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Control and Fairness in Customer Service

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ABSTRACT

Using the concept of “role theories”, the notions of fairness, freedom versus control, and psychological reactance this article examines how these human factors interact in quick-service restaurant (QSR) encounters. This research measures the degree of improvement in customer satisfaction as choices offered to customers, employees’ involvement and speed of delivery, vary. Compensatory effects between control and fairness indicate that QSR chains with a strong tradition of control could introduce fairness attributes into the service encounter and increase customer satisfaction without substantially changing existing operating processes. Traditional QSR models may improve competitiveness and strengthen brand image by developing a stronger emotional connection with their customers. New avenues in front-line employee training could emerge, potentially leading to higher employee satisfaction.

Keywords: Control, fairness, customer satisfaction, customer experience management, quick-service restaurants, services

INTRODUCTION

Establishing an equitable balance of decision control and fairness between customers and service providers may be an effective way for organizations to differentiate themselves from competition. Since individuals are known to react negatively to blatant and unfair freedom infringement activities (Brehm, 1966), it is interesting to note that business practices have slowly evolved in that direction. While effective salespersons have understood and successfully implemented this notion of balance by practicing relationship selling which treats the customer as an equal and empowered partner (Kenny and Cook, 1999; Van Dolen et al., 2002), large quick-service restaurants (QSRs) seem to lag in this matter, for the most part due to operational issues. In an effort to be efficient, fast-food service encounters are usually strictly regimented and controlled by the service provider. Johnston (1995) however demonstrated that the main source of dissatisfaction in a service encounter was “lack of honesty, fairness and mutual trust”. Customers are increasingly looking for authenticity and service personalization in service encounters in the form of a fluid interaction between customers and

service providers (Grandey et al., 2005). This type of interaction may offer a substantial competitive advantage to a brand by upgrading a customer's status from a passive recipient to a long-term partner with unique characteristics and needs. Additionally, Schneider and Bowen (1999) view self-esteem enhancement, through acknowledgment of a customer's perspectives, competencies and rights, in a service encounter as a key to "creating" customer delight as defined by Oliver et al. (1997). This process creates a balance in the dyadic encounter: satisfactory service interactions may therefore revolve partly around the notions of fairness and control equitably shared between participants. The purpose of this article is to examine how fairness and control interact in a service encounter and how customer satisfaction is impacted. The effect on customer satisfaction of both control or fairness has already been discussed in the literature (Furby, 1986; Hui and Bateson, 1991; Berry, 1995; Tax et al., 1998; Masterson, 2001; Williams, 2002) however few academic studies have investigated the interaction of these two variables (Namasivayam and Hinkin, 2003). This study contributes to both the service marketing and customer experience management (CEM) literature by investigating new avenues pertaining to customer interactions in a restaurant setting.

THEORETICAL BACKGROUND

Role Theory

All social actors play roles in society. Situational behaviors are learned over time through one's culture, subculture and general environment and become part of an individual's expectations as societal norms. Goffman (1959) discusses the concept of role theory based on an analogy with stage performance. The actors use scripts, décor, costumes, props and interaction with the audience to deliver on specific expectations. Similarly individuals are expected to display certain behaviors in social encounters. The notion of congruence among the participants is particularly critical since the main desire is to avoid conflicts and fulfill mutual expectations. Additionally Goffman pointed out that the interactions among actors, and between the audience and the actors have the potential to greatly influence the outcome of the performance. Therefore, adjustments are necessary in order to reach a "working consensus". Moreover, anticipating and predicting the behavior of the other players through empathy (Mead, 1935) facilitates this adjustment.

Role theory has been widely used in the marketing literature both in consumer behavior research and personal selling studies (Evans, 1963; Tosi, 1966; Sheth, 1967; Riordan, et al., 1977; Wilson and Bozinoff, 1980; Solomon et al., 1985). Solomon et al. (1985) described how the dyadic nature of service interactions could be explained by role theory. A service encounter is a person-to-person exchange where each participant plays a role. According to role theory, satisfaction occurs when the "actors" play from a common script that preserves role congruence. According to Abelson (1976) most social encounters are regulated by scripts in the form of an expected sequence of events that are learned and stored in memory. Each "actor" expects the others to play a certain part and judges the performance. However, depending on the situation, players need to adjust, which makes the interaction somewhat unpredictable. Commenting on Czepiel et al's (1982) findings Solomon et al. (1985) postulate that although both consumers and providers have clear expectations in terms of role behavior, one needs to pay attention to consumers and providers' characteristics that could impact the outcome of the encounter.

Bateson (1985) argues that the notion of control is often at the root of social conflicts. Both the service provider and the customer have a clear idea of who should control certain aspects of the service encounter. Thus, it is important to balance the need for control of each participant (Surprenant and Solomon, 1987). Perceived control is also a notion closely related to self-esteem. Lack of control could lead to frustration, dissatisfaction and potentially outrage during a service interaction (Verma, 2003; Fuller, et al., 2008). In a fast-food setting perceived control by the customer could be defined as the amount of control a patron feels when placing an order (Dabholkar, 1996; Novak et al., 1999; Wolfenbarger and Gilly, 2001; Childers et al., 2001; Zeithaml et al., 2002). Eiglier and Langeard (1987) postulate that the notion of "perceived control" is important to

customers while Dabholkar (1996) argues that “perceived control” is an essential component in self-service user satisfaction. Huffman and Kahn (1998) add that control and input increase a customer’s involvement which results in higher customer satisfaction. Buchanan and Daellenbach, (1987) corroborate this view: by sharing control with their customers, organizations respect the customer as a partner which allows the customer to become a co-creator of value. This process establishes a balance in the dyadic encounter. Similar to this notion is the freedom of choice. Schneider and Bowen (1999) argue that customers like to exercise control by being the center of attention.

The theory of freedom and control, and psychological reactance

Individuals feel entitled to certain degrees of freedom in their behavior. Brehm (1966) called this set of behaviors, the individual’s “free behavior”. Brehm argues that the perception of control and freedom varies depending upon the individual or the situation. There is no universal set of “free behaviors”. One can therefore postulate that a certain level of freedom limitation may be perfectly acceptable to an individual in a specific situation and intolerable to the same individual in a different setting. In addition, two individuals may perceive freedom limitations quite differently according to their own “free behavior” set. Furthermore, cultural issues, such as national rules and rituals impact reactions to restricted choices. Brehm also implies that unless freedom elimination is considered irrevocable and final by an individual, reactance may lead the individual to regain freedom of choice, and that could result in direct confrontations or avoidance of the situation. Since reactance is a motivational state, this drives the individual to action. Desire to re-establish a threatened freedom is therefore exacerbated. As an example an individual may decide to switch to a different store or restaurant to satisfy this desire. Moreover, refining the theory of psychological reactance, Wortman and Brehm (1975) developed the integrative model of reactance and helplessness. These authors define freedom as the ability to control one’s choices. Therefore lack of control will theoretically be equivalent to lack of freedom and an uncontrollable outcome will be perceived as freedom elimination that could lead to dissatisfaction.

To date limited research has been completed on the topic of perceived control and consumer behavior. Namasivayam and Hinkin, (2003) indicated that the customer’s perspective has often been overlooked in the literature while most studies focus on organizational matters instead. Research completed in various industries, healthcare (Williams, 2002), banking (Hui and Bateson, 1991) and hospitality more specifically hotels and restaurants (Namasivayam and Hinkin, 2003) have demonstrated a positive correlation between sense of control by the customer and satisfaction. The study conducted by Namasivayam and Hinkin was tested on a limited sample of 50 subjects and was inconclusive in regard to compensatory effects between control and fairness in the restaurant setting. This research attempts to substantiate the authors’ assumptions with a larger sample using a different research method. Therefore the following hypothesis predicting a positive correlation between higher levels of perceived control and satisfaction with the service encounter was formulated.

H1: There is a positive relationship between perceived control and customer satisfaction with the service encounter.

Additionally, (Schneider and Bowen, 1999) take a broader psychological view of customer needs. They recommend thinking of customers as people first during the service encounter. Schneider and Bowen believe that the handling of customer satisfaction or possibly outrage originates with a person’s basic needs such as security, justice and self-esteem.

Perceived Fairness

Justice or fairness (the two terms have been used interchangeably by researchers (Schwind-Wilson et al., 2011)) has been studied extensively both in the social psychology and organizational literature (Bies and Moag, 1986; Kossek and Ozeki, 1998; Bowen et al., 1999; Schneider and Bowen, 1999).

Four distinct forms of justice have been identified: distributive justice that focuses on the outcome, procedural justice that evaluates the fairness of the rules and procedures in an organization, and informational and interactional justice that pertain to the interaction among employees or between employees and customers (Colquitt et al., 2001; Greenberg and Colquitt, 2005). Prior research focuses on interactional justice in an organizational context while the interaction between employees and customers has received slightly less attention (Berry, 1995; Masterson, 2001). However justice is central to customer relations. Berry (1995) emphasizes the fact that customers feel entitled to fairness during service interactions and that the lack of justice could lead to anger and frustration. According to Berry (1995) fairness is an intrinsic promise in the service encounter where customers expect to be treated fairly. Anger and distrust may occur if fairness is not present. Other researchers (Furby, 1986; Tax et al., 1998) determined that the perception of justice is the assessment by an individual as to the suitability of others' conduct.

Fairness could be demonstrated through reassurance by the frontline employee that the outcome will be satisfactory (Namasivayam and Hinkin, 2003). Pro-social behaviors such as politeness, attention to customer needs, expertise and efforts to help provide strong signals of fairness to the customer may be present. (Clemmer, 1989; Tax, 1994; Mohr and Bitner, 1995; Clemmer and Schneider, 1996; Bies, 2001; Masterson et al., 2000; Masterson, 2001). According to Chebat and Slusarczyk (2005) few researchers (Blodgett et al., 1997; Smith et al., 1999; McCollough et al., 2000) have focused on measuring the impact of justice on behaviors and attitudes. However the results of measuring the impact of justice have been inconclusive. Limited studies have reported on the emotional reactions to justice (Weiss et al., 1999; Smith and Bolton, 2002) as well. Tax et al. (1998) and Maxham and Netemeyer (2002) identified a positive relationship between interactional justice and satisfaction with service recovery. In other words, the employee's polite, empathetic, caring and expert attitude balanced the customers' frustration with the problem. Namasivayam and Hinkin (2003) demonstrated that there is a positive relationship between perceived fairness and satisfaction with the service outcomes. They also verified, within the hotel industry, that there is a compensatory effect between fairness and control. According to Namasivayam and Hinkin, even as customers feel dependent on the service provider the fairness demonstrated by employees, through their attitude and ability to find acceptable alternatives, increases the sense of control with customers by reassuring them that they will reach a satisfactory outcome. Results of the Namasivayam and Hinkin study in a restaurant setting did not corroborate this compensatory effect. The following hypothesis was derived from the Namasivayam and Hinkin findings:

H2: There is a positive relationship between perceived fairness and customer satisfaction with the service encounter.

Pleasure

According to environmental psychology research increased levels of perceived control help develop positive thoughts (Proshansky, 1987). The impact of emotions on service evaluation was studied by various researchers (Hui and Tse, 1996; Andreassen, 1999; Smith et al., 1999; McColl-Kennedy and Sparks, 2003). Hui and Bateson (1991) demonstrated that the level of choice, and therefore control given to customers, had a significant impact on pleasure. Moreover according to the literature the "pleasure" scale developed by Mehrabian and Russell (1974) is a powerful predictor of willingness to buy, higher spending and/or satisfaction in a service encounter (Donovan and Rossiter 1982; Baker et al., 1992; Donovan et al.1994; Dubé et al., 1995). Additionally, according to Bearden et al. (2011) the pleasure component of the Mehrabian and Russell "Pleasure, arousal and dominance" (PAD) scale "refers to a positive affective state that felt to be distinguishable from preference, liking, positive reinforcement, and approach avoidance" (2011, p. 310). This scale has been used in multiple marketing studies and more extensively by Holbrook et. al, (1984), Holbrook and O'Shaughnessy (1984) and Havlena and Holbrook (1986).

More recently Van Dolen et al. (2004) have expanded the scope of the research and have demonstrated a relationship between positive emotions and satisfaction with the service encounter.

Hence the following hypothesis was formulated:

H3: Pleasure leads to higher customer satisfaction with the service encounter

Additionally the relationship between pleasure and fairness needs to be explored. Chebat and Slusarczyk (2005) demonstrated that positive emotions mediated the effects of perceived justice on customer loyalty. The importance of the relationship between fairness and emotions was previously addressed by numerous researchers (Homans, 1974; Kemper, 1978, 1981, 1987; Heise, 1979; Scher and Heise, 1993; Parkinson, 1996) but the mediation of emotion (and pleasure more specifically) upon fairness has rarely been studied in a marketing context (Barclay et al., 2005). According to Smith and Bolton (2002), reaction to perceived fairness may vary depending on the industry. Their research on hotels and restaurants provided different results: more specifically Smith and Bolton identified a relationship between fairness and emotions in hotels but not in restaurant settings. This finding leads to the fourth hypothesis:

H4: Pleasure (positive emotion) mediates the impact of perceived fairness on overall customer satisfaction with the service encounter.

Additionally, given that apparently no specific research has been identified on this topic, it was necessary to ascertain whether pleasure also mediates the impact of perceived control on overall satisfaction. Hence the following hypothesis was also tested in the model.

H5: Pleasure (positive emotions) mediates the impact of perceived control on overall customer satisfaction with the service encounter.

According to Lind et al. (1990) an increase of perceived control enhances perception of procedural justice. More specifically the authors tested the amount of information that was given to the participants and their ability to voice concerns. This approach led participants to perceive increased control that enhanced their sense of fairness. In this regard the following research question structures the next hypothesis:

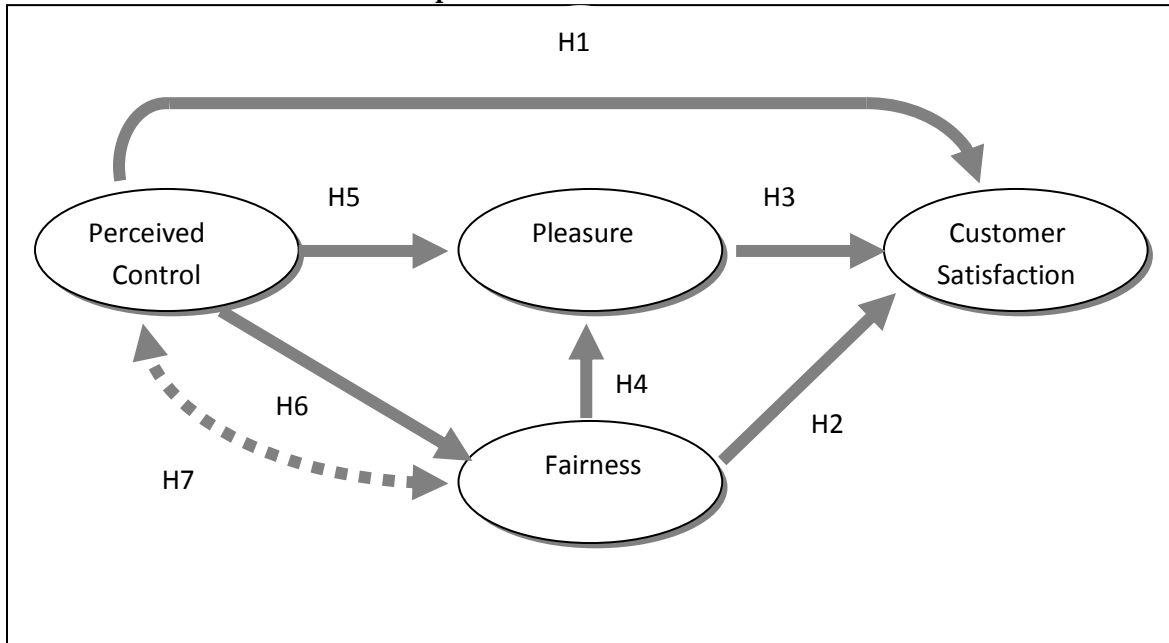
H6: There is a positive relationship between perceived control and perceived fairness

Additionally, Namasivayam and Hinkin (2003) proposed that perceived fairness may compensate for limited perceived control. This hypothesis was demonstrated through their experiment in a hotel setting however as mentioned their findings were not significant in a restaurant environment. Therefore it was interesting to revisit the Namasivayam and Hinkin hypothesis and to test the following proposition:

H7: There are compensatory effects on customer satisfaction level between control and fairness

A summary of these hypotheses is depicted in Figure 1. According to this model there is a positive relationship between perceived control and pleasure and a positive correlation between pleasure and customer satisfaction. Furthermore, fairness also positively impacts pleasure and leads to increased levels of customer satisfaction. It was also hypothesized that perceived control directly influences perceived fairness and that compensatory effects between control and fairness could intervene. The following framework depicted in Figure 1 was developed and tested in the empirical research:

Figure 1
Theoretical Framework of Control and Fairness Interaction
and Impact on Customer Satisfaction



METHODOLOGY

As indicated in the perceived control section, the notion of perceived choice is an important component of control. Social psychologists term this form of control decisional control (Averill, 1973). To assess the impact of decisional control on customer satisfaction, two customer interaction scenarios were designed to manipulate the level of decisional control through the choices that are offered to the customer. Glass and Singer (1972) and Hui and Bateson (1991) used this method to assess the emotional impact of perceived control on individuals. In this project two scenarios and scales were pretested on 50 respondents and were slightly modified from the pretest. Clarifications such as better specifications of “John’s preferences” were added to both scenarios and the questionnaire was shortened. The experimental scenarios, presented in the Appendix are based on a common foundation and differ in the service interaction and outcome(s). High levels of consumer choices were available in scenario one while a limited choice domain was presented in scenario two. A sample composed of undergraduate and graduate students was randomly assigned to each scenario. After reading the assigned scenario study participants were asked to complete a questionnaire concerning the service experience presented.

215 usable questionnaires were retained. 112 responses were from scenario one while 103 responses were collected from scenario two. The survey was self-administered using a printed questionnaire in the presence of the interviewer. 55% of the respondents were males; all respondents were under the age of 30, while 50% of the participants frequented a QSR restaurant at least once a week.

Measurements

All core responses were measured using a 7-point semantic differential for the questions quantifying emotions and standard 7-point-Likert scales for the other questions. These scales were anchored with totally disagree or totally agree response choices.

Perceived control and pleasure scales

The dominance and pleasure scales extracted from the PAD framework developed by Mehrabian and Russell (1974) were used to measure emotions such as perceived control and pleasure. The Mehrabian and Russell (1974) scale of dominance has been frequently used by researchers as a process to quantify perceived control (Russell and Mehrabian, 1976; Hui and Bateson, 1991). Similarly the pleasure scale has been used in multiple consumer behavior studies (Donovan and Rossiter 1982; Baker et al. 1992; Donovan et al. 1994; Dubé et al. 1995).

Both scales were slightly modified for the purpose of this research. Two items were eliminated: “relaxed” in the pleasure scale and “important” in the dominance scale. Removal of these two items increased the overall Cronbach’s alpha value as well as the average variance extracted (AVEs) scores.

Perceived fairness

Fairness was assessed with the following four variables that pertain to interactional justice: “employee is fair”, “employee pays attention to preferences”, “employee is doing his best to help”, “employee gives valuable advice”. This approach to fairness has been applied in numerous studies (Konovsky and Folger, 1991; Moorman, 1991; Brockner et al., 1994; Namasivayam and Hinkin, 2003; Barclay et al., 2005).

Satisfaction with the service encounter

A four variable (item) structure was applied to assess satisfaction with the service encounter. Prior studies tend to distinguish between the overall satisfaction measurements within the service episode as opposed to satisfaction pertaining with a specific service encounter. Due to the nature and design of the scenarios deployed in this study only the later could be measured. The items used to develop this construct were extracted from the scales developed by Tax et al., (1998) and Maxham and Netemeyer (2002).

Findings

In order to assess the effectiveness of the choice manipulation in the two scenarios a t-test analysis was conducted on the perceived control variable: a manipulation check testing the moderating effect of the choice variable in the two scenarios was first completed and yielded satisfactory results.

Manipulation Check

Use of the two scenarios produced a significant difference ($p < 0.001$) for perceived control with a mean of 5.01 for scenario 1 and 4.06 for scenario 2 (See Table 1). As expected, perceived fairness levels were not significantly different. Additionally the moderating effect of the choice variable, high level versus low level of choice on perceived control was significant.

Mean scores for “perceived control” in scenario one versus scenario two indicate that as intended, the perceived control level was higher in the first scenario and demonstrates that the choice manipulation was successful as respondent’s scores for perceived control were higher in the choice scenario than in the non-choice scenario. Comparative results are presented in Table 1.

Table 1
Manipulation Check

Variables	Scenario 1				Scenario 2		
	Standardized total effect on satisfaction	p	Means(SD)	t test (equality of means)	Standardized total effect on satisfaction	p	Means(SD)
Perceived control	.162	.007	5.01(1.046)	.000	.217	.011	4.35(1.211)
Perceived fairness		.277	5.58(.974)	.237	.692	.008	5.41(1.108)

Additionally, the moderating effect of the choice variable was also evaluated using a Structural Equation Modeling (SEM) framework. This approach indicates significant differences between the two scenarios at the regression weight level for the measurement part of the model. Complete SEM results are presented in Table 2.

Table 2
Structural Paths for Hypothesized Model

Structural Path	Scenario 1		Scenario 2		Testing for significant differences
	Standardized regression weight	p	Standardized regression weight	p	
Perceived fairness ⇒ Pleasure	.110	.313	.473	.000	Sig, P<.05
Perceived control ⇒ Pleasure	.556	.000	.277	.012	NS
Perceived control ⇒ Customer satisfaction	-.007	.961	.098	.374	NS
Pleasure ⇒ Customer satisfaction	.388	.007	.331	.013	NS
Perceived Fairness ⇒ Customer satisfaction	.607	.000	.556	.000	NS
Moderating effect test					
AIC					
Unconstrained	533.049				
Measurement weights	520.239				
CMIN(df)					
Unconstrained	341.049(246)				
Measurement weights	356.239(260)				
P or chi-square difference test	Sig, P<.05				

Preliminary analysis

An exploratory factor analysis (EFA) was completed using the Principal Component Analysis (PCA) extraction method applying a Varimax rotation. The purpose of the EFA approach was to examine the discriminant validity of the four constructs. A four-factor solution matrix was developed from the EFA process that explained 62.5 percent of the variance for the 18 items presented in Table 3. Since the eigenvalue for the fourth item was equal to 1.20 the four-factor solution appears appropriate.

Table 3
Exploratory Factor Analysis Rotated Component Matrix

Component	1	2	3	4
Happy	.837			
Pleased	.881			
Satisfied	.804			
Contented	.779			
Hopeful	.576			
Controlling			.708	
Influential			.782	
Incontrol			.714	
Dominant			.749	
Autonomous			.679	
Paid attention to preferences		.790		
Valuable advice		.699		
Employee was fair		.816		
Doing his best to help		.826		
Service is satisfactory				.159
John must feel badly				.808
Satisfactory resolution to problem				.317
Not satisfied with problem resolution				.838

Four constructs were determined during this phase of the analysis. The constructs are “pleasure” that corresponds to factor one, “perceived fairness” factor two, “perceived control” factor three, and “satisfaction” which is factor four. Each factor was tested for both reliability and validity.

Cronbach’s α (Cronbach, 1951) values were determined for each construct to assess reliability. All were equal or higher than 0.70. Overall Cronbach’s α was 0.86. Additionally as recommended by (Fornell and Larcker, 1981) the AVEs were calculated. All measures exceeded 0.50. Details about these scales along with Cronbach’s α and AVEs values are provided in Table 4.

The Cronbach’s alpha value of 0.86, is consistent with the suggestion that values above 0.70 are acceptable for applied studies (Nunnally, 1967). Discriminant validity was assessed by the following two procedures: first, as described by Fornell and Lacker (1981) discriminant validity is demonstrated when the AVE of any two constructs is greater than their squared correlation. This was the case for the four constructs. Secondly a confirmatory factor analysis was completed using AMOS 7. The results indicate a good fit of the four constructs to the data (χ^2 value of 144.2 (df=124;

p=.104), CMIN/df =1.163; GFI=.931; AGFI=.905; CFI=.987; RMSEA=.028; ECVI=1.113). Complete results are presented in Table 5.

Structural equation modeling (SEM) was used to test the proposed hypotheses. The hypothesized structural model depicted in Figure 1 indicates a satisfactory fit. The model yielded a χ^2 value of 135.2 (df =123; p=.213), CMIN/df =1.099; GFI=.936; AGFI=.910; CFI=.992; RMSEA=.022; ECVI=1.080). All results are acceptable under Lisrel reliability criteria (Hu and Bentler, 1999).

Table 4
Cronbach's α Reliability for Model Validity

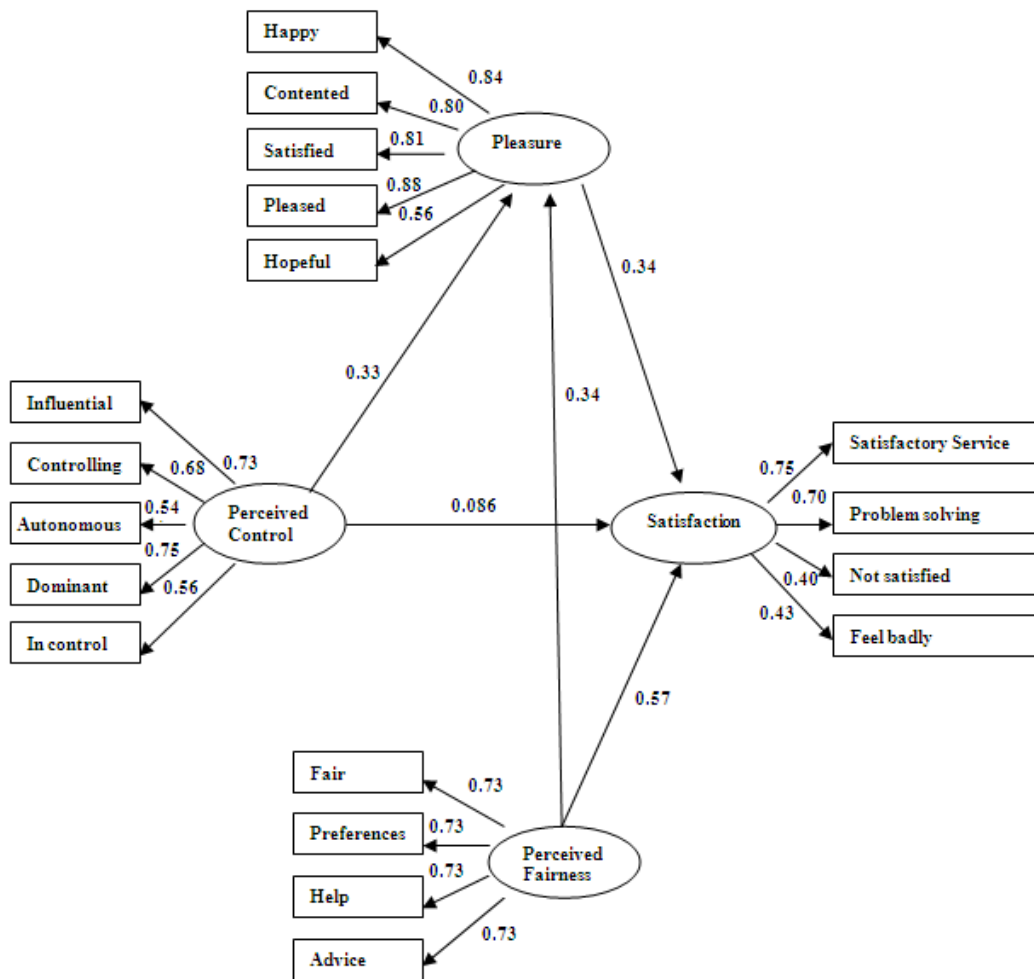
Scale	Item	Cronbach's α	AVEs
Fairness	Employee was fair	.83	.67
	Employee paid attention to preferences		
	Employee was doing his best to help		
	Employee could provide valuable advice		
Perceived control	Controlling	.79	.55
	Influential		
	In control		
	Dominant Autonomous		
Pleasure	Happy	.87	.67
	Pleased		
	Satisfied		
	Contented Hopeful		
Satisfaction to the problem.	Service is satisfactory.	.70	.53
	John must feel badly about selecting this restaurant		
	This restaurant provided a satisfactory solution		
	John must not feel satisfied with the way this restaurant dealt with the problem.		

Table 5
Confirmatory Factor Analysis Results

Items		Factor loadings	p	Squared multiple correlations
Pleasure	1.Happy	.810	.000	.657
	2.Satisfied	.812	.000	.659
	3.Contented	.762	.000	.580
	4.Hopeful	.567	.000	.321
	5.Pleased	.888	.000	.788
Fairness	1.Employee is fair	.808	.000	.653
	2.Employee paid attention to preferences	.743	.000	.552
	3.Employee is doing his best to help	.792	.000	.627
	4.Employee gives valuable advice	.656	.000	.430
Perceived control	1.Influential	.728	.000	.530
	2.Controlling	.667	.000	.445
	3.Autonomous	.539	.000	.291
	4.Dominant	.754	.000	.569
	5.Incontrol	.566	.000	.320
Satisfaction	1.The service is satisfactory.	.747	.000	.557
	2.John must feel badly about selecting this restaurant.	.426	.000	.182
	3.The restaurant provided a satisfactory solution to John's problem.	.704	.000	.495
	4.John must not feel satisfied with the way this restaurant dealt with his problem.	.400	.000	.160

Figure 2 depicts the complete model including standardized coefficients. The path between perceived control and fairness was removed since it was non- significant.

Figure 2
Standardized Estimates for the Modified Model



Structural paths are presented in Table 6. These results indicate that hypothesis one which postulated the positive relationship between higher levels of perceived control and customer satisfaction was verified via mediation as opposed to a direct effect. Although the total effect of perceived control on overall customer satisfaction is relatively low at 0.196 ($p \leq .001$), the results are consistent with the findings in the literature (Namasivayam and Hinkin, 2003). The impact of perceived fairness on satisfaction, outlined in hypothesis two, was more clearly demonstrated as the direct effect of 0.566 ($p \leq .001$), result is shown in Table 6. The total effect through mediation of 0.682 ($p \leq .001$) indicated that perceived fairness plays a major role in the service encounter. Hypothesis three, which tests the positive correlation between pleasure and customer satisfaction was also supported statistically yielding a moderate direct effect of 0.336 ($p \leq .001$) on satisfaction. This is consistent with the findings of (Van Dolen et al., 2004) whose results revealed a positive relationship between positive emotions and customer satisfaction at 0.246 ($p = 0.064$).

Table 6
Structural Paths (Combined Scenarios)

Structural Path	Standardized coefficient (Direct effects)	p	Standardized coefficients (Indirect effects)	p	Standardized coefficients (Total effects)
Fairness ⇒ Pleasure	.344	.000			
Control ⇒ Pleasure	.328	.000			
Control ⇒ Customer satisfaction	NS	.271	.110	.002	.196
Pleasure ⇒ Customer satisfaction	.336	.000			
Fairness ⇒ Customer satisfaction	.566	.000	.116	.002	.682

Hypotheses four and five, measuring the mediation effect of pleasure on customer satisfaction for perceived fairness and perceived control respectively, yielded mixed results. Without controlling for the choice variable, depicted in scenario one versus scenario two, statistical tests revealed that the pleasure variable mediated the impact of both perceived control and perceived fairness on customer satisfaction. Results are presented in Table 7.

Table 7
Assessing Mediating Effect of Pleasure on Control and Fairness

Models	CMIN/DF	GFI	CFI	RMSEA	ECVI
Model 1 (with mediation)	1.099	.936	.992	.022	1.080
Model 2 (Fairness path removed)	1.271	.927	.978	.036	1.176
Model 3 (Control path removed)	1.247	.928	.980	.034	1.162
Model 4 (Fairness and control paths removed)	1.162	.929	.986	.027	1.239

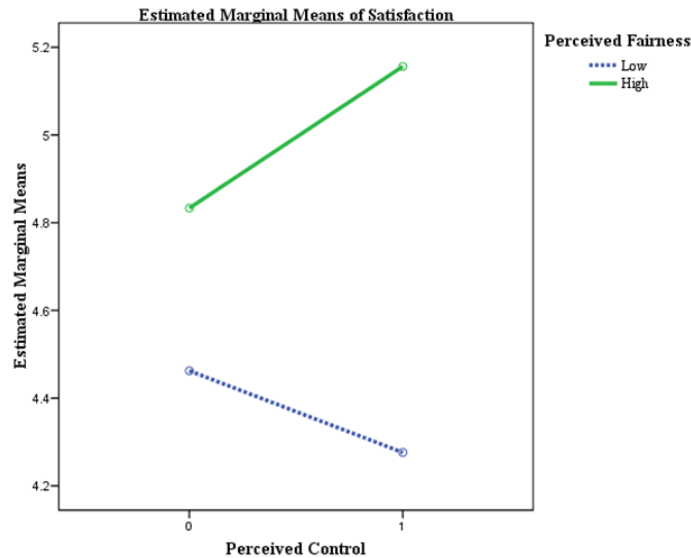
Mediation was demonstrated by verifying that removing the mediating path between perceived control and pleasure and perceived fairness and pleasure negatively impacted the model. Additional mediation testing was done using SEM and the bootstrap method as recommended by (MacKinnon et al., 1995; MacKinnon et al., 2002; MacKinnon et al., 2004; Cheung and Lau, 2008). Mediation effects, also referred as indirect effects, were tested for each scenario. In both cases the indirect effects measuring the mediation of the pleasure variable on perceived control were significant at the 95 percent confidence interval. However this result was not replicated for perceived fairness. Only scenario two where the customer was presented limited choices showed a significant indirect effect of the pleasure mediation variable on perceived fairness. This finding was also verified through a pairwise parameter comparison between the two scenarios.

Hypothesis six which attempts to measure the relationship between perceived control and perceived fairness was not demonstrated to be supported via this study. Subsequently this path was removed from the final model.

Compensatory effects between perceived control and perceived fairness tested in hypothesis seven were however verified. Using the GLM univariate procedure the joint effects of perceived control and perceived fairness on customer satisfaction were tested. Results imply a significant main effect pertaining to this interaction ($F=4.11, p<.05$).

Figure 3 depicts the plot for customer satisfaction showing a two-way interaction between perceived control and perceived fairness. The means for customer satisfaction are plotted on the y-axis. This graph illustrates the compensatory effects of these two variables. However it is important to note that high fairness seems to compensate for low perceived control but that high control in a low fairness situation seems to lower the satisfaction score. In other words a customer who is treated fairly may accept to relinquish a degree of control to the service provider but the opposite is not true. Customers who feel in control of the service encounter also expect fairness from the frontline employees.

Figure 3
Interactive Effects of Perceived Control
and Perceived Fairness on Customer Satisfaction



To clarify the pattern of the interaction between perceived control and fairness a matrix representing the corresponding customer satisfaction means was developed in Figure 4.

Figure 4
Means of Satisfaction with the Service Encounter

		Perceived Control	
		Low	High
Perceived Fairness	Low	4.43	4.24
	High	4.80	5.15

Not surprisingly the highest score of 5.15 was achieved when perceived control and perceived fairness were high and a relatively low score of 4.43 was obtained when both perceived control and perceived fairness were low. Improvement was noticed as the score increased from 4.43 to 4.80 when high fairness compensated for low control. However, as depicted in the upper right quadrant the lowest level of customer satisfaction does not occur in a situation where both perceived fairness and perceived control are at the lowest but when perceived control is at the highest and fairness at the lowest value. Consequently it appears that customers who feel dominant may have a sense of entitlement that may lead to conflict when confronted with perceived unfairness.

IMPLICATIONS FOR MARKETING PRACTITIONERS

The fact that perceived fairness in the service encounter partly compensates for lack of control by the customer offers a promising (novel) managerial implication in the QSR industry: relinquishing control may at times prove cumbersome and ineffective for QSRs, such as McDonald's whose business model is based on a regimented customer interaction process, but improving perceived fairness (through personalization, and authentic interaction) may be easier to implement without substantially altering the overall business model.

Other QSR chains such as Subway have successfully used the concept of option personalization to provide additional control to their customers. As described by Surprenant and Solomon (1987) option personalization is a form of mass-customization that provides modular choices to customers without jeopardizing overall firm level productivity and any economies of scale. Customers enjoy having choices: findings from the empirical research revealed that satisfaction scores were significantly higher in scenario one than in scenario two, demonstrating that enhanced customer control leads to increased satisfaction levels. As stated, option personalization allows QSRs to maintain high productivity and profitability without infringing on the brand image (since it is part of the brand image). This is however impractical and costly to implement in many existing QSRs such as McDonald's or Burger King where meal preparation occurs behind the scene.

Flexibility in the operating processes such as substitutions may however be evaluated in these specific cases where option personalization is inadequate, as a way to increase customer control and employee's ability to respond fairly to customers' requests. Surprenant and Solomon (1987) describe this form of personalization as customized personalization. This allows employees to make minor menu changes when requested by the customer or to offer suggestions to improve customer satisfaction.

As indicated in the study results, employee fairness however seems to be even more critical in all cases. Customers seem to be highly sensitive to justice in the service interaction and fairness appears to have a significant direct impact on customer satisfaction. However, since the QSR business model is based on efficiency obtained through rigorously timed processes and scripted customer interactions, one may argue that deviating from these modes of operation may also alter the essence of this industry by potentially increasing transaction costs, delivery time and training needs. The gain in customer satisfaction may nevertheless balance these additional costs and produce a competitive advantage both at the chain and unit levels. In order to clearly measure the impact of these changes additional research would be necessary, as profitability could be positively or negatively affected. From a practical perspective, franchisees may be particularly interested in this strategy, especially if they are dependent on repeat customer visits. The ability to deviate from a script and adjust to local customer requests, would allow frontline employees to develop stronger connections with the customers through authentic interactions. This study suggests that, employers may encourage their frontline employees to develop a trusting and constructive relationship with their customers based on mutual respect, empathy, interest and willingness to accept customer suggestions to improve the service encounter. Flexibility would be encouraged and problem solvers should be rewarded. Franchisees would therefore be able to better adapt to local business practices and compete effectively with local competitors instead of replicating an impersonal business model foreign to the local environment.

In other words the practical outcome of this research project indicates that a QSR can improve the customer experience by allowing a certain degree of customization/personalization by the front line employee when interacting with customers. The level of flexibility (customization/personalization) should be assessed by management to determine how this approach coincides with the overall strategic focus of the firm.

Fast-food restaurants could also increase fairness perception by developing a clear code of ethics, prominently displayed in the restaurant as well as online and by empowering their employees to implement it. Findings also revealed a significant direct effect of pleasure on customer satisfaction. Moreover both perceived control and perceived fairness triggered positive emotion (pleasure) for the

customer. QSRs are not only catering to the customer's physiological needs but are also providing entertainment and social activity aspects as well.

Lastly the interaction of fairness and control seems to require the utmost attention in two specific situations: customers who feel empowered and therefore entitled to a certain set of choice privileges have a low tolerance for unfairness on the employee's part. The lowest satisfaction score was obtained in this circumstance. Poorly trained or inexperienced employees may ignore common chain practices or may apply them ineffectively. This creates conflicts unless employees agree to relinquish control to the customer and display a willingness to help them to the best of their ability. The second situation that requires attention occurs when customers perceive high fairness in the service encounter in spite of their limited choices. In this case a compensatory effect takes place as fairness partially balances lack of control. Highly trained employees who are able to provide expert advice and embody the organization's (chain's) code of ethics may partially compensate for lack of perceived control by the customer.

In summary, it appears that QSRs could fall into two categories: the first category consists of chains that have implemented option personalization strategies and offered a large array of choices to their patrons such as modular menus, or customization. The second category includes QSRs whose production systems are regimented and highly controlled for productivity purposes. Restaurants in the first category should recruit employees who are willing to follow orders and are able to assess the customers' level of expertise that is acquired through experience with the firm or the brand. However restaurants in the second category should recruit employees who are willing to interact, to provide advice and display expertise in an authentic manner. By following these rules each type of QSR would maintain the balance required for a harmonious service encounter. These findings reinforce the notion of role theory elaborated by Goffman (1959) that adjustment to the environment is essential. The service encounter is a dyadic fluid interaction where multiple aspects interfere with the outcome. Employees need to adapt to specific circumstances such as customer and provider characteristics or situational influences to be effective with the customer interaction.

LIMITATIONS AND FUTURE RESEARCH

One of the main limitations of this study is the respondents' demographics. Initially tested on a sample of graduate and undergraduate students these findings should be validated with a broader sample. The research design could also be expanded with two additional scenarios that would complement scenario one, (high choice, moderate to high fairness) and scenario two (low choice, moderate to high fairness). More specifically one can consider the following situations: high choice and moderate to low fairness and low choice and moderate to low fairness. This research is focused on a single industry QSRs. Similar studies could be implemented in other sectors such as full-service restaurants or hotels.

CONCLUSIONS

Few studies have assessed the joint impact of control and fairness on customer satisfaction. Both perceived control (Hui and Bateson, 1991; Skinner, 1995) and perceived fairness (Levanthal et al. 1980; Seiders and Berry, 1998) have been studied separately but the interactions of the two variables have rarely been considered. This article expands on the results of the experiment conducted by Namasivayam and Hinkin, (2003) by demonstrating the existence of compensatory effects between control and fairness in a restaurant setting. Although Namasivayam and Hinkin revealed the presence of a compensatory effect in a hotel setting, results were inconclusive in their restaurant experiment. This research contributes to the literature by demonstrating the importance of the human factors within QSR service encounters. More specifically these findings add to the customer experience management (CEM) literature (Grewal et al., 2009; Puccinelli et al., 2009; Verhoef et al., 2009; Palmer, 2010) and the customer satisfaction literature by emphasizing the critical role played

by the QSR frontline employee in terms of customer satisfaction. Contrary to current practice in fast food chains utmost attention should be given to employee training in terms of empathy, authenticity, and relationship building. Flexibility should also be introduced in the service encounter so that employees could personalize the service interaction in an effort to better satisfy customers.

APPENDIX

Experimental Scenarios

Scenario One

It is lunch time and John decides to drive to a fast-food restaurant close to his home. He is not very familiar with this new restaurant that opened a few weeks ago. He has an important appointment after lunch and does not want to spend more than 45 minutes eating. Lately John has decided to pay more attention to his diet and has tried to make better eating choices. He has decided to trade the traditional burger and fries for grilled chicken and salads and his favorite bottled water. While approaching the restaurant he is fortunate to find a parking spot close by. When he enters the store, he realizes that there are several long lines at the counter. Immediately, he notices that different types of salads are already prepared and displayed in a refrigerated unit. These salads, however are drenched in salad dressing and do not look extremely fresh. John decides to order something else and waits in line. There are multiple options to choose from: grilled chicken, baked chicken, fried chicken, hamburgers, and a long list of vegetables to be combined in a salad. There are also several choices of bottled water. After a 10-minute-wait, John is greeted by a smiling employee who is ready to take his order. Since John does not want to buy a standard meal, the employee warns him that he will have to wait an additional five minutes to receive his order and that it will cost him \$.50 more. John agrees and makes his selection: grilled chicken without barbecue sauce, green salad, with dressing on the side, parmesan cheese, no red onions but green onions instead, and a serving of mashed potatoes with gravy on the side, along with a bottle of his favorite water. The employee is very accommodating and agrees to customize John's order as requested. The order takes a total of 15 minutes to be delivered but John has found a nice table in a quiet part of the restaurant and used that time to check e-mails on his laptop. The meal was excellent but John had to rush to eat it.

Scenario Two

It is lunch time and John decides to drive to a fast-food restaurant close to his home. He is not very familiar with this new restaurant that opened a few weeks ago. He has an important appointment after lunch and does not want to spend more than 45 minutes eating. Lately John has decided to pay more attention to his diet and has tried to make better eating choices. He has decided to trade the traditional burger and fries for grilled chicken and salads and his favorite bottled water. While approaching the restaurant he is fortunate to find a parking spot close by. When he enters the store, he realizes that there are several long lines at the counter. Immediately, he notices that different types of salads are already prepared and displayed in a refrigerated unit. These salads, however are drenched in salad dressing and do not look extremely fresh. John decides to order something else and waits in line. After a 10-minute-wait, a smiling employee greets him and tells John that he should choose from one of the meals indicated on the board. The employee asks John about his preferences and offers good recommendations. But John notices that the only chicken meal features barbecue chicken with a side order of pasta and a small salad. John is highly disappointed, since he does not enjoy barbecue sauce. He also prefers mashed potatoes versus pasta and asks the employee if he could get mashed potatoes as a substitute for pasta (In this restaurant mashed potato is only offered as a side dish when you order a hamburger) and whether he could get his chicken without barbecue sauce. The employee responds that she can easily substitute mashed potato in place of pasta but that the chicken is already baked in barbecue sauce. She reassures John that the barbecue sauce is excellent; an award-winning secret recipe developed by the restaurant and that it greatly enhances the chicken. John decides to try it. He also decides to settle for tap water since bottle water is not available. The meal is quickly delivered and after all, the barbecue chicken was quite good. John had time to enjoy his meal and was on time for his appointment.

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