THE AFFECTIVE NATURE OF CUSTOMER EXPECTATIONS AND THEIR CONSTITUTIVE IMPACT ON CUSTOMER EXPERIENCE

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ABSTRACT
The research investigates the nature of customer expectations and their role on customer experience evaluation. Empirical data were collected through a survey based questionnaire (N = 362) among customers of 12 hotel service providers. The research model was tested by Structural Equation Modeling (SEM) using the AMOS program. Results show that the customer expectations are anticipative mental processes of affective nature, with a constitutive impact on customer experience. Customer expectations serve also as a referential point, in relation to which the customer experience is evaluated conscious and unconscious throughout its continuum. Sources of expectations are inputs to these anticipative processes. Anticipated processes are dynamic and are permanently updated. The paper provides an explanatory framework fully appropriate to the contradictory way in which the role of customer expectations has been conceptualized so far in marketing literature. Research shows that in order to insure a positive evaluation of the customer experience, the service providers must recognize the centrality of the customer’s affect and its impact in both the anticipative model of the reality (the expected experience) and the experience itself.

KEY WORDS: customer expectations; customer experience; S-D Logic; G-D Logic; Experiential Perspective.
JEL: M31

1. INTRODUCERE
The researched problem is grounded in the contradictory way in which the nature and the role of customer expectations are conceptualized in the marketing literature. The traditional marketing paradigm (Goods Dominant Logic – Vargo and Lusch, 2004), describes the customer expectations as a cognitive referential standard for the customer’s evaluative judgments (Oliver, 1980; Parasuraman, Zeithaml and Berry, 1991; Zeithaml, Berry and Parasuraman, 1993; Dean, 2002, Howat and Crilley, 2007). From an Experiential Perspective, expectations are part of the experience and are both a comparison standard evaluated throughout the experience, as well as positive filters of reality (Palmer, 2008; Verhoef et al., 2009; Muller et al., 1991). Service Dominant Logic literature emphasizes the collaborative processes and customer empowerment (Vargo and Lusch, 2004). The fulfillment of customer expectations depends on the degree of empowerment granted to the customer by the firm. From this perspective, customer expectations are cognitive in nature and their critical antecedent is the customer perceived role in the value creation process.

The hypotheses empirically tested have been developed through an iterative process which took into consideration both the deductive elements identified by the critical review of marketing logics literature and the inductive elements resulting from

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an exploratory research. These hypotheses are:

**H1. Customer expectations have a constitutive impact on customer experience.**

**H2. There is a direct and proportional correlation between cognitive and affective anticipation and the expected customer experience.**

Results show that only affective anticipation (i.e. level and emotional load of expectations) has a mediating effect on customer experience. Consequently, the affective anticipation influence the way in which the experience is evaluated. Also, research shows that only affective anticipation is significantly correlated with the expected experience. Cognitive anticipation (i.e. precision and valences of customer expectations) is not significantly correlated with the expected experience.

### 2. THEORETICAL BACKGROUND

Both in terms of theoretical and managerial implications, the answer to any research question depends on the marketing logic assumed by the researcher. The marketing logic represents the philosophy of organizing and understanding the phenomena, the "mental model" or the "thinking framework" (Lusch et al., 2006), which governs both theoretical and practical applications and even the research observational procedures. In the marketing logics outlined so far in Marketing Science (Goods Dominant logic, Experiential Perspective, Service Dominant logic) the nature of customer expectations and their role on customer experience evaluation is contradictory.

#### The Goods Dominant logic

Vargo and Lusch (2004) refer to traditional marketing orientation as Goods Dominant logic (G-D logic). Other authors have referred to this paradigmatic framework as "neoclassical economic research tradition" (Hunt, 2000), "manufacturing logic" (Norman, 2001) and "old enterprise logic" (Zuboff and Maxim, 2002).

According to G-D logic consumer choice is rationally driven, it is goal oriented, planned and conscious (Holbrook, O'Shaughnessy and Bell, 1990). Value is a priori embedded in goods and services through production process. Markets change this value from the producer to the consumer according to the consumer cognitive assessment (Webster, 1994).

Customer expectations are conceptualized as a reference framework for the customer’s evaluative judgments. They are described as referential "standards" (Oliver, 1980; Parasuraman, Zeithaml and Berry, 1991); "mental categories" (Higgs and Ringer, 2005) or "points" (Dean, 2002) against which the experience is rationally evaluated (disconfirmation paradigm). The disconfirmation models understand satisfaction as a function of the deviation between the expected performance of the product/service and its actual performance. Positive disconfirmation of expectations determines customer satisfaction which in turn leads to loyalty and positive word-of-mouth (Zeithaml, Berry and Parasuraman, 1988; Zeithaml, Berry and Parasuraman, 1993).

#### The experiential perspective

The experiential perspective (reactive) is an alternative approach to the cognitive information processing perspective (Tynan and McKehnie, 2009). Experiential marketing, in addition to rational aspects of consumer behavior takes into consideration also the emotional (affective) component. It is recognized the importance of previously neglected variable: the role of emotions in behavior, that customers equally think and
feel, the significance of symbolism in consumption, the consumer needs for pleasure and entertainment, the role of consumers beyond the act of purchase, during the use of the product, etc. (Hirschman and Holbrook, 1982; Addis and Holbrook, 2001).

Expectations are conceptualized in this context as part of the experience. The concept of customer experience (or total experience) includes all stages of the experience: searching (anticipating - Palmer, 2008), purchasing, consumption and post-sales stages of experience (Verhoef et al., 2009). Experiential marketing models are based on the assumption that customer’s emotional attachment and exceeding customer’s expectations cause delight which in turn leads to loyalty and evangelizing behavior (Pine and Gilmore, 1998).

Experiential marketing focuses on customer’s emotional attachment to the firm. Emotionally attached customers are seen to invest more in their relationship than customers who lack emotional commitment (Mattila, 2001). In the experiential marketing literature, customer’s emotional attachment to a service provider and customer’s delight by exceeding customer’s expectations are more strongly related to future purchase intentions than more cognitive constructs like quality and satisfaction (Fournier, 1998; Arnould and Deibler, 1995). Experiential marketing practitioners perceive that only delighted customers can be considered as truly loyal. Customers who are satisfied are just little more loyal compared to completely unsatisfied customers (Frow and Payne, 2007).

The Service Dominant Logic

S-D logic explains economic exchange and value creation in terms of services provided by service systems (Maglio et al., 2009). Centered on service, SD logic focuses on the concept of value co-creation and not value or utility embedded in goods (Vargo and Lusch, 2004). People are no longer perceived as buyers of output units (goods or services) with embedded value, but buyers of products that provides a service and value that depends on the customer experiences (Vargo and Lusch, 2004; Gronroos, 2006).

Companies can only make value propositions and deliver services as inputs for other service systems (Vargo and Lusch, 2004). Since value occurs during the individual use or interaction experience, it is always uniquely and phenomenologically determined by the beneficiary as "idiosyncratic, experiential, contextual and full of meanings" (Vargo and Lusch, 2008).

The value is contextually actualized by customers through the process of integration and interaction with resources provided by organizations, while applying their own resources (Gronroos, 2008; Vargo, 2008). Strategic focus of the company is changed to understanding how customers can be best assisted to achieve maximum from direct service activities of the company and/or from its service platforms (Prahalad and Ramaswamy, 2004; Sheth and Sisodia, 2006).

S-D logic represents a paradigmatic framework in an early stage of development. The implications of its fundamental premises on the conceptualization of customer’s expectations are insufficiently explored in the literature. Dominant Logic (S-D Logic) emphasizes the collaborative processes and customer empowerment. The fulfillment of customer expectations depends on the degree of empowerment granted to the customer by the firm. From this perspective, customer expectations are cognitive in nature and their critical antecedent is the customer perceived role in the value creation process.
The development of the research hypothesis

Both in the G-D logic and in much of the experiential literature customer expectations are conceptualized as a reference framework for customer's evaluative judgments. Experience is evaluated in relation to expectations either rationally, according to the disconfirmation paradigm, or through an iterative dominant affective process, along the continuum of the experience, in accordance with the perceptions of the experiential perspective.

Muller et al., (1991) had empirically demonstrated however, a constitutive impact of expectations on customer experience. According to these authors, expectations can influence emotions throughout all stages of customer experience. Customer expectations serve as lenses by which the customer interprets the experience. Expectations "color" the way the customer perceives reality by inducing an emotional disposition.

The study by Boulding et al. (1993) also found empirical arguments that predictive expectations act as positive filters of reality, raising perceptions of effective service encounters, and regulatory expectations filter the perceptions of service quality in the downward direction, making the reality less attractive than it really was.

In the context of this research, we formulate the following hypothesis, conceptualizing the customer's expectations as fulfilling a dual role: a mediating effect on the lived experience and a referential point against which the experience is evaluated:

H1. Customer expectations have a constitutive impact on customer experience (there is a direct and proportional correlation between (a) precision, (b) valences, (c) level and (d) the emotional load of expectations and how the dimensions of the customer experience are evaluated).

Customer expectation’s (a) precision and (b) valences form the cognitive anticipation construct and customer expectation’s (c) level and (d) emotional load form the affective anticipation.

Buhalis (2000) argues that before visiting a destination, tourists develop a destination image as well as a set of expectations based on past experiences, verbal recommendations, press articles, advertisements and common beliefs. The image is a "set of expectations and perceptions the potential visitor has about a destination" (Buhalis, 2000), "the sum of beliefs, ideas and impressions" (Crompton, 1979). There is therefore a direct correlation between customer cognitive and emotional anticipative processes and the expected experience.

H2. There is a direct and proportional correlation between cognitive and affective anticipation and the expected customer experience.

3. METHODOLOGY

The research model (Figure 1) and the research hypothesis have been developed through a systematic literature review and an exploratory research. The testing of the research hypothesis was carried out through a survey based questionnaire (N = 362) among customers of 12 hotel service providers.

Hotel services have been chosen because they are complex and balanced from an experiential and functional point of view (McIntosh and Siggs, 2005). The selection of hotels was done by non-probabilistic sampling. In order to obtain consistent and
comparable results, four sampling criteria were used: (1) the type of tourism practiced by visitors, (2) the classification category, (3) the size and (4) the location of the hotel. The choice of hotels also depended on managers’ willingness to participate. Four forms of tourism were considered: urban, mountain, seaside and spa. These forms of tourism are varied enough to cover and describe a comprehensive range of tourist experiences. They differ from each other in terms of the duration of the average stay and the dimensions of the experience that the client focuses on.

The research instrument (questionnaire) was developed through a systematic literature review on methodologies and scales used to measure the constructs and variables included in the conceptual model. Statistical analysis was performed using SPSS (Statistical Package for the Social Sciences). The objective of the statistical analysis was to test the hypotheses and the research model. To achieve this objective, statistical data analysis process consisted of 4 stages: (1) Checking the reliability of measurement scales; (2) Determination of factor scores; (3) Testing the validity of the constructs included in the research model and (4) Research Hypothesis Testing through structural equation modeling (SEM) using AMOS program. To measure the constructs and variables included in the measurement model were used Likert scales with 7 steps (strongly disagree, disagree, slightly disagree, neither agree/nor disagree; slightly agree, agree, strong agree and null option "n" - do not know cannot answer).

![Figure 1 - The research model](source: Author.)

4. RESULTS

Hypothesis 1 was tested by the SEM analysis of the relationships between the independent variables "emotional anticipation" and "cognitive anticipation" on the one hand, and the "lived experience" and "expected experience" dependent variables on the other hand (Table 1). The SEM analysis shows that the hypothesis 1 is only partially accepted. No statistically significant relationship was found between "cognitive anticipation" (precision and valences of expectations) and lived experience (p = 0.796) or expected experience (p = 0.402). As a result, the mediating effect of cognitive
anticipation on the lived experience or the way in which the dimensions of the lived experience are evaluated is not confirmed. However, emotional anticipation directly influences both the expected experience ($\beta = 0.486$) and the lived experience ($\beta = 0.326$), and consequently the way in which the lived experience is evaluated. In conclusion, the mediating effect of affective anticipation is confirmed. Emotional expectation (ie the level and emotional load of expectations) more strongly influences the expected experience ($\beta = 0.486$) than the lived experience ($\beta = 0.326$).

The hypothesis 2. was tested by the SEM analysis of the relationships between the independent variables "cognitive anticipation" and "affective anticipation" on the one hand and the "expected experience" dependent variable on the other hand (Table 2).

### Table 1. Results of testing the hypothesis 1

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>$\beta$</th>
<th>$p$</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lived experience</td>
<td>Cognitive anticipation</td>
<td>0.014</td>
<td>0.796</td>
<td>rejected</td>
</tr>
<tr>
<td>Lived experience</td>
<td>Affective anticipation</td>
<td>0.326</td>
<td>***</td>
<td>accepted</td>
</tr>
<tr>
<td>Expected experience</td>
<td>Cognitive anticipation</td>
<td>0.047</td>
<td>0.402</td>
<td>rejected</td>
</tr>
<tr>
<td>Expected experience</td>
<td>Affective anticipation</td>
<td>0.486</td>
<td>***</td>
<td>accepted</td>
</tr>
</tbody>
</table>

$\beta =$ standard parameter of the regression function - shows how much the dependent variable is affected by the independent variable. The "standard parameter of the regression function" has a higher value, the influence of the independent variable on the dependent variable is greater.

$p =$ significance level - if the "significance level" is less than 0.05, the link is significant.

(Source: Author)

SEM analysis shows that hypothesis 2. is partially accepted. There was no statistically significant relationship between "cognitive anticipation" and "expected experience" ($p = 0.402$). However, there was a significant link between "affective anticipation" and "expected experience" ($\beta = 0.486$). The hypothesis is partially accepted as there is a direct relationship between the emotional dimension of expectations and the expected experience.

### Table 2. Results of testing the hypothesis 2

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>$\beta$</th>
<th>$p$</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected experience</td>
<td>Cognitive anticipation</td>
<td>0.047</td>
<td>0.402</td>
<td>rejected</td>
</tr>
<tr>
<td>Expected experience</td>
<td>Affective anticipation</td>
<td>0.486</td>
<td>***</td>
<td>accepted</td>
</tr>
</tbody>
</table>

$\beta =$ standard parameter of the regression function - shows how much the dependent variable is affected by the independent variable. The "standard parameter of the regression function" has a higher value, the influence of the independent variable on the dependent variable is greater.

$p =$ significance level - if the "significance level" is less than 0.05, the link is significant.

(Source: Author.)
CONCLUSIONS

Research shows that the customer's expectations fulfill a double role: a mediating factor with a constitutive impact on the customer experience and a referential standard against which the experience is evaluated. This result provides an explanatory framework fully appropriate to the contradictory way in which the role of customer expectations has been conceptualized so far in marketing literature. Expectations have been described either as objective (G-D literature) or subjective (experiential literature) reference standards either mental categories or subjective desires with constitutive impact on experience (Muller et al., 1991; Boulding et al., 1993).

Affective anticipation (the level and emotional load of expectations) influences both the expected experience and the customer experience. Since there is no statistically significant linear relationship between the "cognitive anticipation" (the precision and the valences of expectations) and the expected experience means that the impact of cognitive anticipation on the anticipatory model of reality (if any) could be mediated by another construct.

The mediating influence of affective anticipation (the level and emotional load of expectations) on the customer experience highlights the centrality of affection when the customers prepares to buy. This result confirms the conclusions of previous research: Aaker, Stayman and Hagert, (1985) and Gardner (1985). Affective anticipation acts in the manner described by Boulding et al. (1993) as lenses or "filters" through which the client interprets the consumer experience. These lenses color the way the customer perceives reality according to the attitude mechanism of creating emotional predispositions. Predisposition (or disposition) is a feeling that influences thoughts and actions (Poon, 2001). Previous researches (Poon, 2001; Janiszewski, 2009) show that predisposition influences both customers’ evaluations and the information processing strategy adopted. Due to the positive mediating influence of affective anticipation, when their expectations and their emotional load will raise the experience will be perceived more positively. In other words, when customers expect a positive experience, they tend to get it.

Expected experience is an anticipative model of reality that relates to evaluative cognitive judgments on satisfaction and extraordinary experiences. This result confirms the studies that show that satisfaction is a function of the relationship between customer expectations and experience (Bowie and Chang, 2005; Oliver, 1996; Westbrook, 1987; Zins, 2002) and extraordinary experiences resulted from evaluative processes with a strong emotional significance (Pine and Gilmore, 1998; Shaw and Ivens, 2002).

Research shows that there is a statistically significant direct relationship between affective anticipation (the level and emotional load of expectations) and the expected experience. At the same time, there was no link between cognitive anticipation and expected experience. This result highlights the centrality of affection on the formation of the anticipative model of reality used as the reference standard.

The way in which affective anticipation influences the formation of the reference standard can be explained from the contradictory conceptualization of the significance of the expectations in the marketing literature. Expectations are described as either relatively objective beliefs about what is to happen (Miller, 1977; Oliver, 1981; Olson and Dover, 1979; Boulding et al., 1993; Oliver, 1996; Woodruff, Cadote and Jenkins, 1983) subjective (Swann and Trawick, 1979; Parasuraman et al., 1985; Brown
and Swartz, 1989). Exploratory research has also highlighted this confusing dichotomy. Expectations have been described by the same customers as relatively objective beliefs as well as subjective desires. The influence of affective anticipation on the expected experience provides an adequate explanatory framework for these contradictions. On the one hand, it must be accepted that, from the point of view of significance, the expectations are of a dual nature, the relatively objective beliefs and the subjective wishes of the client forming an amorphous unity. On the other hand, as emotional anticipation is the result of imaginative and fantasy processes of the client, it actually influences the relationship between desires and beliefs. The higher the level of affective anticipation, the more the expected experience corresponds rather to the subjective wishes of the client and not to the experiential clues that underpin the fantasy and imaginative processes. Such situations are problematic for service providers who will have to pursue the adequacy of the experience to these wishes. The level of adequacy is described by the personal relevance of the experience. As a result, managers will have to facilitate relevant experiences for each client.

RESEARCH LIMITATIONS AND FUTURE RESEARCH

The research hypotheses were tested only in the context of hotel services. Tourist services in general have a predominantly hedonistic significance and have the potential to generate strong emotional and experiential responses from customers. Cross-sectorial research is needed to assess the validity and reliability of the scale used in other service categories.

REFERENCES


Boulding et al. (1993)


Brown and Swartz, 1989).


