlier views on the company's role in developing business logic. Specifically, customers' and their perceived service providers' value formation is driven by customers' connected value propositions and further reveals hidden aspects of customers' service affective (happiness and subjective well-being), therefore leading to positive behavioral outcomes (positive referral behavior and repatronage intention). See Table 4.11 for a more detailed analysis.

Table 4.11 Result Moderated Serial Mediation Analysis (Objective 1)

	Value formation			Affective outcomes			Behavioral outcomes		
	(CVF, SPVF)			(CN, SW)			(PR, RI)		
		β (index)	95% CI		β (index)	95% CI		β (index)	95% CI
Constant	CVF	4.7	4.34, 5.06	CN	0.5	.04, .97	PR	0.34	.03, .65
							RI	0.42	.08, .76
	SPVF	4.7	4.34, 5.06	SW	1.12	.74, 1.50	PR	-0.39	-.73, - .05
							RI	-0.25	-.60, .10
Business logic	CVF	0.08	-.08, .18	CN	0.01	-.09, .11	PR	0.07	.01, .13
							RI	0.02	-.05, .09
	SPVF	0.01	-.12, .14	SW	0.04	-.04, .12	PR	0.04	-.03, .10
							RI	-0.01	-.08, .06
Customer value proposition	CVF	-0.58	-.86, - .29	CN	-0.7	-.91, -.49	PR	-0.16	-.32, - .01
							RI	-0.21	-.37, - .04
	SPVF	-0.75	-1.04, -.47	SW	-0.25	-.42, -.08	PR	-0.34	-.49, - .18
							RI	-0.34	-.50, - .18
Customer value formation (CVF)				CN	0.9	.82, .98	PR	0.03	.05, .12
							RI	0.13	.03,.22
				SW	0.76	.69, .83	PR	0.03	.06, 1.12
							RI	0.1	.01, .19
Service provider value formation (SPVF)				CN	0.95	.86, 1.02	PR	0.11	.02, .21
							RI	0.92	.01, .19
				SW	0.79	.73, .86	PR	0.96	.86, 1.06
							RI	0.09	.02, .19

Customer Happiness (CN)							PR	0.88	.81, .96
							RI	0.77	.69, .85
Subjective well-being (SW)							PR	1.05	.96, 1.15
							RI	0.95	.85, 1.04
R	CVF	0.04	CN	0.77	PR	0.89			
			SW	0.78	RI	0.89			
	SPVF	0.21	CN	0.82	PR	0.91			
			SW	0.82	RI	0.89			
R ²	CVF	0.01	CN	0.6	PR	0.78			
			SW	0.61	RI	0.78			
	SPVF	0.05	CN	0.67	PR	0.83			
			SW	0.67	RI	0.78			
F	CVF	0.51	CN	235.38	PR	378.36			
			SW	252.7	RI	382.95			
	SPVF	15.51	CN	316.46	PR	498.89			
			SW	317.78	RI	380.5			
df	CVF	1, 318	CN	2, 317	PR	3, 316			
			SW	2, 317	RI	3, 316			
	SPVF	1, 318	CN	2, 317	PR	3, 316			
			SW	2, 317	RI	3, 316			
P	CVF	>.05	CN	<.001	PR	<.001			
			SW	<.001	RI	<.001			
	SPVF	<.01	CN	<.001	PR	<.001			
			SW	<.001	RI	<.001			
			Effect			95% CI			
Conditional indirect effect ^a	PR		0.04			-.06, .13			
	RI		0.03			-.05, .12			
Conditional indirect effect ^b	PR		0.04			-.06, .14			
	RI		0.03			-.05, .12			
Conditional indirect effect ^c	PR		0.01			-.09, .11			
	RI		0.02			-.05, .09			
Conditional indirect effect ^d	PR		0.01			-.09, .10			
	RI		0.01			-.09, .11			
	PR		-0.41			-.63, -.20			

Conditional indirect effect ^e	RI		-0.36		-.55, -.17
Conditional indirect effect ^f	PR		-0.42		-.64, -.21
	RI		-0.37		-.57, -.18
Conditional indirect effect ^g	PR		-0.54		-.77, -.33
	RI		-0.52		-.74, -.31
Conditional indirect effect ^h	PR		-0.54		-.75, -.33
	RI		-0.53		-.76, -.32

Note.

^aBusiness logic -> customer value formation -> Customer happiness -> positive referral & Repatronage Intention

^bBusiness logic -> customer value formation -> Customer subjective well-being -> positive referral & Repatronage Intention

^cBusiness logic -> service provider value formation -> Customer happiness -> positive referral & Repatronage Intention

^dBusiness logic -> service provider value formation -> Customer subjective well-being -> positive referral & Repatronage Intention

^eCustomer value proposition -> customer value formation -> Customer happiness -> positive referral & Repatronage Intention

^fCustomer value proposition -> customer value formation -> Customer subjective well-being -> positive referral & Repatronage Intention

^gCustomer value proposition -> service provider value formation -> Customer happiness -> positive referral & Repatronage Intention

^hCustomer value proposition -> service provider value formation -> Customer subjective well-being -> positive referral & Repatronage Intention

4.5 RESULT OF MAIN STUDY UNDER OBJECTIVE 2

4.5.1 Sample Characteristics

A new data set was collected for study under objective 2. After screening out the participants based on the selection criteria, a total of 160 valid participants (Response rate: 48.2%) were recruited from Qualtrics (Monzon et al., 2020). Attention checks and participants' ID address were all double checked to ensure the quality of the data collected for the analysis. Selection criteria consider only those participants who had at least dined out in a restaurant during pre-COVID 19 conditions once a month were

included. Respondents were equally and randomly assigned to one of the four experimental cells. Each experimental cell of business logic had 40 participants. Descriptive information of the sample characteristics used for the study focused on objective 2 is presented in Table 4.12.

The respondents were split as 58.1% female, 41.3% male, and .6% prefer not to answer. The two most frequent age groups were 35-44 (28.7%) and over 54 (26.9%). Over 98% of the sample had received a higher education degree, with roughly 66% having either an undergraduate or graduate degree. More than 62.6% of the respondents made more than \$50,000, and nearly 60% were married.

Given the COVID-19 pandemic situation at the time of this study, 64.4% of the respondents who were asked post-COVID-19 when was the last time they dined out responded that they dined out within the week, in comparison to the 72% that dined out at least once a week before the COVID-19 pandemic.

Table 4.12 Sample Characteristics of Main Study Under Objective 2 (N=160)

Variable	Frequency	Percentage
Age		
18-24 years	15	9.4
25-34 years	29	18.1
35-44 years	46	28.7
45-54 years	27	16.9
More than 54 years	43	26.9
Gender		
Female	93	58.1
Male	66	41.3
Prefer not to answer	1	.6
Education		
Some high school but no diploma or less	2	1.3
High School diploma	52	32.5
Associate's degree	20	12.5
Bachelor's degree	44	27.5
Graduate degree	42	26.3

Ethnicity		
Caucasian	132	82.5
Asian	8	5.0
African American	13	8.1
Hispanic	5	3.1
Two or more	2	1.3
Others	132	82.5
Marital status		
Single (never married)	45	28.1
Married/Have a partner	97	60.6
Widowed	4	2.5
Divorced	14	8.8
Annual income		
\$0-\$20,000	18	11.3
\$20,000 - \$49,999	42	26.3
\$50,000 - \$79,999	38	23.8
\$80,000 - \$99,999	18	11.3
\$100,000 or more	44	27.5
Pre-COVID19 Frequency of dining out		
Every day or more often	8	5.0
Two to six times a week	36	22.5
Once a week	71	44.4
Once a month	45	28.1
Post-COVID19 Last time dine out		
Yesterday	31	19.4
Within a week	72	45.0
Within a month	30	18.8
Within three months	6	3.8
Within six months	14	8.8
Within a year	7	4.4

4.5.2 Manipulation and Measures of Main Analysis under Objective 2

Business logic aimed at the service failure situation was manipulated at four levels (GDL, SDL, CDL, and MDL) with the participants' perceptions of business logic. In the GDL condition, participants were purchasing quick food that can satisfy their hunger. In the SDL condition, participants experienced service by interacting with the service providers to try daily specials. In CDL conditions, participants have had the opportunity to receive a modified menu to suit a particular customer. In the MDL

condition, participants were asked to imagine a service encounter that offers a unique selection of food or experience that was memorable for the participants. The service failure was described as a default condition in this experimental design, which indicated that the service system had flaws in service delivery and thus caused a service failure in the customer's opinion.

As intended, the manipulation of business logic showed that participants rated their “perceived business value was to exchange the money for the food that they plan to order” highly in the GDL condition compared to other conditions, $F(3, 156) = 1.942$, $p < .05$; GDL ($M_{GDL} = 5.40$, $SD_{GDL} = 1.40$) vs. SDL ($M_{SDL} = 4.97$, $SD_{SDL} = 1.56$), $t = 4.50$, $p < .05$; GDL ($M_{GDL} = 5.40$, $SD_{GDL} = 1.40$) vs. CDL ($M_{CDL} = 4.60$, $SD_{CDL} = 1.60$), $t = 5.13$, $p < .05$; GDL ($M_{GDL} = 5.40$, $SD_{GDL} = 1.40$) vs. MDL ($M_{MDL} = 4.68$, $SD_{MDL} = 1.56$), $t = 5.63$, $p < .01$.

Participants rated their "perceived business value was facilitated by the service provider" highly in the SDL conditions compared to other conditions, $F(3, 156) = 2.83$, $p < .01$; GDL ($M_{GDL} = 4.30$, $SD_{GDL} = 1.70$) vs. SDL ($M_{SDL} = 5.24$, $SD_{SDL} = 1.41$), $t = 3.73$, $p < .01$; GDL ($M_{GDL} = 4.30$, $SD_{GDL} = 1.70$) vs. CDL ($M_{CDL} = 5.22$, $SD_{CDL} = 1.21$), $t = 4.18$, $p < .001$; GDL ($M_{GDL} = 4.30$, $SD_{GDL} = 1.70$) vs. MDL ($M_{MDL} = 4.57$, $SD_{MDL} = 1.43$), $t = 5.14$, $p < .001$.

Also, participations assigned to the CDL condition showed higher perceived business value from service providers' accommodations and personalized modifications [$F(3, 156) = 3.89$, $p < .001$; GDL ($M_{GDL} = 4.65$, $SD_{GDL} = 1.80$) vs. SDL ($M_{SDL} = 5.00$, $SD_{SDL} = 1.57$), $t = 4.63$, $p < .01$; GDL ($M_{GDL} = 4.65$, $SD_{GDL} = 1.80$) vs. CDL ($M_{CDL} = 5.17$, SD_{CDL}

=1.41), $t=5.34$, $p<.001$; GDL ($M_{GDL}=4.65$, $SD_{GDL}=1.80$) vs. MDL ($M_{MDL}=4.85$, $SD_{MDL}=1.37$), $t=6.87$, $p<.001$].

As expected, participants assigned to the MDL condition indicated that their perceived business value was more entertaining and unique in terms of creating fond memories compared to other conditions, $F(3, 156)=7.44$, $p<.001$; GDL ($M_{GDL}=4.23$, $SD_{GDL}=1.89$) vs. SDL ($M_{SDL}=4.53$, $SD_{SDL}=1.63$), $t=3.87$, $p<.05$; GDL ($M_{GDL}=4.23$, $SD_{GDL}=1.89$) vs. CDL ($M_{CDL}=4.77$, $SD_{CDL}=1.42$), $t=5.95$, $p<.05$; GDL ($M_{GDL}=4.23$, $SD_{GDL}=1.89$) vs. MDL ($M_{MDL}=5.15$, $SD_{MDL}=1.39$), $t=7.69$, $p<.01$.

Taken together, these results indicate a successful manipulation check for the business logic. Scenario effectiveness was also checked with two items on a 7-point scale, showing higher realism [$F(3, 156)=3.77$, $p=.06$; $M=5.01$, $SD=1.34$] and easy understanding [$F(3, 156)=1.51$, $p=.21$; $M=5.18$, $SD=1.45$], and there were no mean differences shown by the scenarios.

All measurement items were measured on a 7-point Likert scale, which was adopted from previous studies to ensure validity and reliability (see Table 4.13). Results of the EFA indicated a KMO of .94 and a statistically significant Bartlett's Test of Sphericity ($p<.001$) with a six-factor structure (Kaiser, 1974).

These six factors all had eigenvalues greater than one and accounted for 69.67% of the total variance (Ruscio & Roche, 2012). Factor loading of .4 was used as the cutoff for an item to be retained (Hair et al., 2006). Cronbach's alpha coefficients were also calculated to check for internal reliability (Hinkin et al., 1997).

Table 4.13 Measurements with Factor Loadings and Reliabilities (Objective 2)

Variable	Factor 1 SPF	Factor 2 CL	Factor 3 SUB	Factor 4 CBI	Factor 5 CPR	Factor 6 CRI
SPF1	0.818					
SPF2	0.892					
SPF3	0.756					
SPF4	0.692					
SPF5	0.767					
CL1		0.732				
CL2		0.758				
CL3		0.867				
CL4		0.649				
SUB1			0.844			
SUB2			0.785			
SUB3			0.833			
SUB4			0.803			
SUB5			0.825			
SUB6			0.833			
SUB7			0.708			
SUB8			0.514			
CBI1				0.835		
CBI2				0.73		
CBI3				0.792		
CBI4				0.797		
CPR1					0.441	
CPR2					0.525	
CPR3					0.427	
CPR4					0.57	
CRI1						0.646
CRI2						0.465
CRI3						0.95
CRI4						0.566
Alpha						
Reliability	.89	.84	.92	.86	.94	.89
Eigenvalues	3.05	2.55	2.33	2.24	1.85	1.66
% Variance	43.85	10.93	6.02	4.06	3.10	1.71

Note. SPF=Service Provider Facilitation, CL=Customer Role, SUB=Subjective Well-being, CBI=Customer-Brand Identification, CPR=Customer Positive Referral, CRI=Customer Repatronage Intention

4.5.3 Hypothesis Testing under Objective 2

To test the hypotheses proposed in objective 2, a one-way ANOVA was performed to test the effects of business logic on the service provider facilitation after a

service failure occasion. The results of ANOVA (shown in Table 4.14) revealed a significant effect of business logic on service provider's facilitation effect, $F(3, 156)=2.71$, $p<.05$, $\eta^2=.09$, supporting H9. In particular, simple effects show that GDL ($M=5.88$) foodservice operations had the highest impact on service providers' facilitation followed by SDL ($M=5.61$), MDL ($M=5.45$), and CDL ($M=5.22$). Such a result indicated that GDL with relatively less value created for their customers has a higher desire for implementations of service providers' facilitation during the service recovery when compared to other business logic that already has more or less service facilitated to their customers.

Table 4.14 ANOVA Results (Objective 2)

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	55.004 ^a	4	13.75	21.23	.00
Intercept	64.09	1	64.09	98.94	.00
Customer Role	45.89	1	45.89	70.85	.00
Business Logic	5.27	3	1.76	2.71	.02
Error	100.40	155	0.65		
Total	5068.28	160			
Corrected Total	155.41	159			

a. R Squared = .354 (Adjusted R Squared = .337)

To test H10, a mediation analysis was conducted to reflect the structure of the experimental design and test mediation with the entire sample simultaneously (Hayes, 2017). The effects of business logic on customers' affective and behavioral outcome variables were hypothesized to be mediated via service provider facilitation. The serial mediation analysis was conducted using the bootstrapping approach with 10,000 bootstrap samples (Hayes, 2017; Model 6).

These results support the view that business logic is a key component of the service facilitation process, especially in meeting customers' demands in difficult service failure situations (H9). Meanwhile, as the business logic sets up the perimeter for the service facilitation potential, customers' subjective well-being and brand-identification can be further influenced (H10). Figure 4.3 provides the model of the mediation analyses.

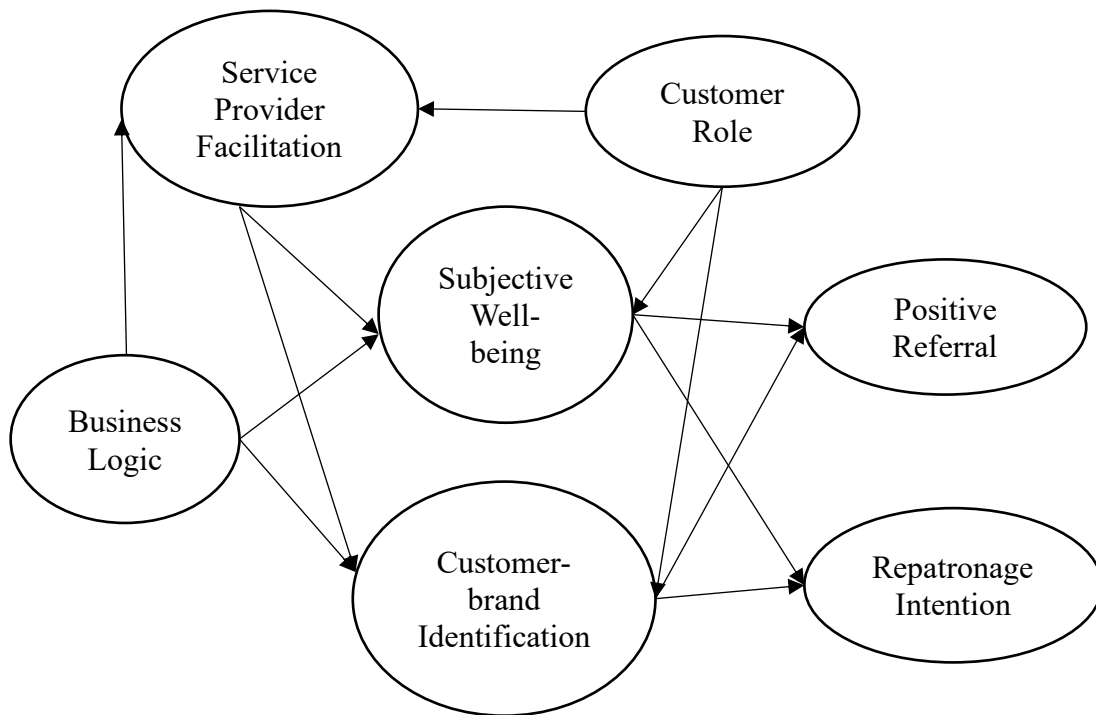


Figure 4.3 Mediation Analysis Results on Customer Service Outcomes

Results show that the service providers' facilitation after a service failure has a significant mediation impact on the relationship between business logic and customers' affective outcomes (subjective well-being: Index = .38, 95% CI = [.21, .56]; customer-brand identification: Index = .40, 95% CI = [.20, .60]), thus supporting H10. The relative indirect effects of business logic on customers' positive referral behavior (Index = -.06, 95% CI = [-.13, -.01]) and repatronage intentions (Index = -.05, 95% CI = [-.11, -.01]) via

service providers' facilitation and subjective well-being were significant, thus supporting H11. Similarly, the relative indirect effects of business logic on positive referral (Index =-.04, 95% CI= [-.08, -.01]) and repatronage intentions (Index =-.03, 95% CI= [-.06, -.01]) via service providers' facilitation and customer-brand identification were also significant. Therefore, these results provide support for H12.

Altogether, results from H11 and H12 suggest that business logic is centered to provide the needed service facilitation that can further manage customer relationships and ensure that service failures are addressed efficiently and effectively, which can also further influence customers' affective (subjective well-being and customer-brand identification) and behavioral outcomes (positive referral behavior and patronage intention). The summary of the serial mediation analysis is presented in Table 4.15.

Table 4.15 Result of Serial Mediation Analysis

	Service provider facilitation (SPF)		Affective outcomes (SW, CBI)		Behavioral outcomes (PR, RI)	
	β (index)	95% CI	β (index)	95% CI	β (index)	95% CI
Constant	3.36	2.69, 4.03	SW: 1.04 CBI: .56	SW: .11, 1.98 CBI: -.51, 1.63	PR: -.76 RI: -.54	PR: -1.52, -.01 RI: -1.26, .18
Business logic	-.15	-.26, -.03	SW: .11 CBI: .15	SW: -.01, .24 CBI: .00, .29	PR: .07 RI: .04	PR: -.10, .24 RI: -.11, .20
Customer Role SPF	.48	.37, .60	SW: .31 CBI: .31	SW: .16, .46 CBI: .14, .48	PR: .55 RI: .51	PR: .38, .73 RI: .36, .67
SW			SW: .38 CBI: .40	SW: .21, .56 CBI: .20, .60	PR: -.01 RI: .01	PR: -.04, .12 RI: -.03, .22
CBI					PR: 1.12 RI: .95	PR: .99, 1.24 RI: .83, 1.07
R		.69	SW: .59 CBI: .54		PR: .68 RI: .61	PR: .52, .83 RI: .47, .75
R ²		.35	SW: .35 CBI: .30		PR: .87 RI: .85	PR: .75 RI: .73

F	41.68	SW: 28.10 CBI: 22.42	PR: 119.28 RI: 103.59
df	2.157	SW: 3.156 CBI: 3.156	PR: 4.155 RI: 4.155
p	<.001	SW: <.001 CBI: <.001	PR: <.001 RI: <.001
	Effect	95% CI	
Conditional indirect effect ^a	-.06	.13, -.01	
Conditional indirect effect ^b	-.05	-.11, -.01	
Conditional indirect effect ^c	-.04	-.08, -.01	
Conditional indirect effect ^d	-.03	-.06, -.01	

Note. ^aBusiness logic -> Service provider facilitation -> Subjective well-being -> Customer positive referral ^bBusiness logic -> Service provider facilitation -> Subjective well-being -> Customer repatronage intention ^cBusiness logic -> Service provider facilitation -> Customer-brand identification -> Customer positive referral ^dBusiness logic -> Service provider facilitation -> Customer-brand identification -> Customer repatronage intention

4.6 RESULT OF MAIN STUDY UNDER OBJECTIVE 3

4.6.1 Sampling Characteristics of Main Analysis under Objective 3

A 4 (Business logic: GDL vs. SDL vs. CDL vs. MDL) × 2 (Customer Role: voluntary vs. involuntary) between-subject experiment with a variety of participants recruited from Qualtrics (Monzon et al., 2020). Respondents were equally and randomly assigned to one of the eight experimental cells. Each experimental cell of business logic has around 80 participants and each customer role cell has 160 responses, therefore a total of 320 participants (Response rate: 47%) were recruited (GDL: n=79, SDL: n=81, CDL: n=80, MDL: n=80; Voluntary customer role: n=160; Involuntary customer role: n=160). Attention checks and participants' ID address were ensured for accuracy and duplication, therefore the quality of the data was ensured.

Regarding the sample characteristics, a total of 59.4% of the respondents were female, 40.3% were male, and .3% preferred not to answer. The mean age of the sample is within the range of 35 to 44 years, with three-quarters of the respondents being

Caucasian (76.6%). The majority of the respondents had a college degree or higher education (63.8%), with more than half of the respondents (58.4 %) having a household income higher than \$50,000.

Over 70 % had dined out in a restaurant every week during the pre-COVID 19 period before participating in the study, with 32.5 % dining out two to six times a week. Such behavior has lowered 10% after the COVID-19 emergence, which indicated around 60% of the respondents dining out at least once a week. See Table 4.16 for the full characteristics of the sample gathered for studying objective 3.

Table 4.16 Sample Characteristics of Main Study Under Objective 3 (N=320)

Variable	Frequency	Percentage
Age		
18-24 years	39	12.2
25-34 years	60	18.8
35-44 years	89	27.8
45-54 years	45	14.1
More than 54 years	87	27.2
Gender		
Female	190	59.4
Male	129	40.3
Prefer not to answer	1	.3
Education		
Some high school but no diploma or less	6	1.9
High School diploma	110	34.4
Associate's degree	60	18.8
Bachelor's degree	83	25.9
Graduate degree	61	19.1
Ethnicity		
Caucasian	245	76.6
Asian	13	4.1
African-American	33	10.3
Hispanic	17	5.3
Two or more	6	1.9
Others	6	1.9
Marital status		
Single (never married)	101	31.6
Married/Have a partner	180	56.3

Widowed	6	1.9
Divorced	14	4.4
Annual income		
\$0-\$20,000	48	15.0
\$20,000 - \$49,999	85	26.6
\$50,000 - \$79,999	69	21.6
\$80,000 - \$99,999	35	10.9
\$100,000 or more	83	25.9
Pre-COVID-19 Frequency of dining out		
Every day or more often	12	3.8
Two to six times a week	92	28.7
Once a week	126	39.4
Once a month	90	28.1
Post-COVID-19 Last time dine out		
Yesterday	55	17.2
Within a week	136	42.5
Within a month	82	25.6
Within three months	13	4.1
Within six months	18	5.6
Within a year	16	5.0

4.6.2 Manipulation and Measures of Main Analysis under Objective 3

The business logic was manipulated with an aggregated 4 items that was measured in the pilot study with four levels, and the service failure was also used as the default condition.

The manipulation checks confirmed that participants' experience was significantly different among varied business logics, $F(3, 316) = 1.942, p < .001$; $M_{GDL} = 4.08, SD_{GDL} = 1.82$ vs. $M_{SDL} = 4.47, SD_{SDL} = 1.84, t = 3.92, p < .01$; $M_{GDL} = 4.08, SD_{GDL} = 1.82$ vs. $M_{CDL} = 5.00, SD_{CDL} = 1.51, t = 4.17, p < .01$; $M_{GDL} = 4.08, SD_{GDL} = 1.82$ vs. $M_{MDL} = 5.60, SD_{MDL} = 1.61, t = 6.05, p < .001$.

As expected, participants in the voluntary role conditions rated a significantly higher capability of recovering service failure compared to the involuntary role conditions ($M_{Voluntary} = 5.26, SD_{Voluntary} = 1.27$ vs. $M_{Involuntary} = 4.93, SD_{Involuntary} = 1.35$; t

(318)=4.92 $p < .05$). Similarly, the participant's confidence in solving the service failure was also distinguished by showing more confidence in voluntary customer role conditions compared to involuntary role conditions ($M_{\text{Voluntary}}=5.43$, $SD_{\text{Voluntary}}=1.26$ vs. $M_{\text{Involuntary}}=5.05$, $SD_{\text{Involuntary}}=1.35$; $t(318)=6.59$, $p < .01$). Therefore, all manipulation checks were confirmed successfully.

Further, for scenario realism, respondents perceived the scenarios as realistic ($M = 4.99$, $SD=1.40$), and there were no differences by scenarios, $F(7, 312) = .55$, $p = .80$. For imagining how difficult/easy the scenario was, respondents perceived the scenario as easy to read/understand ($M = 5.12$, $SD=1.26$), and there were no differences between scenarios, $F(7, 312) = .74$, $p = .64$.

Therefore, successful manipulation of scenarios was confirmed. All measurements were adopted from the previous literature and an EFA was conducted to see how each of the items independently aligned with the proposed constructs (Hinkin et al., 1997; Mahmoud & Kamel, 2010). First, the KMO measure of sampling adequacy (.91) revealed that the sample size was sufficient, and the data were appropriate for running the factor analysis (Kaiser, 1974).

The criteria of Eigenvalues greater than 1 (Kaiser Criterion) and factor loading of .4 were used to retain the relevant factor (Hair et al., 2006). Cronbach's alpha values of 0.7 or higher indicate acceptable internal consistency (Hinkin et al., 1997). The total variance explained by the three proposed construct is 75.43%. See Table 4.17 for more details.

Table 4.17 Measurements with Factor Loadings and Reliabilities (Objective 3)

Variable	Factor 1 CCE	Factor 2 CPR	Factor 3 CRI
CCE1	0.804		
CCE2	0.880		
CCE3	0.823		
CCE4	0.793		
CPR1		0.763	
CPR2		0.867	
CPR3		0.726	
CPR4		0.875	
CRI1			0.88
CRI2			0.898
CRI3			0.888
CRI4			0.851
Alpha Reliability	.83	.95	.92
Eigenvalues	3.45	3.12	2.77
% Variance	38.91	19.87	16.65

Note. CCE=Customer Complaining Effort, CPR=Customer Positive Referral, CRI=Customer Patronage Intention

4.6.3 Hypothesis Testing under Objective 3

To test the hypotheses proposed in objective 3, a two-way MANOVA was performed to test the effects of business logic and customer role on the customers' behavioral service outcomes, such as positive referral and repatronage intentions. The results show that business logic had a significant effect on the customers' behavioral service outcomes, $F(7, 312) = 3.65$, $p < .001$, $\eta^2 = .84$. Univariate results reveal a non-significant effect of business logic on customer positive referral intentions [$F(3, 316) = .71$, $p = .55$], but a significant effect on repatronage intention [$F(3, 316) = 2.72$, $p < .05$].

In addition, customer role showed a significant effect on customer positive referral behavior [$F(1, 318) = 24.70$, $p < .001$] and repatronage intention [$F(1, 318) = 12.98$, $p < .001$]. There were also significant interaction effects found between business logic and

customer role on customers' positive referral behavior, $F(3, 316)=2.829$, $p<.05$; and repatronage intention, $F(3, 316)=2.633$, $p<.05$.

Table 4.18 MANOVA and Univariate Follow-up Result for Objective 3

Source	Multivariate			DV	Univariate		
	Wilk's lambda	F (7, 312)	P value		F	df	P value
Business logic	.93	3.65	.00	CPR	.71	3, 316	.55
				CRI	2.72	3, 316	.04
Customer Role	.92	13.43	.00	CPR	24.70	1, 318	.00
				CRI	12.98	1, 318	.00
Business logic * Customer Role	.97	1.37	.04	CPR	2.829	3, 316	.02
				CRI	2.633	3, 316	.01

Note. DV=Dependent variable; CPR=Customer Positive Referral; CRI= Customer Repatronage Intention

The results from the MANOVA of the interaction effect between business logic and customer role was significant, $F(7, 312)=1.37$, $p<.05$, $\eta^2=.97$). When considering business logic, playing a voluntary role from customers increased their intentions to become positive referrals (GDL: $M_{\text{Voluntary}}=5.21$ vs. $M_{\text{Involuntary}}=4.32$, $t(318)=4.55$, $p<.001$; SDL: $M_{\text{Voluntary}}=4.81$ vs. $M_{\text{Involuntary}}=4.25$, $t(318)=4.50$, $p<.001$; CDL: $M_{\text{Voluntary}}=5.18$ vs. $M_{\text{Involuntary}}=4.44$, $t(318)=4.72$, $p<.001$; MDL: $M_{\text{Voluntary}}=5.23$ vs. $M_{\text{Involuntary}}=4.27$, $t(318)=4.94$, $p<.001$) and revisit intentions (GDL: $M_{\text{Voluntary}}=4.96$ vs. $M_{\text{Involuntary}}=4.38$, $t(318)=3.92$, $p<.001$; SDL: $M_{\text{Voluntary}}=4.56$ vs. $M_{\text{Involuntary}}=4.04$, $t(318)=3.02$, $p<.001$; CDL: $M_{\text{Voluntary}}=4.88$ vs. $M_{\text{Involuntary}}=4.13$, $t(318)=3.82$, $p<.001$; MDL: $M_{\text{Voluntary}}=5.09$ vs. $M_{\text{Involuntary}}=4.66$, $t(318)=2.40$, $p<.01$) to a larger extent compared with customers' playing an involuntary role during the service recovery. Therefore, supporting H13 (See Figure 4.4-4.5). Table 4.19 provides the estimated means of business logic and customer role on customer behavioral outcomes.

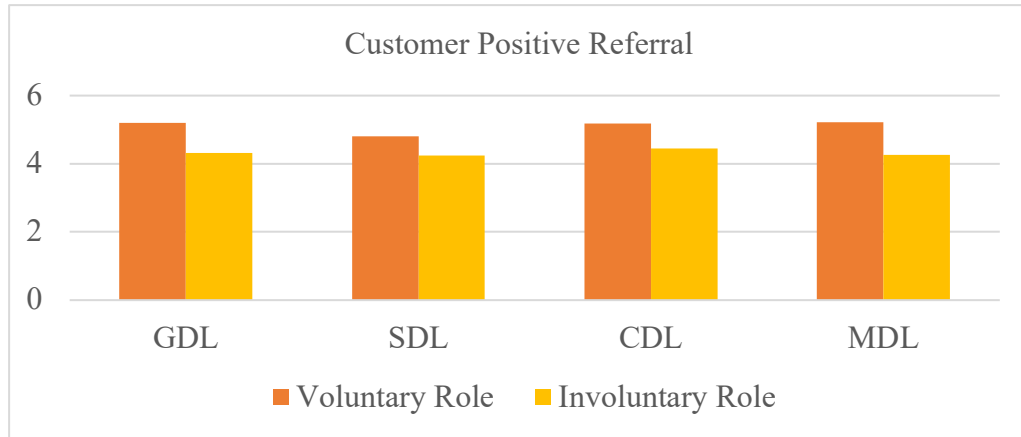


Figure 4.4 Business Logic and Customer Role on Customer Positive Referral

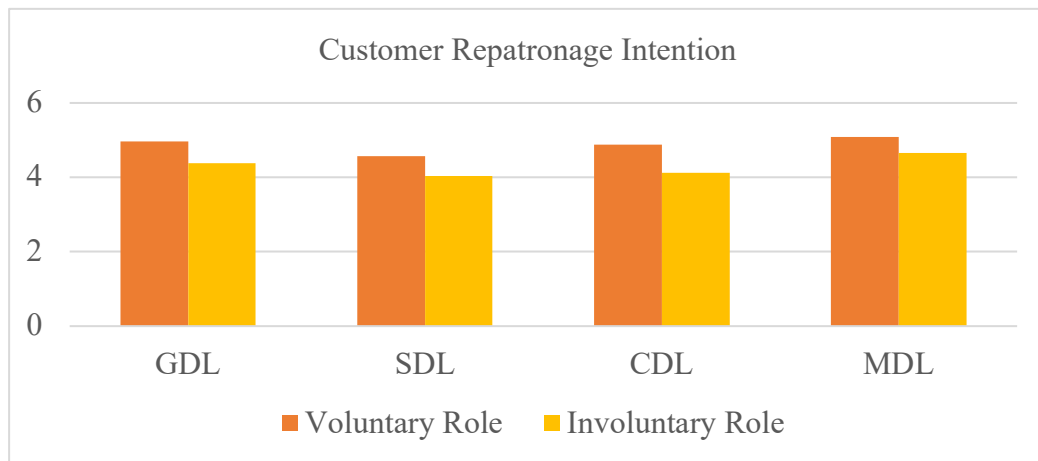


Figure 4.5 Business Logic and Customer Role on Customer Repatronage Intention

Table 4.19 Estimated Means of BL and CR on Customer Behavioral Outcomes

	BL	CR	Mean	Std. Deviation	N
Positive Referral	GDL	Voluntary	5.21	1.24	40
		Involuntary	4.32	1.43	39
		Total	4.77	1.40	79
	SDL	Voluntary	4.81	1.25	40
		Involuntary	4.25	1.62	41
		Total	4.52	1.47	81
	CDL	Voluntary	5.18	1.09	40
		Involuntary	4.44	1.77	40
		Total	4.81	1.51	80
	MDL	Voluntary	5.23	1.37	40
		Involuntary	4.27	1.27	40
		Total	4.75	1.40	80

Repatronage Intention	Total	Voluntary	5.10	1.24	160
		Involuntary	4.32	1.52	160
		Total	4.71	1.44	320
	GDL	Voluntary	4.96	1.18	40
		Involuntary	4.38	1.28	39
		Total	4.68	1.26	79
	SDL	Voluntary	4.56	1.49	40
		Involuntary	4.04	1.64	41
		Total	4.30	1.58	81
	CDL	Voluntary	4.88	1.15	40
		Involuntary	4.13	1.78	40
		Total	4.50	1.53	80
	MDL	Voluntary	5.09	1.28	40
		Involuntary	4.66	1.21	40
		Total	4.88	1.26	80
	Total	Voluntary	4.87	1.29	160
		Involuntary	4.30	1.50	160
		Total	4.59	1.43	320

Note. BL=Business Logic; CL=Customer Role

Reserch objective 3 aims to examine whether the likelihood of a customer becomes (a) a positive referral and (b) repatronage the service is related to customers' role and their complaining effort when considering four types of business logic. The outcome variables were a positive referral and repatronage intention (1=yes, 0=no), and the three predictors were business logic, customer complaining effort, and customer role.

4.6.3.1 Overall model evaluation

Table 4.20 illustrates the overall evaluation of the logistic model for the analysis of customer positive referral intention. An improvement of the model over the baseline model (that has no variables but intercept-only) is examined by using three inferential statistical tests: model test, the likelihood ratio ($\chi^2=21.04$, $p<.001$), and score test ($\chi^2=20.61$, $p<.001$).

Similarly, Table 4.21 illustrates the overall evaluation of the logistic model for the analysis of customer repatronage intention. An improvement of the model over the

baseline model (that has no variables but intercept-only) is examined by using two inferential statistical tests: the likelihood ratio ($\chi^2=16.2504$, $p<.001$), and score test ($\chi^2=16.03$, $p<.001$). These results showed that the baseline and logistical model yield similar conclusions for the present data, meaning the logistic model is more effective than the null model.

4.6.3.2 Statistical tests of individual predictors and model fit

The statistical significance of individual regression coefficients (i.e., β s) is tested using the Wald chi-square statistics. According to Table 4.20 and Table 4.21, both customers complaining effort and customer roles during service recovery were significant predictors of customers' behavioral intentions for being a positive referral ($p <.05$) and repatronaging the service ($p <.05$).

Also, the goodness-of-fit statistic assesses the fit of a logistic model against actual outcomes. The inferential goodness-of-fit test is the Hosmer-Lemeshow (H-L) test, and it yielded a $\chi^2(8) = 4.66$, which was insignificant ($p>.05$) and suggested that the positive referral model was fit to the data well (Kramer & Zimmerman, 2007). Similarly, the inferential goodness-of-fit test also yielded a $\chi^2(8) = 9.60$ and was insignificant ($p>.05$), which indicates a good fit for the repatronage intention model. Such results mean that the full model (vs. the null model) is indeed correctly specified and thus indicating no evidence of poor fit (Peng et al., 2002).

Table 4.20 Logistic Regression of Customer Positive Referral Intention

Predictor	β	S.E.	Wald χ^2	df	Sig.	e^β (Odds ratio)
Constant	.76	.56	1.81	1	.18	2.131
Business Logic - Group	.04	.11	.17	1	.68	1.04
Customer Complaining Effort – level 1	.21	.07	7.8	1	.01	1.23
Customer Role (1=Voluntary, 0=Involuntary) – level 2	-.79	.24	10.85	1	.00	.45
Test			χ^2	df	Sig.	
Likelihood ratio test			21.04	3	.00	
Score test			20.61	3	.00	
Goodness-of-fit test						
Hosmer & Lemeshow			4.66	8	.793	

Note. Cox & Snell R = .06; Nagelkerke R square =.09

Table 4.21 Logistic Regression of Customer Positive Repatronage Intention

Predictor	β	S.E.	Wald χ^2	df	Sig.	e^β (Odds ratio)
Constant	.63	.56	.42	1	.52	1.43
Business Logic - Group	.01	.11	.00	1	.99	1.00
Customer Complaining Effort – level 1	.23	.07	9.53	1	.00	1.25
Customer Role (1=Voluntary, 0=Involuntary) – level 2	-.53	.24	4.96	1	.03	.59
Test			χ^2	df	Sig.	
Likelihood ratio test			16.25	3	.00	
Score test			16.03	3	.00	
Goodness-of-fit test						
Hosmer & Lemeshow			9.60	8	.29	

Note. Cox & Snell R = .05; Nagelkerke R square =.07

4.6.3.3 The test of validation of predicted probabilities

The test of validation of predicted probabilities showed that the odds of a customer who played a voluntary role during the service recovery would become a positive referral was .45 times greater than the odds for a customer who played an involuntary role during the service recovery. This means the customers who played a voluntary role have an average of 31% ($P(Y_{ij}=1) = \exp(B) / 1 + \exp(B) = .45 / 1 + .45$) for becoming positive referrals and they are twice ($1 / .45 = 2.22$) as likely to become positive referrals than those who played an involuntary role during the service recovery. Thus, this supports H14a.

Moreover, the odds ratio indicates that when one unit of customer complaining effort increases, the odds of customers' positive referral behavior of the service will be increased by 1.23 times. This means the customers who are more likely to put effort to complain have an average 55% chances ($P(Y_{ij}=1) = \exp(B) / 1 + \exp(B) = 1.23 / 1 + 1.23$) of becoming positive referrals, and they are .8 times ($1 / 1.23$) more likely to become positive referrals than those who did not put in effort to complain during the service recovery.

In addition, the odds of a customer who played a voluntary role during the service recovery for service repatronage was .59 times greater than the odds for a customer who played an involuntary role during the service recovery. This means the customers played a voluntary role are have an average of 37% ($P(Y_{ij}=1) = \exp(B) / 1 + \exp(B) = .59 / 1 + .59$) of repatronage the service and they are 1.69 times ($1 / .59 = 1.69$) more likely to repatronage the service than those customers who played an involuntary role during the service recovery. Thus, supporting H14b.

Meanwhile, the odds ratio indicates that one unit of customer complaining effort increase, the odds of customers' repatriating the service will be increased by 1.25 times. This means the customers who are more likely to put effort to complain have an average 56% chances ($P(Y_{ij}=1)=\exp(B)/1+\exp(B)=1.25/1+1.25$) of service repatronage, and they are .8 times ($1/1.25$) more likely to repatronage the service than those customers who did not put effort to complain during the service recovery. In sum, all of the following hypotheses were examined in the current study (Table 4.22).

Table 4.22 Summary of Hypotheses Testing

	Hypotheses	Index	95%CI	P	Support
H1:	H1a: business logic – customer happiness			.42	No
	H1b: business logic – subjective well-being			.29	No
H2:	H2a: connected value proposition – happiness			.000***	Yes
	H2b: connected value proposition – subjective well-being			.000***	Yes
H3	H3a: business logic – customer value formation – customer happiness	.20	-.15, .54		No
	H3b: business logic – customer value formation – subjective well-being	.17	-.11, .47		No
H4:	H5a: customer value proposition – customer value formation – customer happiness	-.48	-.74, -.23		Yes
	H5b: customer value proposition – customer value formation – subjective well-being	-.42	-.64, -.20		Yes
H5:	H5a: business logic – service provider value formation –customer happiness	.01	-.11, .16		No
	H5b: business logic – service provider value formation –subjective well-being	.01	-.09, .11		No
H6	H6a: customer value proposition – service provider value formation – customer happiness	-.68	-.96, -.42		Yes
	H6b: customer value proposition – service provider value formation – subjective well-being	-.57	-.80, -.35		Yes

H7:	business logic – customer value formation – happiness – positive referral	.04	-.06, .13	No
	business logic – customer value formation – happiness – repatronage	.03	-.05, .12	No
	business logic – customer value formation – subjective well-being – positive referral	.04	-.06, .14	No
	business logic – customer value formation – subjective well-being – repatronage	.03	-.05, .12	No
	business logic – service provider value formation – happiness – positive referral	.01	-.09, .11	No
	business logic – service provider value formation – happiness – repatronage	.02	-.05, .09	No
	business logic – service provider value formation – subjective well-being – positive referral	.01	-.09, .10	No
	business logic – service provider value formation – subjective well-being – repatronage	.01	-.09, .11	No
H8	customer value proposition – customer value formation – happiness – positive referral	-.41	-.63, -.20	Yes
	customer value proposition – customer value formation – happiness – repatronage	-.36	-.55, -.17	Yes
	customer value proposition – customer value formation – subjective well-being – positive referral	-.42	-.64, -.21	Yes
	customer value proposition – customer value formation – subjective well-being – repatronage	-.37	-.57, -.18	Yes
	customer value proposition – service provider value formation – happiness – positive referral	-.54	-.77, -.33	Yes
	customer value proposition – service provider value formation – happiness – repatronage	-.52	-.74, -.31	Yes
	customer value proposition – service provider value formation – subjective well-being – positive referral	-.54	-.75, -.33	Yes
	customer value proposition – service provider value formation – subjective well-being – repatronage	-.53	-.76, -.32	Yes

H9:	business logic – service provider facilitation			.02*	Yes
H10:	H10a: business logic – service provider facilitation – subjective well-being	.38	.21, .56		Yes
	H10b: business logic – service provider facilitation – customer-brand identification	.40	.20, .60		Yes
H11	H11a: business logic – service provider facilitation –subjective well-being – positive referral behavior	-.06	-.13, -.01		Yes
	H11b: business logic – service provider facilitation –subjective well-being – repatronage	-.05	-.11, -.01		Yes
H12	H12a: business logic – service provider facilitation –customer-brand identification – positive referral behavior	-.04	-.08, -.01		Yes
	H12b: business logic – service provider facilitation –customer-brand identification – repatronage	-.03	-.06, -.01		Yes
H13:	H13a: customer voluntary role – positive referral			.02*	Yes
	H13b: customer voluntary role – repatronage			.01*	Yes
H14:	H14a: business logic – customer role-complaining behavior – positive referral			P<.05*	Yes
	H14b: business logic – customer role-complaining behavior – positive referral			P<.05*	Yes

Note: p-values are provided. *p <.05, **p<.01, ***<.001

CHAPTER 5

CONCLUSIONS

5.1 GENERAL CONCLUSION

This chapter concludes and discusses the main findings from the three objectives proposed under this research by indicating the implications for academia and the hospitality industry, specifically within the foodservice industry. The purpose of this dissertation was threefold. First, to examine the effect of customers' perceived value proposition on their affective service outcomes (i.e., happiness, subjective well-being) and behavioral service outcomes (i.e., positive referral, repatronage intention) in foodservice operations while considering four types of business logic applied in restaurants. Second, to investigate how business logic affects the service provider's facilitation ability during service recovery, and how service providers' facilitation in service recovery influences customers' affective service outcomes (i.e., subjective well-being, customer-brand identification) as well as behavioral service outcomes (i.e. positive referrals, repatronage intentions). Third, to analyze whether a customer's role in service recovery will make any difference in deciding their behavioral intentions, such as positive referral behavior and repatronage intention after service recovery, and determine whether customers' complaint efforts play a mediation role in this relationship.

In contrast to standardized offerings in commodity markets, in the hospitality sector, service experiences are not much used to match customers' demand and service

providers' supply in terms of creating value for both parties. The first SDL logic proposed by Vargo and Lush was able to show that service providers' facilitation with hospitality firms are rapidly absorbing adjustment when serving their customers. However, service firms' facilitation in value co-creation and customers' perceptions of co-created experience is not independent of each other due to the decentralized organizational structure (e.g., business logic), organization silos (e.g. internal knowledge sharing among employees), and disconnected customers. The fastest way to rid service firms of silos is to place the customer at the center of the business with the customers as the uniting factors and naturally break down the silos through communications (SDL), collaborations (CDL), and innovations (MDL). Accordingly, this study examines the business logic throughout three objectives to build a level of advocacy, brand-identification, employee facilitation, and customer outcomes that powerfully distinguish business strategies.

The foodservice sectors are chosen to investigate this effect for the following reasons. Similar to other service firms in the hospitality industry, foodservice operations might have more customer-service provider contact points to undertake value creation practices in a relatively shorter period of customer journey mapping. Unlike other hospitality industries (e.g., hotel, tourism), the foodservice industry had more clear definitions about their business model (e.g., ethic, fast food, fast-casual, casual dining, premium casual, family-style, finding dining, etc.), which are sufficient for undertaking all possibilities of the value proposition, from delivering and communicating to acknowledging. Therefore, the foodservice industry provides a unique setting to investigate the effect of business logic that governs business principles.

As follows, there is a need for hospitality practitioners to understand the mechanism needed to pledge certainty of service offerings, such as ensuring the service quality and customer relationship management. This research provides a foundational theoretical framework to create customer journey mapping decision aids so that hospitality practitioners can build successful business models to satisfy their customers when business conditions are either favorable or destructive.

5.1.1 Business Logic and Touchpoints of Customer Journey Mapping

First, customer journey mapping is structured as a sequence of phases: "the moment of truth" during the consumption stage (Beaujean et al., 2006), the "opportunity to assess the capabilities of service providers" after a service failure (Hübner et al., 2018), and not "mishandling the service recovery" (Hocutt et al., 2006). The customer journey starts with "the moment of truth" (Verhoef et al., 2015). Business logic has been viewed as an approach to marketing that strives to optimize "the moment of truth" by precisely communicating service offerings, clearly articulating proposed value, and creating a brand expectation beyond relying on a brand promise (Purcărea, 2018). However, in our research, business logic itself was shown to be a weak dimension of customers' happiness ($p=.42$) and subjective well-being ($p=.29$). This result showed that although business logic determines the lifecycle of customer journey mapping, a seamless customer journey relies more on the customers' value dimensions and service providers' facilitations (Alter, 2008) by identifying opportunities for improvement, minimizing friction, and maximizing retention (Shahin & Samea, 2010; Thakur & Summey, 2010).

Previous research also indicates that the four types of business logic demonstrated in this research are not mutually exclusive from each other (e.g., Dunn & Jones, 2010),

which further confirmed the possibility of achieving institutional pluralism (Radoynovska et al., 2020). By adopting more than one business logic in an organization, service organizations can empower various core elements of organizational strategies regarding their business models and governance (Radoynovska et al., 2020). Therefore, the business ability of service organizations, particularly foodservice operations, should not be restricted by the type of business model or its pre-dominant service delivery methods. Instead, service operations should focus more on the diversity in value conceptualization, which can construct a service experience with multiple co-creation practices.

5.1.2. Customer Value Dimensions and Touchpoints of Customer Journey Mapping

Touchpoints can be viewed as clusters of experiential elements. Such elements would be an aggregate of service touchpoints that can be brand-owned (completely controlled by the service firm), partner-owned (collectively controlled by the firm or its business partners), and customer-owned (completely controlled by the customer), which may also include social or external touchpoints that account for the roles of others in the servicescape or environment (Siqueira et al., 2020). All these aspects of service touchpoints will influence the overall customer service experience. To demonstrate how these touchpoints can be formed in the customer journey mapping process, the proposed framework of this research sheds light on the fundamental role that value proposition and value formation play in service systems.

Customers' value proposition refers to customers' assessments of the utility of a product or service based on the perceptions of what a brand promises to deliver to them to satisfy their needs (Itani et al., 2019). Customers' value formation, which is viewed as customer-owned touchpoints, refers to the customers' perceptions and understanding of

the product and service. Service providers' value formation, which is viewed as a brand-owned touchpoint, is the service providers' ability to create value that can directly influence or change the outcome of customer service (Grönroos & Voima, 2013). Customers' and service providers' value formation of a service touchpoint happens either to an individual customer and the distinct service provider or on a collective level between the customers and the service providers (Heinonen et al., 2019).

As suggested by previous studies, findings from the current research confirmed that the customer value proposition of a service organization along with the customers' and the service providers' value formation is found to be critical in determining the customers' affective service outcomes; this includes happiness and subjective well-being (Lingqvist et al., 2015; Ngamaba et al., 2018), as well as behavioral outcomes, such as positive referrals and repatronage intentions. Likewise, hospitality operations should devote more resources to build engaging customer touchpoints when mapping the customer journey. In such customer-based touchpoints, the customer is not only consuming service offerings, but also marketing them to create sustainable competitive advantage through less dissatisfaction or turnover, and more loyalty and involvement.

5.2 DISCUSSION OF CUSTOMER JOURNEY MAPPING IN RECOVERY

The second objective of this research was to examine how business logic impacts the service provider's facilitation ability during service recovery. Specifically, this objective aimed to provide empirical answers to how service providers' facilitation in service recovery influences customers' affective service outcomes (i.e., subjective well-being, customer-brand identification) and behavioral service outcomes (i.e., positive referrals, repatronage intentions). Based on attribution theory, a conceptual model was

developed to measure customers' anticipated motivations and service outcomes after a service failure. Unlike earlier work, we simultaneously explore the role of service providers' facilitation and customers' affective outcomes through business logic and customers' behavioral outcome interfaces. The related findings highlight that service facilitation primarily aligns with business logic-based perspectives and customers' service outcome changes in tandem with the service providers' facilitation ability.

5.2.1 Service Provider Value Dimensions

Knowing that a service failure has the potential to damage "the moment of truth" (Beaujean et al., 2006), the service provider's ability to convert the service failure into "an opportunity to assess the capabilities of service providers" (Hübner et al., 2018) was found to be a significant indicator of customer subjective well-being (Index = .38, 95% CI = [.21, .56]) and customer-brand identification (Index = .40, 95% CI = [-.20, .60]). Service providers' facilitation means the service organization's efficiency in managing customer dissatisfactions via sufficient service recovery efforts (e.g., Heidenreich et al., 2015). Such facilitation is firstly decided by the business logic ($p < .05$), as it is a crucial underlying dimension of service providers' abilities to allocate resources between service firms and customers to increase efficiency in managing customer participation (Van Vaerenbergh & Orsingher, 2016).

The results of the current study indicated that service providers' facilitation can yield a considerable range of emotional and physical inputs within their sphere to produce the facilitation depending on the corresponding business logic. By adopting more than one business logic, service organizations are motivated to support facilitation adherence because it leads to positive service outcomes. Good service facilitation from

the service providers further adds to the range of interfaces customers can draw upon to develop the necessary co-production activities (Maslowska et al., 2016; Prahalad & Ramaswamy, 2004; Ramaswamy & Ozcan, 2016).

As the research is carried out in the context of food service operations, it is suggested that the service provider's practices in facilitating customers' needs during service recovery require a considerable co-production and co-creation effort from customers (e.g., Hazée et al., 2017). This finding aligns conceptually with the SDL, CDL, and MDL perspectives, which view customers as integrators who perform ascribed roles in tasks (Dong & Sivakumar, 2017). To advance the understanding of how service providers can facilitate customers' needs via developing resources necessary for adhering to prolonged services, business logics that can allow customers to derive value by adapting the service recovery to their preferences and circumnates warrant attention (Patterson et al., 2006; Ryu & Lee, 2017). This is especially true of needs-based hospitality services that demand a high level of expertise and willingness from customers to co-produce or co-create the service. There is a valuable body of literature that reveals how service providers' facilitations can drive the customers' motivation to participate in service recovery (e.g., Dong & Siu, 2013; Tussyadiah, 2014; Yi & Gong, 2016).

However, the current understanding of service facilitation does not offer sufficient guidance for hospitality practitioners of the complex business logic and its applications of institutional pluralism (Radoynovska et al., 2020). To fully understand and support customer co-creation in journey mapping, this scenario demands a better grasp on the interface of how service providers acquire the necessary resources, which can be captured through the concept of business logic.

5.2.2 Customer Engagement Dimensions

The third objective of the research was to examine whether a customer's role in service recovery could make any difference in deciding their behavioral intentions, such as positive referral behavior and repatronage intention after service recovery. Aligning with role theory, a conceptual model was developed. The voluntary customer role means customers contribute greater informational, physical, behavioral, and emotional effort to the various stages of the service process (Uzkurt (2009). The findings reveal that the voluntary customer role, which is gained from customers' extra-role behaviors, directly strengthens their service outcomes by supporting the ability of the service firm to deliver satisfactory service recovery (Yi & Gong, 2016).

Similar to the intrinsic motivations, customers' voluntary role helps enhance their service outcomes, such as positive referral behaviors and patronage intentions ($p < .05$). Besides, given that customers' complaint efforts are vital for customers' roles to adhere to the business logic, the degree of customers voicing their complaints is an important tool for promoting a major source of innovative service recovery ideas (e.g., Cai & Qu, 2018; Lu et al., 2018; Xu, 2019). However, when the customer complains about a service failure, the study findings confirmed that only active participants enhance a sense of control or fairness in resolving the service failure (Jin et al., 2019), thus contributing to the service recovery stage (Chen & Raab, 2017).

The results further suggest that the role of business logic in determining customers' potential role in service recovery is also compelling. This is significant, given that the customers' roles from the perspectives of value co-production and co-creation are often described in business logic (Campos et al., 2018; Kranzbühler et al., 2018; Vargo &

Lusch, 2008a, b). Adopting a firm-centric view of customer involvement in the service recovery process, value co-production follows the traditional view of GDL. In this approach, the primary role of customers is involuntary when customers are not actively seeking opportunities to become involved in the service process (Vargo & Lusch, 2004a, b). Differently, business logic such as SDL, CDL, and MDL emphasize the co-creation approach, which highlights the reciprocity between customers and service providers (Chester et al., 2018; Wynstra et al., 2010). These results about the extra-role behavior and co-creation literature show that business logic is favorable in classifying the customers' roles during the service recovery (e.g., Schmitt et al., 2011; Tschimmel, 2012). To engage customers, service providers' interpretation of the dynamic customer interactions affected by the various business logic is critical to reducing service recovery complexity by avoiding negative customer responses (Mikolon et al., 2015). An insight into the effect of business logic on customer engagement may help hospitality service firms design, manage, and promote explicit service recovery strategies in a way that engages their customers more effectively. Therefore, studying the business logic and customers' extra-role behaviors can foster better measure and implement customer engagement practices.

As opposed to the customers' positive response from the voluntary role during the service recovery process, negative reactions from customers after service failure are mostly recognized as their complaining behaviors (e.g., Bergel & Brock, 2018). This form of customer participation often involves their blames for unmet responsibilities, behaviors of requesting compensation, or boycotting the service (Ekinci et al., 2016; Lu et al., 2018). Customers' complaining effort refers to their degree of voicing

dissatisfaction to the service providers (e.g., Gursoy et al., 2007). Consistent with the cost-benefit framework (Gursoy et al., 2003), equity theory (Lapidus & Pinkerton, 1995), effort model (Huppertz, 2003), and the principle of reciprocity (Kaltcheva et al., 2013), customers perceive an inequitable service if the service providers cannot immediately rectify the flawed service at their own expense (Lu et al., 2018). When customers experience a primary loss due to the unexpected service failure, they are expected to invest further resources that typically represent the main complaints to preserve compensation (e.g., Chan et al., 2015).

However, such complaining behavior incurs customers' additional losses, such as time and physical or emotional efforts (Lu et al., 2018; Yang & Mattila, 2016). The drain on customers' self-esteem and well-being could be more impactful if they did not receive the complimentary service recovery. In particular, business logic is a key resource related to social support from the service providers and is critical in handling stressful customer complaining situations ($p < .05$). The findings highlight that customers' behavior of protecting their resources through the depletion of service failure can be actively reciprocated by their voluntary role. Nonetheless, customers' interpretation of resource loss/gain reflects the types of business logic described in the literature (e.g., Yang & Mattila, 2016). This suggests a potential framework for integrating the various types of business logic. Today, many hospitality foodservice businesses encourage customers to provide feedback to make their service more amiable. Customers' complaining can be acknowledged and reassured as another way to measure customer engagement with the firm after a service failure is appreciated or not. If a customer's complaint has complied with their voluntary role, the service organizations should recognize it as a justification

for improving the service recovery methods. However, the service organizations should also be aware that if the complaints emerge from a customer's involuntary role, the purpose of the complaint is highly related to monetary compensation and recovering their loss of self-interest (e.g., Tuan et al., 2019; Vargo et al., 2008a, b). Demonstrating such models of customer engagement might even lead to a neutral position between the service organization and the customer. Hospitality firms can reduce the costs they otherwise would squander on situations that are not appreciated by their customers or satisfying what customers expected from their complaints.

5.3 DISCUSSION OF THE RESEARCH MODEL

In addition to the first primary research objective, which was a focus group approach to gather understandings of customer perspectives in value and assist in creating specific measurement items for the survey questionnaires, the current study also aimed to test the developed hypotheses in a research model. The developed model is an examination of the key components of service touchpoints throughout the entire service system. Specifically, the preceding analysis in Chapter 4 empirically assessed a conceptual model using service-owned touchpoint (customer value proposition), customer-owned touchpoint (customer value formation), brand-owned touchpoint (service provider value formation), partner-owned touchpoint (service provider facilitation), and social or external touchpoint (customer role). Such conceptual models demonstrate how marketing (business logic), organizational operations (service provider facilitation), and strategy (customer role analysis) can work cohesively to meet customers' affective and behavioral outcomes at every touchpoint in customer service journey mapping. In summary, the model testing results suggest that most of the

proposed theoretical paths exhibited significant empirical relationships. As such, all answers to the corresponding research objectives were successfully addressed. The following sections elaborate on each proposed relationship based on the analysis results.

5.3.1 Customer Journey Mapping Customer Affective Outcomes

The results of the conceptual model showed that service-owned, customer-owned, and brand-owned touchpoints in the consumption stage of customer journey mapping positively and significantly influence customers' affective outcomes (happiness and subjective well-being). Customers' happiness refers to a cognitive state of delight, which involves a positive judgment based on a comparison of expectations with the actual performance of a product or service (Niedermeier et al., 2019). Customers' subjective well-being recognizes customers' satisfactory appraisal evaluations of a service experience (Su et al., 2016). Customer value proposition showed significant effects on customer happiness, $F(1, 318)=53.90, p<.001$; and subjective well-being, $F(1, 318)=36.36, p<.001$.

This result coheres with existing studies, which have found that the more connected value propositions are perceived, the greater happiness and subjective well-being will be recommended (Dasu & Chase, 2013; Haberstroh et al., 2018; Ouyang et al., 2019). As Chandler and Lusch (2015) suggested, to increase customers' affective outcomes, the level of connected customer value proposition concerning the match between service proposed by the service provider and customers' expectations of the particular service should be strategically enhanced.

Further, as multi-disciplinary research from psychological and marketing theories (e.g., Diener Biswas-Diener, 2011; Schuchert-Guler et al., 2001) suggested, although the

pursuit of service happiness involves every customer, the nature of this goal is related to the degree of the connected value proposition of each customer engaged in consumption activities, who of which seek to achieve "the moment of truth." To clarify how marketing practitioners might help make customers happy, this study measured three dimensions of happiness: philosophical happiness (the cognitive judgment of original expectations, Niedermeier et al., 2019), hedonic happiness (adoption of pleasant emotions, Niedermeier et al., 2019), and harmonious happiness (tranquility and peacefulness, Delle Fave et al., 2011).

With the research focus on the happiness construct, we argue that a concrete understanding is achieved, especially with the utilization of value proposition. It is concluded that with connected value propositions, customers often pursue long-term affective and cognitive components (Niedermeier et al., 2019) that are influenced by the perceived goals of the service (Haybron, 2005). With a higher level of connected value propositions of service, customers' hedonic happiness can be attributed to greater spirits (Raibley, 2012). Thus, these customers speak positively about the service with others and also provide immense value to the brand.

Similar to the effects of happiness, subjective well-being is also linked to the customer value proposition. Customers' subjective well-being is often conceptualized as general life satisfaction that concerns the experience domains of every service circumstance (Dagger & Sweeney, 2006). Unlike customer happiness, customers' overall subjective well-being requires service providers to provide superior value delivery to customers in a way that maintains and improves their state of well-being (Järvi et al, 2018). Since the customer value proposition is identified with service-owned touchpoints,

customers' subjective well-being is linked to the connected value proposition that demonstrates their ability to fit into the service environment (Arnould et al., 2014). If the adaptation is successful, customers' will eventually enhance their subjective well-being (Andreassen et al., 2016). On the other hand, subjective well-being has been conceptualized as a customer-balanced state that also involves unpleasant affects (Niedermeier et al., 2019) which influence customers' evaluation of the service (Dagger & Sweeney, 2006; Smith, 2013; Su et al., 2018). Such a phenomenon may be of particular interest to organizations for studying the impact of service providers' facilitation ability on customers' subjective well-being (Sthapit & Coudounaris, 2018; Su et al., 2015).

As the result revealed, the effects of service providers' facilitation on customers' subjective well-being (Index = .38, 95% CI = [.21, .56]) and customer-brand identification (Index = .40, 95% CI = [.20, .60]) were compelling. Customer-brand identification means the self-identity and symbolic meanings a customer might have with a brand or company (Bhattacharya & Sen, 2003; Elbedweihy et al., 2016). The result of the research is in line with social identity theory, suggesting that customers perceive a sense of connectedness with the service providers when their facilitation aligns with their brand identity (Jansson et al., 2011). Thus, service providers' facilitation that symbolizes organizational value might be important for customers to identify themselves with the company and satisfy self-definitional needs (Bhattacharya & Sen, 2003). When service failure disrupts customers' symbolic, hedonic, or esthetic service value that they originally had with the brand (Beckers et al., 2018), service providers' facilitation may become an especially important factor for restoring their subjective well-being and brand-identification. This

further confirmed that the partner-owned touchpoint in the recovery stage of customer journey mapping positively and significantly influences customers' subjective well-being and customer-brand identification.

5.3.2 Customer Journey influences Customer Behavioral Outcomes

The results of the conceptual model also showed that all touchpoints described in Chapter 2 (service-owned, customer-owned, and brand-owned touchpoints, partner-owned, social, or external owned) during the consumption and recovery stage of customer journey mapping positively and significantly influence customers' behavioral outcomes (positive referral and repatronage). Customers' positive referral behavior refers to positive communication among customers regarding the aspects of services (Westbrook, 1987; Tax, Chandrashekar, & Christiansen, 1993). Customers' repatronage intentions define customers' repetitive purchasing behaviors, specifically ones that originate from their positive attitudes, commitment, and loyalty (Han et al., 2009).

In the consumption stage, building the connected value propositions (service-owned touchpoints) and matching the value formation from customers with the service providers (customer-owned and brand-owned touchpoints) are preferable for bettering the position of their behavioral outcomes. The purpose of doing this is to make sure that customers receive services in the consumption stage that exceed their expectations (East et al., 2016). Exceeded expectations from the "moment-of-truth" build the foundations for developing their loyalty and commitment, which can influence their positive referral (Shi et al., 2016) and repatronage behaviors (Balaji et al., 2018). A compatible service encounter that occurred during the consumption stage expands on the framework of

touchpoints is one in which customers carry out their positive behavioral outcomes without struggle and embarrassment of service features (e.g., Abubakar & Mavondo, 2014; Deng et al., 2013).

Unexpected service failure impacts customers' emotions and behavior (e.g. Balaji et al., 2018; Migacz et al., 2018). Accordingly, well-programmed service facilitation (brand-owned touchpoint) utilized to fulfill the resource offer (customer value proposition) and be accepted by customers can generate positive referral behaviors and repatronage intentions (Hellier et al., 2003). Customer role (social or external touchpoint) can result in some changes, while voluntary customer roles can be a driver to improve the service failure situations (Borah et al., 2019; Harrison-Walker, 2019). Thus, the demonstrated relationships used by brand-owned and social or external touchpoints encourage service employees to understand and care about customers' engagement during the service recovery with a sense of urgency to handle the service recovery correctly. In doing so, service organizations can effectively improve the service recovery without depleting customers' emotions (e.g., psychological losses of self-esteem, social support, and self-efficacy), due to the stress of service failure (Machin et al., 2019). Neglecting the role of customers during the service recovery may lead to incomplete service recovery or biased evaluations of service outcomes.

5.3.3 Mediating roles between customer journey mapping dimensions and their outcomes

Following the proposed three research objectives, the boundary conditions of some variables are examined as mediators to holistically describe the customer journey mapping. Specifically, (1) the consumption stage where customers evaluate the service value propositions, in which customer and service providers value formation have been

used as mediators to test the indirect effect interposed to the relationship between customer value proposition and their affective outcomes (H4, H6, H8); (2) a service recovery stage where customers analyze their responses toward the service failure, followed by service providers facilitation and customer affective outcomes being tested as serial mediators on the relationship between business logic and customer behavioral outcomes (H11, H12); and (3) customers roles that are played during the service recovery by considering their complaining effort as the mediator on customer behavioral outcomes (H14). These mediators significantly mediated the relationships proposed (See Table 4.22).

Under the first objective (1), the finding (H4) that showed customers' value formation of service significantly mediated the relationship between customer value proposition and (a) customer happiness (Index = -.48, 95% CI = [-.74, -.23]) and (b) customer subjective well-being (Index = -.42, 95% CI = [-.64, -.02]) was consistent with previous research, which asserts that the service providers' value formation should be in line with the customers' value formation (e.g. Heinonen et al., 2013; Vargo & Lusch, 2011). Given that influence is generated from customers' value formation within a network of value proposition and service outcomes, it was interesting to note that customer value formation can influence their evaluations regarding service outcomes (Heinonen & Strandvik, 2015).

Moreover, consistent with previous studies saying that customers' perceived service provider value formation of staging, designing, and implementing offerings can affect customers' positive or negative outcomes (Heinonen & Strandvik, 2015), the findings (H6) showed that service providers' value formation of service significantly

mediated the relationship between customer value proposition and (a) customer happiness (Index =-.68, 95% CI= [-.96, -.42]) and (b) customer subjective well-being (Index =-.57, 95% CI= [-.80, -.35]). Hence, the established association between the customers and service providers in terms of value formation acts as a vital component of customers' journey mapping during the consumption stage, which could lead to enhanced customer affective outcomes.

As a happier and more satisfied customer is more likely to be committed to a service relationship (Belanche et al., 2013), (H8) positive value formations from customers and service providers lead to positive affective outcomes (happiness and subjective well-being), which have the power to enhance their overall behavioral outcomes (positive referral and subjective well-being) (Kim et al., 2012; Williams, 2014). In this way, the positive value formations from customers and service providers allow customers to promote a positive "moment-of-truth." Thus, customers are showing a higher likelihood of speaking positively about the service and continuing to patron the service in the future (Chan et al., 2015; Ferguson et al., 2010).

Under the second objective (2), the finding (H11) showed that service providers' facilitation in service recovery influences customers' affective service outcomes (i.e. subjective well-being, customer-brand identification) and behavioral service outcomes (i.e. positive referrals: Index =-.06, 95% CI= [-.13, -.01]; repatronage intentions: Index =-.05, 95% CI= [-.11, -.01]). As indicated by the attribution theory (Kelley & Michela, 1980), the customers' blame attribution of the service failure expresses their vulnerability towards personal loss. However, as long as the service facilitation addresses the customer's dissatisfaction, their positive appraisal based on service providers' facilitation

could lead to positive service outcomes (Nikbin et al., 2013; Zhao et al., 2014). Similarly, the finding of (H12) service providers' facilitation and customer-brand identification have sequentially mediated the relationship between business logic and (a) customers' positive referral behavior, and (b) repatronage intention was confirmed significant.

This finding demonstrates that when the service provider's facilitation complies with business logic and brand commitment (Tuškej et al., 2013), customer-brand identification can be strengthened (Donavan et al., 2004), which further leads to positive referral and repatronage behaviors (Chan et al., 2015; Ferguson et al., 2010). Therefore, the boundary condition of service provider facilitation and customer-brand identification are considered driving forces of service recovery success because they turn the challenges of service failure into "opportunities to elevate" customer service outcomes.

Under the third objective (3), the finding (H14) demonstrates that customers' complaint efforts play a significant mediation role when examining a customer's role in service recovery and their corresponding behavioral intentions, such as positive referral behavior ($p < .05$) and repatronage intention ($p < .05$) after service recovery. Such a result confirmed the role theory (Solomon et al., 1985), which implies that only the voluntary role of customers in the service recovery can promote appropriate behavior for co-creating an effective service recovery output. The readiness of a customer regarding participation in the service recovery (Dong & Sivakumar, 2017) further influences their ability to integrate resources, interests, and expectations when complaining of the service failure (Alves et al., 2016; Buonincontri et al., 2017). When customers voluntarily complain about the service, they often contribute a major source of innovative service recovery (Duverger, 2012; Lu et al., 2018; Xu, 2019).

As the effort model (Huppertz, 2003) indicates, customers' heightened participation in the service recovery process drives them to invest more energy and time into the complaint. Such behaviors can assist service providers in being "cautious about mishandling" the service recovery to restore the customers' loss from the service failure (Lu et al., 2018; Yang & Mattila, 2016). As such, customers' anticipated effort in complaining leads to their positive referral behavior (Deng et al., 2013) and the repatronage intention (HuIstanbuloglu et al., 2017).

5.4 THEORETICAL CONTRIBUTIONS

By addressing how customers' motives to purchase from a specific organization can vary significantly depending on marketing initiations, business strategies, service organizations' system operations that satisfy customers' purchasing needs and desires, the current research which made several noteworthy contributions in the fields of marketing, management, service operation, and hospitality. The comprehensive measurements related to business logic are still at their infancy stage, and most of the existing conceptualizations of business logic centralize an organization's strategic choices as opposed to customer service value creation (e.g., Heinonen et al., 2013; Vargo & Lusch, 2004a).

Meanwhile, the importance of business logic is highlighted in the theoretical foundation of marketing and business strategies that can help service organizations in expanding their service operations by exercising institutional pluralism (Greenwood, Díaz, Li, & Lorente, 2010; Kraatz & Block, 2008). In the literature, there is a need for developing institutional pluralism, as it is fundamental to customer service (e.g., Kraatz & Block, 2008; Ocasio & Radoynovsa, 2016). The current study conceptualized customer

journey mapping depending on the business logic and service operation. These deciding factors are centralized in multiple institutional spheres with plural business logic, which is based on an extensive review of relevant literature and theories.

Furthermore, the current research empirically tested how business logic can become a competitive advantage by developing better customer-firm relationships (e.g., Freeman et al., 2010; McPherson & Sauder, 2013) and contributing to strategy execution in terms of shaping better customer service outcomes (e.g., Durand et al., 2013; Jones et al., 2010). Therefore, the current study effectively captured the key components of service touchpoints throughout the entire service system by implementing a comprehensive conceptual domain of customer journey mapping. This examination is significant in its theoretical contribution to the literature of marketing (business logic), organizational operations (service provider facilitation), and strategy (customer role analysis) for several reasons.

First, customer experience is an aggregate of service touchpoints rather than a single transaction. As opposed to the research that only studies a single service encounter, customer journey mapping in the marketing field considers all service touchpoints that influence the overall customer service experience. The most conceptualizable touchpoints include brand-owned (controlled by the service firm), partner-owned (controlled by the firm or its business partners), customer-owned (controlled by the customer), and social or external (independent or collective role controlled by the service firm and the customer) (Siqueira et al., 2020). As these touchpoints demonstrate customer experiences from a static to dynamic view (Grönroos, 2011; Touloum et al., 2018), customer journey mapping should be used as a marketing tool to measure the process that involves multiple

service touchpoints. Therefore, it is important to measure if the interaction occurs in one moment (of service encounter) as opposed to overtime, as well as its influences on all other moments during the service experience (Micheaux & Bosio, 2019; Rudkowski et al., 2020).

Meanwhile, the nature of business logic focuses on the utilization of the decision method, which a service organization uses to determine service specifications (e.g. Alzaydi et al., 2018; Iyer & Johlke, 2015). However, the current research further demonstrates that business logic conditionally influences customer service outcomes (Vargo & Lusch, 2004, 2006, 2008). During the service consumption stage, customer service outcomes are not significantly influenced by the business logic. In other words, as customers visit various service organizations (adopted by different business logic) with distinct initial expectations, the capabilities of business logic that appeal to the customers do not seem to be profound.

In contrast, the impact of business logic on customer service outcomes becomes significant, as it incorporates perspectives of supply-side views of service provider facilitation after a service failure, along with the demand-side views of customer need when analyzing interactions that happen during the service recovery (Harrington et al., 2019a). Therefore, more researchers have called for the need to examine the combined perspectives in mapping the customer service journey, especially after a service failure occasion. In sum, business logic made significant theoretical contributions to the current literature by regulating the supply side of logic that usually seems to oppose the demand side of logic.

Additionally, the present study filled the gaps in the limited theoretical discussions about the customer journey mapping. More specifically, the research argues that not all business logic may have a solid service facilitation culture and employee support for enabling customer value co-creation practices. That is, service providers' practices in facilitating customers' needs after a service failure will vary based on a business's logic. Up to date, empirical evidence on the theoretical connection between business logic and service facilitation remains scarce, while a lot of conceptual discussions have mentioned that business logic may serve as the underlining foundation for collaborative service facilitation and interaction (e.g., Dong & Sivakumar, 2017; Van Vaerenbergh & Orsingher, 2016).

Lastly, the current study is seemingly the first to have introduced the notion of institutional pluralism into the hospitality conceptual framework of customer journey mapping. Indeed, it is one of the few approaches to exploring the engagement model in hospitality literature at large by investigating the customers' role and complaining behavior, along with the service facilitation and possibility of different business logic.

In doing so, this research has responded to the call of Harrington et al. (2019a), Vargo and Lusch (2004a,b; 2006a, b), and Dong et al. (2008, 2016) for further development of the emerging SDL, CDL, and MDL logic of marketing. As a corollary to its main objective, this research has also contributed to a better understanding of value dimensions in overall customer service, and about which aspect of customer journey mapping touchpoints has remained relatively silent so far. Concisely, the current study provided one of the initial empirical explorations of investigating the timely topic of business logic and service facilitation; specifically, the ones that result from the supply-

side of service systems using resources, as well as customer role and complaining efforts resulting from the demand-side of expectations. Besides, the merit of research has shown how to obtain customer service outcomes that can engender balanced levels of value, which are achieved by different business logic and service systems. Table 5.1 systematically lists each research gap and how the current study addressed it.

Table 5.1 Theoretical Contributions of the Current Study

Field	Research Gap Problem	Addressed	Contribution
Customer service	Most existing research focuses on single service encounter/transaction	✓	The current study theoretically conceptualized and empirically measured significant touchpoints that can happen during the customer journey mapping both in service consumption and recovery stage.
Marketing	Researchers in both marketing and hospitality has called for integrative research of business logic, in which co-creation of customer service experience can be investigated in a shared mechanism.	✓	The current study theoretically confirmed that how the value from different business logic emerges at a given point in customer journey mapping.
Service Operation	Researchers in marketing requires that service systems (individuals, groups, organizations) integrate resources in a process to draw on incongruent elements of practice for employee behaviors, such as helping and informing.	✓	The current study investigated the service providers' facilitation to demonstrate the fact that the service providers' facilitating resources varies based on the business logic-human capital bundle in a hospitality setting suggests that firms would need to move along the continuum to ensure that customers' need after a service failure is met.

Business Strategy	<p>The phenomenon of institutional pluralism has raised increased research attention but it's still at an early stage and lacks a sound theoretical foundation.</p> <p>More research supported by theories were called to investigate a system's adaptiveness or ability to fit in its environment and the customer engagement model.</p>	✓	<p>The current study examined how value is determined uniquely by the customer and also uniquely exercised by the customer role. Customer role in service recovery is a concept that is contextually bound and emotionally accumulated; thus, it can further predict their positive referral behaviors and repatronage intentions.</p>
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5.5 PRACTICAL IMPLICATIONS

In addition to theoretical contributions, the current research also provides several practical implications for hospitality industry practitioners, especially for foodservice operators and personnel in the service industry. Defining customer value proposition and determining that co-creation of value only may take place in a joint value formation sphere suggests that service providers must address their processes and activities in a structured manner. Numerous approaches for the service firm's value co-creation, such as business logic that take place in a service provider sphere without direct interactions with customers, have no impact on real value.

Business logic may only enable the service firms to produce potential value, as expected from the customers; however, nothing beyond this initial expectation. This view is contradictory to the common service advocacy, such as "the firm delivers the value to its customers" (El Sawy & Pereira, 2013), and further affirms the contemporary view that is created by the customers, not by the service firm (Grönroos & Voima, 2013). Another important implication is the observation that value co-creation is restricted to a joint

value sphere of service providers and customers regarding value formation. In this sphere, the customer may join the service firm's various service practices, thus allowing the service provider access to the customer's value formation and potentially engaging in "the moment of truth". From a managerial perspective, it is noteworthy that service practitioners need to find access to customers' value proposition by changing some temporal, spatial, physical, and social aspects of the service context.

In particular, service firms should access the customer value proposition sphere and actively influence their customers' creation of value. By actively managing the value co-creation platform offered by service firm–customer interactions, the service provider is no longer restricted to the practice of a service provider only making promises (an act imitated from the business logic). In addition, positive value formation from customers (and their perceived positive value formation from the service provider) can influence their perceptions of the firm and their willingness to become a positive referral or repurchase the service, which is clearly a marketing issue (Objective 1).

However, as noted earlier in the paper, there is compelling evidence from previous studies that negative customer emotions emanating from failed service encounters can be destructive for the firms and their employees. The results of the research clearly show that service failures are linked to potentially damaging customers' subjective well-being and customer -brand identification. In turn, the expressions are linked to negative behaviors (e.g., negative referral, not repatronage). Such negative expressions and behaviors impact not only the firm but sometimes other customers and service employees. To limit service outrages from a service failure, there are several initiatives that service management might implement. These can be grouped into two

broad categories: service system management, which is business logic and service facilitation, and the customer engagement model, which is the customer role.

First, regarding the service system and facilitation, frontline service providers need to be trained to identify the early warning signs of customer dissatisfaction in the aftermath of a service failure. For example, employees should pay attention to the customer's behavioral expressions, such as shaking of the head, rolling of the eyes, glaring, etc (McColl-Kennedy et al., 2009). Such expressions tend to result in switching and negative word of mouth. When these expressions are observed, frontline service employees should immediately seek the support of their supervisor to at least minimize customers' rage expressions before they result in immutable consequences. Some human resource procedures designed to assist service employees in facilitating customers after a service failure include:

- Training employees to start the dialogue with a neutral statement, such as "let's go over what happened" to create a partnership.
- Training employees to repeat customer concerns to ensure the employee addresses the right issue.
- Training employees to gently guide the conversation back to the issue and how they intend to resolve it.
- Developing employees to acknowledge, provide an explanation, apologize for a failed encounter, and ask customers to identify what will make them happy.
- Rewarding employees who demonstrate good examples of handling customer rage incidents.

- Developing steps to reduce the risk of the situation happening again and implement employee training.

At a more managerial level, hospitality management should seriously consider the following:

- Managers should quickly address a customer's concerns, which may turn their negative experience into a positive one.
- Set autoresponder to send an instant receipt notification to customers whenever they report any issue.
- Define a specific service level agreement that serves as an acknowledgment to the customer query.
- Share feedback with potential team members across different departments to know more about customer expectations.
- Identify the gaps between your brand and customers. Accordingly, plan new business strategies to bridge the gaps.
- Apologize for the inconvenience they have encountered and show your concern towards them by providing the right solutions.
- Engage in a thorough analysis of the service failure facilitation incident. Specifically, each incident needs to be recorded, thoroughly analyzed, categorized, and stored for later comparison and benchmarking purposes (to implement institutional pluralism).

Knowing this can help hospitality and service practitioners: (1) identify the early signs of customer rage after a service failure, (2) develop intervention mechanisms or

systems to use and facilitate the right solution, and (3) implement long-term customer rage prevention strategies (Objective 2).

Second, regarding customer engagement and their role during the service recovery, managers should not neglect the possibility of value co-destruction when contemplating the potential benefits of co-creating value with the customer. The risk of co-destructing a service recovery is as high as "40 percent of the customers who suffer through bad experiences stop doing business with the offending company... without the slightest warning" (Dougherty & Murthy, 2009, p. 22). Thus, managing the customer engagement model of co-creation requires well-designed managerial thinking and actions that can avoid the misuse of resources. This means that it is essential to align the mutual expectations of the interacting service systems (that is, to reduce or eliminate the discrepancies between these mutual expectations) or be prepared to recover from the occurrence of misuse.

To prevent the misuse of service recovery resources, service firms should precisely communicate before the interaction about the manner they expect their customers to express while integrating resources needed for value co-creation. However, given that service failure cannot be systematically avoided, practitioners should consider methods to identify misuse and recover from it. All successful customer-focused companies have customer service recovery systems at the ready, to be deployed when things don't go according to plan.

To this aim, training and empowering service employees may facilitate an increase of offered assistance and learning how to align the parties' mutual expectations. It could be useful for hospitality practitioners to gather some incidents using interviews

or surveys to observe potential customers' behaviors. Alongside this, they may provide a better understanding of how the customers expect resources to be integrated and applied in interactions. Technology might help to identify customer complaints about misuse-related service failure problems. The power of blogs or social websites such as Twitter and Facebook can also be used as a smart way to share service recovery incidents with potentially hundreds or thousands of customers. This obliges firms to be more proactive in co-creating value with their customers. However, during this process, it is important that the customers do not feel imposed to adopt a specific behavior during the interaction.

Hence, service firms should have two levels of engagement based on customers' intention to participate, specifically their voluntary and involuntary role in value co-creation. Encouraging customers to participate in the service recovery is an opportunity to value co-creation, but, at the same time, it offers the chance to evaluate what processes or systems led to the issue in the first place (Objective 3). Essentials of service recovery suggest the customer engagement model should be:

- Understand customer expectations at key points along the experience pathway.

When customers fail to voluntarily participate in the service recovery stage, the key to success is being able to anticipate the customers' needs at each step and strive to ensure that processes are in place, as well as meet and exceed customers' expectations.

- Calculate the return-on-recovery. Be clear on the cost/benefit associated with the service map, define activities, and train employees accordingly with the customer engagement approach.

- Empower employees to make things right for the customer, in which they can responsibly exercise the authority entrusted to them when engaging customers' during the service recovery.

Overall, the potential for co-creating value through service recovery interactions is distinct, but the possibility of value co-destruction from insufficient service facilitation and misuse of customer engagement should not be overlooked. Hospitality practitioners must recognize that adverse consequences of service recovery can occur for a variety of reasons; therefore, it is critical before implementing the right business logic to determine the ability of service facilitation and the extent to engage customers during the service recovery occasions.

5.6 LIMITATIONS AND FUTURE RESEARCH

Although the findings of this dissertation make significant contributions to the customer service and hospitality literature, it is crucial to discuss the limitations of the research and how they can present avenues for future studies in a hospitality customer experience context.

First, the current study was conducted in a foodservice setting that may have limited generalizability in other hospitality settings, such as retail or tourism. Future studies may examine the effects of diverse settings so that more in-depth comparisons between business logic could be obtained. Another research limitation is that the survey was conducted with the respondents by reflecting on their experience in the pre-COVID 19 environments. As a result, there was a time lag between respondents' perceptions and actual business operations that have been modified since COVID 19. Ideally, future

studies should conduct onsite surveys to see whether there are any changes adopted by the hospitality industry.

Second, the proposed conceptual model suggests that theoretical and empirical work related to service inclusion (i.e. institutional pluralism) and resilience (i.e. systematic service recovery) remains to be explored. This is specifically in regard to the influence of social, symbolic, and psychological stimuli on customer and service employee acceptance or rejection of cooperation within service consumption and recovery settings.

Future studies are encouraged to examine these variables using longitudinal studies to understand how perceived customer attractions to the touchpoints alters over time. In addition, as the COVID-19 pandemic continues to evolve, there has never been a more pressing need for organizations to rethink and reconfigure their business logic for a changing world. Learning the distinguishing among varied business logics and the inclusion of creating institutional pluralism will benefit the business organizations to focus their efforts on supporting key areas of their businesses that will help them to stabilize in the new environment and strategize for the upcoming challenges and opportunities.

While few empirical studies have identified and measured the dimensions of customer value in a business setting, especially from the customers' perspective, they lack a stabilized engagement scale for measuring customers' role from the service firm's perspective. Due to this limitation, several hypotheses relevant to the current research (e.g. regarding business logic) may not have been supported because the measuring items were not adequate or sufficient to cover both supply and demand perspectives. Future

studies should incorporate more context role-specific items, such as tasks, responsibilities, knowledge, adaptability, accountability, etc. Additional research should go into greater depth to clarify the transformation of defined-role to role-modification from service providers and customers as they entered the value co-creation phase.

Third, regarding interactive mechanisms between service providers and customers, more research could focus on additional mediators that reveal how customer service outcomes change. For example, customers' physical attachment becomes increasingly less important when a customer is attached more to the social stimuli through a voluntary role during the service recovery.

However, it is important to note that there will be a limitation regarding the degree of customer contributions in service recovery, which remains to be empirically proven. Furthermore, the current work aids researchers in understanding four business logic (GDL, SDL, CDL, MDL) and two customer roles (voluntary, involuntary) in the service recovery setting. Future studies should continue developing economic, social, and psychological metrics to assess the effectiveness of interactive mechanisms between service firms and their customers.

Despite these limitations, this dissertation aids researchers in understanding a complete customer journey framework that encompasses multiple touchpoints conceived as important components of service consumption and recovery settings. Likewise, the conceptual framework shows that customer journey mapping is no longer a singular marketing tool applicable only to service firms or marketers. More thoroughly, customer journey mapping represents a multi-disciplinary paradigm that focuses on an array of customer-firm network.

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APPENDIX A

FOCUS GROUP SURVEY

Focus group interview questions with customers (est. N=12) [questions adopted from Back & Kim, 2019; Harrington et al., 2019a]

Scenario Description

- Recall an incident where your experience is entirely based on purchasing food and beverage products.
- Recall an incident where service providers are providing recommendations to customers by combining the product, price, and service dimensions of an offering.
- Recall an incident where service providers are flexible to meet your needs by providing personalized, customer-centric experiences.
- Recall an incident where you were a customer of a foodservice business, where service providers are empowered to create excitement, unique experiences, and emotional connections to individual wow factors.

Response questions during the consumption stage

- What kind of emotions did you experience? Please describe why you felt those emotions as a result of the experience.
- What behavioral perceptions did you form toward the company after experiencing that incident? Please explain why you formed those behaviors toward foodservice business.

Service Failure Scenarios

- Are there any episodes when service failure happens during your visit at [indicated business logic] this foodservice business? For example...

Response questions during the recovery stage

- What kind of emotions did you experience? Please describe why you felt those emotions as a result of the experience.
- What behavioral perceptions did you form toward the company after experiencing that incident? Please explain why you formed those behaviors toward foodservice business.
- How did it affect your anticipated willingness to participate during the service recovery process.

Predicting Future

- Which type of restaurant business model will shape the best customer journey during COVID19 pandemic?

APPENDIX B

PILOT STUDY SURVEY

Objective 1 (2:value proposition x 4: business logic)

Business logics – (will be further developed based on the focus group interview results)

GDL condition

Imagine that you are dining at foodservice business, which would include most quick-service restaurants, to go or takeout. Such foodservice often provides a value menu that is based on product taste preferences, price, location, sanitation, and service preferences rather than service experience expectations.

SDL condition

Imagine that you are dining at a food service business. In this foodservice operation, customers and service providers both can contribute to the service offerings where customers can request the food and service based on their preferences, and the service provider can facilitate to create the service offering based on the customers' needs.

CDL condition

Imagine that you are dining at a foodservice business, in which the service provider has strong, high-end restaurant background who can highlight customers experiences by telling stories behind the creation of a dish, explaining the nuances of a dish, providing exclusive recipes, or giving nutritional information on your dishes, etc. Such food service operations often hire celebrity chefs, obtain unique beverage choices, provide opportunities to interact with cooking staff, and own a customer information database of previous purchases.

MDL condition

Imagine that you are dining at a foodservice business, in which the service provider will provide you with a surprise element. Such food service operations often provide their customers with surprise dishes on their birthdays, anniversaries, graduations, and even just a date night, which drives customers to expect what's to come at their next visit. The surprise dishes from the restaurant are often viewed as extra love and thought for customers, which creates special memories for the particular customer.

Customer value proposition

Connected condition Your experience with this foodservice operation, including product attributes, service components, prices, and delivery options, is what you have expected and the service provider offered what you wanted.

Dispositioned condition However, your experience with this foodservice operation, including product attributes, service components, prices, and delivery options, is NOT what you have expected and the service provider did NOT offer what you wanted. Therefore, you did NOT perceive a convincing reason to buy the product or use a service from this food service operation and the value of a product or service from this foodservice operation than other foodservice competitors.

Manipulation check (To test the effect of the experimental manipulations)

Business logics (Harrington et al., 2019)

- Indicate your perceived value of the service from the scenario on 1-7 scale (1=strongly disagree; 7=strongly agree)
 - I purchase this service by exchanging the money with the product because the restaurant is product-driven limited food service rather than service experience originated (value-in-exchange)
 - I purchase this service because it is created on a reliable, consistent, and responsive basis between customers and providers foodservice, where your service request is facilitated by the service provider (value-in-use)
 - I purchase this service because it is created on an aesthetic, entertaining and experiential basis between customers and providers, where the service employees own sophisticated knowledge about the service they providing to their customer (value-in-experience)
 - I purchase this service because it provides a special memorial event associated with the dining experience (value-in-memory)

Value proposition intensity (Akaka & Chandler, 2011; Chandler & Lusch, 2015) (1=none, 2=minimum to mild, 3=mild intense, 4=mild to moderate intense, 5=moderate to strong intense, 6=strong, 7=very strong intense)

- How intensively do you perceive the invitation from service provider to you to engage in this service encounter with this foodservice business?
- How intensively do you perceive your present-day connections that have emerged from the past and are oriented toward future service experiences with this foodservice business?
- How intensively do you perceive your present-day connections are comprised of service providers and the social roles that affiliate you with those service providers with this foodservice business?
- How intensively do you perceive your appropriation, renovation, or innovation of connections toward a specific future with this foodservice business?
- How intensively do you perceive your appropriation, renovation, or innovation of connections in response to a specific past with this foodservice business?
- How intensively do you perceive your appropriation, renovation, or innovation of connections in the current time and place with this foodservice business?

Check the realism of the scenarios (1 = strongly disagree, 7 = strongly agree) (Trianasari, Butcher, & Sparks, 2018)

The first two questions measured the credibility of the manipulations (e.g.,

- The situation in the story is realistic.

- I can play the role of restaurant customer guest in the story easily.

Constructs and items

Customer value formation (Heinonen et al., 2019) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- This service experience provides me a personalized service experience.
- I have been socially influenced by the service provider with this service experience.
- I feel my service interest has been understood with this service experience.

Perceived service provider value formation (Heinonen et al., 2019) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- The service provider provided a benchmarking service with other similar types of foodservice (Revert)
- The service provider provided informative and entertaining service to me.
- The service provider co-developed the service experience with me by supporting my special service requests and unanticipated inquiries.

Customer happiness (Niedermeier et al., 2019) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- Taking all things together, I feel happy with this service experience.
- I feel great about this product and the service I received.
- In general, this service experience contributes to consider myself happy.
- Compared to other foodservice, this service experience makes me happier.

Customer subjective well-being (Diener et al., 2010; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- In general, I consider myself a very happy person with this service experience.
- Compared to most of the other customers, I consider myself happier with this service experience.
- I am generally very happy and enjoy this service experience.
- I am optimistic about this service in this future.
- I feel respected by the service experience.
- My social relationships with this service experience are supportive and rewarding.
- I am engaged and interested in my service experience.
- I actively contribute to the happiness and well-being of others.

Customer positive referral (Ramaseshan, Wirtz, & Georgi, 2017; Ryu, & Feick, 2007; 1 = strongly disagree, 7 = strongly agree).

- I will positively recommend this foodservice business in the future.
- I will positively recommend this foodservice business to close relatives and friends.
- I will positively recommend this food service business when somebody is asking me about related advice.
- I often tell positive things about this food service business when I am asked.

Customer repatronage intention (Stokburger-Sauer, et al., 2012; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- I intend to revisit this foodservice business in the future.
- This foodservice business/ restaurant will always be my first choice.
- I intended to keep purchasing food from this business.
- I will stick with this foodservice business because I know this is the best for me.

EXPERIMENT 2 SCENARIO

Objective 2 (single factor: business logic)

Business logics

- Same as scenarios described above

Service failure default condition

However, the service system had flaws in service delivery, and you are not satisfied with the food or the service you received.

EXPERIMENT 2 SURVEY

Manipulation check

Business logics (Harrington et al., 2019)

- Indicate your perceived value of the service from the scenario on 1-7 scale (1-strongly disagree; 7=strongly agree)
 - I purchase this service by exchanging the money with the product because the restaurant is product-driven limited food service rather than service experience originated (value-in-exchange)
 - I purchase this service because it is created on a reliable, consistent, and responsive basis between customers and providers foodservice, where your service request is facilitated by the service provider (value-in-use)
 - I purchase this service because it is created on an aesthetic, entertaining and experiential basis between customers and providers, where the service employees own sophisticated knowledge about the service they providing to their customer (value-in-experience)
 - I purchase this service because it provides a special memorial event associated with the dining experience (value-in-memory)

Check the realism of the scenarios (1 = strongly disagree, 7 = strongly agree) (Trianasari, Butcher, & Sparks, 2018)

The first two questions measured the credibility of the manipulations (e.g.,

- The situation in the story is realistic.
- I can play the role of restaurant customer guest in the story easily.

Constructs and items

Service providers' facilitation (Harrington et al., 2019; Heidenreich et al., 2015; Van Vaerenbergh & Orsingher, 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- The service provider has quickly responded to your complaint.
- The service provider has acknowledged your problem.
- The service provider has provided the basic problem-solving.
- The service providers provided facilitating actions in providing easily accessible recovery.
- The service provider corrected the service failure with clear instructions informed to the customer.

Control variable

Customer role in service recovery (Dong et al., 2008) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- I am fully capable of recovering service failure.
- I am confident in my ability to solve the service failure.
- I feel certain about how to solve the service failure.
- I know what is expected of me if I decide to participate in the service recovery.

Customer subjective well-being of service recovery (Diener et al., 2010; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- In general, I consider myself a very happy person with this service experience.
- Compared to most of the other customers, I consider myself happier with this service experience.
- I am generally very happy and enjoy this service experience.
- I am optimistic about this service in this future.
- I feel respected by the service experience.
- My social relationships with this service experience are supportive and rewarding.
- I am engaged and interested in my service experience.
- I actively contribute to the happiness and well-being of others.

Customer-brand identification (Bergami & Bagozzi, 2000; Lam et al., 2010; Stokburger-Sauer, et al., 2012) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- This foodservice business has a great deal of personal meaning for me.
- I perceive a state of self-categorization that reflects self-awareness of my membership in this foodservice business.
- I perceive a psychological state of belongingness with this foodservice business.
- I have an emotional attachment to this particular foodservice business.

Customer positive referral (Ramaseshan, Wirtz, & Georgi, 2017; Ryu, & Feick, 2007; 1 = strongly disagree, 7 = strongly agree).

- I will positively recommend this foodservice business in the future.
- I will positively recommend this foodservice business to close relatives and friends.

- I will positively recommend this food service business when somebody is asking me about related advice.
- I often tell positive things about this food service business when I am asked.

Customer repatronage intention (Stokburger-Sauer, et al., 2012; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- I intend to revisit this foodservice business in the future.
- This foodservice business/ restaurant will always be my first choice.
- I intended to keep purchasing food from this business.
- I will stick with this foodservice business because I know this is the best for me.

EXPERIMENT 3 SCENARIO

Objective 3 (2: customer role in-service x 4: business logic)

Business logics

- Same as scenarios described above

Service failure default condition

However, the service system had flaws in service delivery, and you are not satisfied with the food or the service you received.

Customer role conditions

Voluntary condition

So, you decide to recover the service failure by yourself. You take an initiative to contact service employees and provided your expectations and any needed information that can support the service provider to resolve the service failure. You played an active role in supplying activities and inputs rather than simply being present and having contact with service employees. You also contributed informational, physical, behavioral, and emotional efforts to the stages of this service recovery process.

Involuntary condition

So, you feel lost. You don't know what to do in the face of such service failure. So you played a passive role by simply being present and having contact with service employees rather than being active in supplying activities and inputs. You did NOT contribute any informational, physical, behavioral, and emotional efforts to the stages of this service recovery process.

EXPERIMENT 3 SURVEY

Manipulation check

Customer role in service recovery (Harrington et al., 2019; 1-7 scale; 1= not to prefer; 2=strongly disagree; 7=strongly agree).

- I am fully capable of recovering service failure.
- I am confident in my ability to solve the service failure.

Business logics (Harrington et al., 2019)

- Indicate your perceived value of the service from the scenario on 1-7 scale (1=strongly disagree; 7=strongly agree)
 - I purchase this service by exchanging the money with the product because the restaurant is product-driven limited food service rather than service experience originated (value-in-exchange)
 - I purchase this service because it is created on a reliable, consistent, and responsive basis between customers and providers foodservice, where your service request is facilitated by the service provider (value-in-use)
 - I purchase this service because it is created on an aesthetic, entertaining and experiential basis between customers and providers, where the service employees own sophisticated knowledge about the service they providing to their customer (value-in-experience)
 - I purchase this service because it provides a special memorial event associated with the dining experience (value-in-memory)

Check the realism of the scenarios (1 = strongly disagree, 7 = strongly agree) (Trianasari, Butcher, & Sparks, 2018)

The first two questions measured the credibility of the manipulations (e.g.,

- The situation in the story is realistic.
- I can play the role of restaurant customer guest in the story easily.

Constructs and items**Customer complaining effort (Lu et al., 2018) (1-7 scale; 1=strongly disagree; 7=strongly agree)**

- It took great time and effort to prove my dissatisfaction.
- It required too much work to get my problem resolved.
- I have contacted the service provider several times to get my problem resolved.
- Having my problem resolved was a difficult process.

Customer positive referral (Ramaseshan, Wirtz, & Georgi, 2017; Ryu, & Feick, 2007; 1 = strongly disagree, 7 = strongly agree).

- I will positively recommend this foodservice business in the future.
- I will positively recommend this foodservice business to close relatives and friends.
- I will positively recommend this food service business when somebody is asking me about related advice.
- I often tell positive things about this food service business when I am asked.

Customer repatronage intention (Stokburger-Sauer, et al., 2012; Su et al., 2016; 1 = strongly disagree, 7 = strongly agree)

- I intend to revisit this foodservice business in the future.
- This foodservice business/ restaurant will always be my first choice.
- I intended to keep purchasing food from this business.
- I will stick with this foodservice business because I know this is the best for

APPENDIX C

MAIN STUDY SURVEY

Objective 1 (2: value proposition x 4: business logic)

Business logics

Note: Wordings are revised based on the pilot study feedback

GDL condition

Imagine that you are hungry and would like to go somewhere that offers take-out in order to quickly grab the food and go. You already know what you want to order before you visit the place. Such foodservice places often provide a consistent menu.

SDL condition

Imagine that you are dining at a foodservice business. In this foodservice operation, you can ask for recommendations from the employees/servers while you are ordering your food. Employees/servers might recommend that you try the daily specials that are offered at the restaurant, and you might be able to try some foods that you wouldn't have otherwise based on the employee/server's recommendations.

CDL condition

Imagine that you are dining at an upscale foodservice business. Such food service operations often hire service providers who have a professional background in explaining the nuances of a dish, providing exclusive recipes, or giving nutritional information on your dishes, etc. The employees/servers are willing to accommodate your orders by asking your likes/dislikes and they will tweak menus to create personalized modifications on your dishes. In this scenario, you can just enjoy your experience and don't have to worry about ordering.

MDL condition

Imagine that you are dining at a foodservice business where you have fond memories of the business and the restaurant owner/manager based on some sort of entertainment that makes the experience exciting and unique. For you, the special service encounter or element is often viewed as extra love and thought and creates special memories for you.

Customer value proposition

Connected condition : Your experience with this foodservice operation, including product attributes, service components, prices, and delivery options, is what you have expected

and the service provider offered what you wanted. You perceived that the value of this foodservice operation is good.

Dispositioned condition: However, your experience with this foodservice operation, including product attributes, service components, prices, and delivery options, is NOT what you have expected and the service provider did NOT offer what you wanted. Therefore, you did NOT perceive a convincing reason to buy the product or use a service from this food service operation. Therefore, the value of a product or service from this foodservice operation is perceived NOT well.

Manipulation check (To test the effect of the experimental manipulations)

Business logics (Harrington et al., 2019)

- Indicated the type of foodservice restaurant from the scenario.
 - Deliver tangible products.
 - Deliver the system of distribution channels that impact its service experience level.
 - Experience-based service with a customer-centric focus.
 - Deliver the likelihood of creating reflections based on the customer's unique experience.
- Based on the situation described on the previous page, please indicate your perceptions on how the foodservice run their business based on the value they created for their customers. Indicate your agreement on 1-7 scale (1=strongly disagree; 7=strongly agree)
 - While purchasing this service, you ordered the food based on the service providers' recommendation, and the service provider facilitated your ordering.
 - While purchasing this service, the service provider offered accommodations during your ordering and provided personalized modifications to the menu.

Note: wordings are revised based on the pilot study result

Value proposition intensity (Akaka & Chandler, 2011; Chandler & Lusch, 2015) (1=none, 2=minimum to mild, 3=mild intense, 4=mild to moderate intense, 5=moderate to strong intense, 6=strong, 7=very strong intense)

- How intensively do you perceive the invitation from service provider to you to engage in this service encounter with this foodservice business?
- How intensively do you perceive your present-day connections that have emerged from the past and are oriented toward future service experiences with this foodservice business?
- How intensively do you perceive your present-day connections are comprised of service providers and the social roles that affiliate you with those service providers with this foodservice business?
- How intensively do you perceive your appropriation, renovation, or innovation of connections toward a specific future with this foodservice business?
- How intensively do you perceive your appropriation, renovation, or innovation of connections in response to a specific past with this foodservice business?

- How intensively do you perceive your appropriation, renovation, or innovation of connections in the current time and place with this foodservice business?

Note: Final report used the aggregated item of these six measurements.

**Check the realism of the scenarios (1 = strongly disagree, 7 = strongly agree)
(Trianasari, Butcher, & Sparks, 2018)**

- The situation in the story is realistic.
- I can play the role of restaurant customer guest in the story easily.

Constructs and items

Customer value formation (Heinonen et al., 2019) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- This service experience provides me a personalized service experience.
- I have been socially influenced by the service provider with this service experience.
- I feel my service interest has been understood with this service experience.

Perceived service provider value formation (Heinonen et al., 2019) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- The service provider provided a benchmarking service with other similar types of foodservice. (revert)
- The service provider provided informative and entertaining service to me.
- The service provider co-developed the service experience with me by supporting my special service requests and unanticipated inquiries.

Customer happiness (Niedermeier et al., 2019) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- Taking all things together, I feel happy with this service experience.
- I feel great about this product and the service I received.
- In general, I believe this service experience contributed to my happiness.
- Compared to other foodservice, this service experience makes me happier.

Customer subjective well-being (Diener et al., 2010; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- In general, I consider myself a **happier person because** of this experience.
- Compared to most of the other customers, I consider myself happier with this service experience.
- I am generally very happy and enjoy this service experience.
- I am optimistic about this service in this future.
- I feel respected by the service experience.
- My social relationships with this service experience are supportive and rewarding.
- I am engaged and interested in my service experience.
- I actively contribute to the happiness and well-being of others.

Customer positive referral (Ramaseshan, Wirtz, & Georgi, 2017; Ryu, & Feick, 2007; 1 = strongly disagree, 7 = strongly agree).

- I will positively recommend this foodservice business in the future.
- I will positively recommend this foodservice business to close relatives and friends.
- I will positively recommend this food service business when somebody is asking me about related advice.
- I often tell positive things about this food service business when I am asked.

Customer repatronage intention (Stokburger-Sauer, et al., 2012; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- I intend to revisit this foodservice business in the future.
- This foodservice business/restaurant will always be my first choice.
- I intend to keep purchasing food from this business.
- I will stick with this foodservice business because I know this business is the best for me.

EXPERIMENT 2 SCENARIO

Objective 2 (single factor: business logic)

Business logics

- Same as scenarios described above

Service failure default condition

However, the service system had flaws in service delivery which caused a service failure in your opinion.

EXPERIMENT 2 SURVEY

Manipulation check

Business logics (Harrington et al., 2019)

- Based on the situation described on the previous page, please indicate your perceptions on how the foodservice run their business based on the value they created for their customers. Indicate your agreement on 1-7 scale (1=strongly disagree; 7=strongly agree)
 - You perceived business value was to exchange the money for the food you plan to order. (value-in-exchange)
 - You perceived business value was facilitated by the service provider. (value-in-use)
 - You perceived business value was accommodated by the service provider by providing personalized modifications. (value-in-experience)
 - You perceived business value was entertaining and unique, which incited fond memories. (value-in-memory)

Note: Wordings are revised based on the pilot study feedback

Check the realism of the scenarios (1 = strongly disagree, 7 = strongly agree)
(Trianasari, Butcher, & Sparks, 2018)

The first two questions measured the credibility of the manipulations (e.g.,

- The situation in the story is realistic.
- I can play the role of restaurant customer guest in the story easily.

Constructs and items

Perceived service providers' facilitation (Harrington et al., 2019; Heidenreich et al., 2015; Van Vaerenbergh & Orsingher, 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- In this foodservice business, you perceive/expect that the service provider will quickly responded to your complaint.
- In this foodservice business, you perceive/expect that the service provider will acknowledge your problem.
- In this foodservice business, you perceive/expect that the service provider will provide the basic problem-solving.
- In this foodservice business, you perceive/expect that the service providers will offer facilitating actions in providing easily accessible service recovery.
- In this foodservice business, you perceive/expect that the service provider will correct the service failure with clear instructions informed to you (aka. the customer).

Control variable

Customer role in service recovery (Dong et al., 2008) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- I am fully capable of recovering service failure.
- I am confident in my ability to solve the service failure.
- I feel certain about how to solve the service failure.
- I know what is expected of me if I decide to participate in the service recovery.

Customer subjective well-being of service recovery (Diener et al., 2010; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- In general, I consider myself a very happy person with this service experience.
- Compared to most of the other customers, I consider myself happier with this service experience.
- I am generally very happy and enjoy this service experience.
- I am optimistic about this service in this future.
- I feel respected by the service experience.
- My social relationships with this service experience are supportive and rewarding.
- I am engaged and interested in my service experience.
- I actively contribute to the happiness and well-being of others.

Customer-brand identification (Bergami & Bagozzi, 2000; Lam et al., 2010; Stokburger-Sauer, et al., 2012) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- This foodservice business has a great deal of personal meaning for me.
- I perceive a state of self-categorization that reflects self-awareness of my membership in this foodservice business.
- I perceive a psychological state of belongingness with this foodservice business.
- I have an emotional attachment to this particular foodservice business.

Customer positive referral (Ramaseshan, Wirtz, & Georgi, 2017; Ryu, & Feick, 2007; 1 = strongly disagree, 7 = strongly agree).

- I will positively recommend this foodservice business in the future.
- I will positively recommend this foodservice business to close relatives and friends.
- I will positively recommend this food service business when somebody is asking me about related advice.
- I often tell positive things about this food service business when I am asked.

Customer repatronage intention (Stokburger-Sauer, et al., 2012; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- I intend to revisit this foodservice business in the future.
- This foodservice business/restaurant will always be my first choice.
- I intend to keep purchasing food from this business.
- I will stick with this foodservice business because I know this business is the best for me.

EXPERIMENT 3 SCENARIO

Objective 3 (2: customer role in-service x 4: business logic)

Business logics

- Same as scenarios described above

Service failure default condition

However, the service system had flaws in service delivery which caused a service failure in your opinion. Therefore, you are not satisfied with the food or the service you received from this foodservice operation.

Customer role conditions

Voluntary condition You decide to help the foodservice operation to recover from the service failure. You take initiative to contact service employees and or managers and provide your expectations and any needed information that can support the service provider to resolve the service failure. You play an active role in supplying activities and inputs rather than simply being present and having contact with service employees. You also contribute informational, physical, behavioral, and emotional efforts to the service recovery process.

Involuntary condition You feel lost. You don't know what to do in the face of such a service failure. Because of that, you play a passive role by simply being present and having contact with service employees rather than being active in supplying activities and inputs. You do NOT contribute any informational, physical, behavioral, and emotional efforts to the service recovery process.

EXPERIMENT 3 SURVEY

Manipulation check

Business logics (Harrington et al., 2019)

- Based on the situation described on the previous page, please indicate your agreement on 1-7 scale (1=strongly disagree; 7=strongly agree).
 - You perceived business value was to exchange the money for the food you plan to order. (value-in-exchange)
 - You perceived business value was facilitated by the service provider. (value-in-use)
 - You perceived business value was accommodated by the service provider by providing personalized modifications. (value-in-experience)
 - You perceived business value was entertaining and unique, which incited fond memories. (value-in-memory)

Note: Final report used the aggregated item of these four measurements.

Customer role in service recovery (Dong et al., 2008) (1-7 scale; 1= not to prefer; 2=strongly disagree; 7=strongly agree)

- I am fully capable of recovering service failure.
- I am confident in my ability to solve the service failure.

Check the realism of the scenarios (1 = strongly disagree, 7 = strongly agree) (Trianasari, Butcher, & Sparks, 2018)

The first two questions measured the credibility of the manipulations (e.g.,

- The situation in the story is realistic.
- I can play the role of restaurant customer guest in the story easily.

Constructs and items

Customer complaining effort (Lu et al., 2018) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- It took great time and effort to prove my dissatisfaction.
- It required too much work to get my problem resolved.
- I have contacted the service provider several times to get my problem resolved.
- Having my problem resolved was a difficult process.

Customer positive referral (Ramaseshan, Wirtz, & Georgi, 2017; Ryu, & Feick, 2007; 1 = strongly disagree, 7 = strongly agree).

- I will positively recommend this foodservice business in the future.
- I will positively recommend this foodservice business to close relatives and friends.
- I will positively recommend this food service business when somebody is asking me about related advice.
- I often tell positive things about this food service business when I am asked.

Customer repatronage intention (Stokburger-Sauer, et al., 2012; Su et al., 2016) (1-7 scale; 1=strongly disagree; 7=strongly agree)

- I intend to revisit this foodservice business in the future.
- This foodservice business/restaurant will always be my first choice.
- I intend to keep purchasing food from this business.
- I will stick with this foodservice business because I know this business is the best for me.

Note: The anticipated customers' positive referral behavior and repatronage intention were further categorized using dichotomous responses, including 1-4 "No" representing negative referral behavior and 5-7 "Yes" representing positive referral behavior" (Ryu & Feick, 2007); as well as 1-4 "No" to repatronage and 5-7 "Yes" to repurchase (Reichheld, 2003).