The Impact of Humor in Face-To-Face and Electronic Service Encounters

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ABSTRACT

In this study we attempt to nuance the intricate interplay between the use of humor and the outcome of the service in establishing customer’s evaluations of face-to-face and electronic encounters. In experiments we manipulated type of humor and outcome of the service encounter. The results suggest that the impact of the type of humor used in a face-to-face encounter is more important than the outcome, whereas in electronic encounters, the impact of the outcome of the service encounter is more important than the type of humor. Also, in electronic encounters related humor might compensate partly for an unfavorable service outcome.

INTRODUCTION

Academics and practitioners agree that the underlying premise of customer-firm encounters is to make them memorable and satisfying. This focus on creating memorable experiences by blending functionality, fulfillment and fun has recently drawn attention to the importance of hedonic aspects of the service encounter. In general, these hedonic aspects refer to the enjoyment resulting from the fun and play arising during the experience (Hirschman & Holbrook, 1982) that has been represented in the retail context by the theme of ‘shopping as fun’ (Babin et al., 1994). This theme has serious consequences, for it has been argued that gauges of the hedonic quality of the experience reflect future economic performance.

One important way to increase the hedonic quality of the shopping experience as well as the positive evaluation of the product or service itself is the use of humor (Childers et al., 2001; Perry & Jenzowsky, 1997). To date, most research on the use of humor in a marketing context has been conducted in the area of mass communication channels. It has been demonstrated that humor in advertising may be used to create product and service awareness as well as a favorable image and to stimulate customer purchase behavior (Alden & Hoyer, 1993; Spotts et al., 1997). Moreover, it has been demonstrated that advertising and promotion that incorporates humor does not only lead to positive product evaluations and buying intentions but also seems to have a positive effect on the way in which people enjoy the viewing experience. For instance, Perry et al. (1997, p.395) report that they find “strong support for the use of humorous commercials to boost program enjoyment levels.”

With respect to service delivery formats, varying from traditional face-to-face to technology-based self-service delivery modes, the picture of the incremental value of humor as a potential source of enjoyment and determinant of customer’s evaluations is less clear. From research in the social sciences, there is strong evidence that humor may serve different functions in face-to-face contact (Wilson, 1979), varying from the communication of a person’s attitude in social interactions to the transformation of negative emotions into positive ones and the development of a basis for relationships between people. Furthermore, there is an accumulating body of evidence that humor is also important in electronic channels (Babin et al., 1994; Childers et al., 2001). For instance, it has been suggested that the use of humor in e-mail campaigns has a positive effect on sales (Kaye, 1999) and that for on-line customers “the best experiences will sparkle with humor” (McKeown, 2002 p. 256). Therefore, we study the influence of humor on customer evaluations with respect to two service delivery formats.

In the investigation, we take two important contingencies into account: the nature of the service outcome (e.g., favorable vs. unfavorable) and the type of humor. It is well established that customer evaluations of services depend both on the service process and outcome (Brown & Swartz, 1989). To date, the service marketing literature has focused extensively on service process. Only recently, researchers have begun to explore the role of service outcome in service evaluation. An important issue is to determine the relative importance of process and outcome in evaluations as well as the effect of the interaction between process and outcome.

With respect to process, in face-to-face encounters humor is primarily associated with the attitude and behavior of the service employee, while in electronic encounters humor is an integral part of the (virtual) design of the service process.

Furthermore, in the humor research literature frequently a distinction has been made between related and unrelated humor (e.g., Zillman & Bryant, 1983). In the context of learning and advertising, studies have demonstrated that the use of related humor has more positive effects than the use of unrelated humor (Spotts et al., 1997; Zillman et al., 1983). However, no studies are reported with respect to the effect of related vs. unrelated humor in service encounters. The purpose of our study is to investigate how the interplay between the type of humor and the outcome of the service determines customer’s evaluations of face-to-face and electronic encounters.

LITERATURE REVIEW

Humor is an integral part of the human condition and yet many have struggled to come up with an exact conceptualization. In order to develop a basis suitable for empirical study, various authors have suggested technique-oriented and descriptive typologies of humor. One frequently used typology is that of related vs. unrelated humor. Related humor is defined as humor that is pertaining to the particular situation, message, or product, while unrelated humor is not (c.f., Zillman et al., 1983). In general, it is has been suggested that adult audiences (as opposed to children) respond well to humor that is integrated and related (Zillmann et al., 1983), but the findings with respect to unrelated humor remain conflicting and are not conclusive. It has been argued that people do not respond to humor that has no apparent connections to the message, and is obviously interspersed to liven things up. It also has been suggested that unrelated humor may be even perceived as inconsequential or distracting and may be met with impatience, if not with annoyance, whereas related humor can be an effective way to help remember examples of content (Zillmann et al., 1983). In another study (Hezel et al., 1982), it was found that teachers who use related and relevant humor were judged to be more interesting, entertaining and enjoyable than those who used unrelated humor. In general, these authors concluded that teachers using unrelated humor may well be perceived as being funny and possibly gain appeal in the sense of being liked, but at the same time the use of unrelated humor was detrimental to rapport and to be most harmful to the assessment of the teacher’s competence. Furthermore, it may create a loss in attentiveness and ultimately result in reduced information acquisition from messages.
These findings are confirmed by several studies on the use of humor in advertising (Spotts et al., 1997). It has been argued that the relatedness of humor to the ad, product, or service is an important aspect that influences the effectiveness of humor in advertising. Moreover, it is concluded that the most important advantage of related humor is that the customer’s attention remains focused on the core product or service, which is not the case with unrelated humor. Also, others suggest that humor related to the product is superior to unrelated humor. Scott et al. (1990) found that humor is only effective when humor is related to the product, service and event. Their results supported that related humor enhances patron-age activity, but unrelated humor has either no impact or a negative impact.

The effects of humor have mainly been studied in the context of advertising and interpersonal, face-to-face interactions (primarily outside the marketing domain), and so far there has been little work on related vs. unrelated humor in the context of computer-mediated (CM) interactions. The few studies on CM interactions, though, found positive effects of humor. For instance, Baym (1995) states that humor can be accomplished in CM communication and can create social meaning on-line. She shows how humor creates group solidarity, group identity, and also individual identity in on-line encounters.

With respect to the customer evaluation of service encounters, the focus in our study is on satisfaction, enjoyable interaction, and behavioral intentions. It is well established these three constructs are critical measures of face-to-face and electronic service encounters (Meuter et al., 2000; Gremler & Gwinner, 2000; Szymanski & Hise, 2000). The concept of customer satisfaction bears relevance to both discrete encounters and to relationships. This study focuses on single encounter satisfaction; it reflects the feelings of the customer about a single interaction with the firm and consequently result from the evaluation of the events that occur during that specific period of time.

A second evaluative judgment concerns enjoyable interaction. Enjoyable interaction might be interpreted as an aspect of hedonic quality. With respect to enjoyable interaction, several researchers identified its importance in positively influencing customers’ judgments in off-line (e.g., Babin et al., 1994; Gremler et al., 2000) and on-line (e.g., Childers et al., 2001) encounters. A service provider might use different strategies to create an enjoyable interaction. For example, the firm may use humor, build a colorful design, include sufficient sensory information into web-sites, increase flexibility of navigation, and personalize the service (e.g., Childers et al., 2001; Gremler et al., 2000).

A final construct that needs to be incorporated is behavioral intentions, i.e., the intention of the customer to return to the (e-)service and to make recommendations. An initial contact between two parties might result in an ongoing relationship and consequently result in a customer’s return. It has been suggested that given the essence of customer choice in services, it is imperative to examine customer’s behavioral intentions with respect to returning to the firm and positive word of mouth communications (Ostrom & Iacobucci, 1995).

Although the three dependent measures are well documented in off-line contexts (e.g., Oliver, 1997), recent studies suggest satisfaction, enjoyable interaction, and customer loyalty to be important in on-line environments as well (Szymanski et al., 2000; Wolfinbarger & Gilly, 2001). In summary, it can be argued that the service encounter is positively evaluated when encounter satisfaction is high, customers experience an enjoyable interaction and have positive behavioral intentions. In the next section, we develop our research hypotheses.

HYPOTHESES DEVELOPMENT

In this research, we study the effects of the service process (e.g., the use of related vs. unrelated humor) and the service outcome on the customer’s evaluation of both the face-to-face and electronic encounter. Service process reflects the way the service is delivered to the customer and evaluating the process, several dimensions may be taken into account, such as the reliability, responsiveness, assurance, and empathy of the service provider. It has frequently been argued found that a favorable process increases a positive evaluation (Iacobucci et al., 1994). In this study, we focus on the use of humor, i.e., the service process pertains to the fact whether the provider is using humor during the encounter with the customer. From previous studies it becomes clear that when humor is properly used it might have benefits for both provider and customer. Specifically, these studies indicate that in general the use of related humor results in more positive effects than the use of unrelated humor (Spotts et al., 1997; Zillman & Bryant, 1983).

It is well known that evaluations of services are based on what customers receive as outcome as well as on how the process of service delivery takes place (e.g., de Ruyter & Netelsz, 1998) and, therefore, in our study we focus on outcome in addition to process. Outcome refers to an evaluation of what the customer received from encounters with the firm, whereas process refers to how the outcome is performed. Outcome essentially refers to the instrumental performance of a service. It can be viewed as an end-state, which may or may not be the intended effect of a service process. For instance, when booking a holiday, the concept of service outcome pertains to the fact whether the provider is able to book the vacation or not.

Regarding the interplay between process and outcome, it has been frequently suggested in the services marketing literature that the way the service is delivered may be a more important antecedent of customer evaluations than the service outcome (e.g., Brown et al., 1989). Furthermore, Iacobucci et al. (1994) state that a favorable outcome might not increase the chance of positive evaluative judgments by customers, while a positive and favorable process may. Also, Bopp (1990) concludes that a good outcome may not only be sufficient to foster perceptions of high service quality, satisfaction and loyalty. Swan and Comb (1976) found that customers become dissatisfied with a service when they perceive the outcome to be satisfactory but the process unsatisfactory. In addition, de Ruyter et al. (1998) showed that customers who experienced a favorable outcome and favorable process evaluated the service encounter more positively than customers who experienced a favorable outcome and an unfavorable process. Since related humor is supposed to be more positive than unrelated humor (e.g., Spotts et al., 1997; Zillman et al., 1983) and in line with service research, we hypothesize that:

\[ H_1: \text{A service encounter with a favorable outcome in which related humor is used will be evaluated more positively than a service encounter with a favorable outcome in which unrelated humor is used, in terms of a) satisfaction, b) enjoyable interaction, c) behavioral intentions.} \]
The Impact of Humor in Face-to-Face and Electronic Service Encounters

... being pleasant and helpful still lead to positive evaluations of the encounter. Lazare et al. (1975) report that the interaction of an unfavorable outcome and positive process perceptions may still result in a positive overall assessment of the service; a positive process seems to compensate for an unfavorable outcome. In line with this, it might be that a process with related humor (partly) makes up for an unfavorable outcome. Concerning the interaction between service outcome and type of humor in the service process, we hypothesize:

H2: A service encounter with an unfavorable outcome in which related humor is used will be evaluated more positively than a service encounter with an unfavorable outcome in which unrelated humor is used, in terms of a) satisfaction, b) enjoyable interaction, c) behavioral intentions.

It has been suggested that humor with no apparent connection to the message and just included to entertain, might cause irritation. Unrelated humor may have a devastating effect on the perceptions of a provider's intelligence and may prompt appraisals of inferior informedness (Zillman et al., 1983). We argue that this effect might be especially strong in case of an unfavorable outcome. For example, in case a customer cannot make a reservation at a travel agency, while at the same time the service employee is just performing as the jolly entertainer, this might result in an extra negative evaluation. Therefore, we expect that the relative difference between a favorable outcome and an unfavorable outcome will be larger with the use of unrelated humor. We hypothesize:

H3: The relative difference between service encounters with a favorable outcome and service encounters with an unfavorable outcome will be larger in case of unrelated humor than in the case of related humor, in terms of a) satisfaction, b) enjoyable interaction, c) behavioral intentions.

Finally, the service delivery mode might influence the relationship between the type of humor and the outcome of the service delivery, and the customers’ evaluations of the service encounter. That is, it has been argued that consumers like on-line shopping when they are goal-focused and they like offline shopping when they want to enjoy the experience of being out (Wolfinbarger et al., 2001). Goal-focussed shoppers are transaction-oriented and consequently, the occurrence of the desired outcome may be more important that the type of humor. Experiential shoppers are searching for fun and consequently they might be more perceptive to and influenced by the type of humor than by the outcome. However, although there might be a difference in the importance of type of humor and the outcome, we still think the hypotheses will hold for both service delivery modes.

Next, the two experiments are described. We manipulated related and unrelated humor in both face-to-face and electronic encounters, but the stimuli used to manipulate type of humor are different for the two settings. For instance, whereas type of humor can be manipulated by the use of cartoons in electronic encounters, this is not possible face-to-face. Because these inevitable differences in the experimental situation inherent to two types of service delivery a comparison between the two modes within one analysis (e.g., 2x2x2 design) is not appropriate (Morkes, Kernal, and Nass 1999).

EXPERIMENT 1: FACE-TO-FACE ENCOUNTERS

Method

The setting of our experiment was the travel business. To determine an appropriate research setting, we choose a service that is well known in an off-line and on-line setting. The travel business was chosen for two reasons. First of all, almost everyone has experience with this service so respondents do not find it very difficult to imagine themselves in such a situation. Secondly, booking travel trips is a successful application of e-commerce. An experimental approach using a between-subjects, fixed-effects factorial design. Type of humor used by the provider was manipulated on two levels: (1) related and (2) unrelated humor. The outcome of the service interaction was manipulated on two levels: (1) favorable and (2) unfavorable outcome. Consequently, we arrived at a 2 x 2 factorial design.

Procedure

For the face-to-face encounter, we developed a video-scenario of a visit to a travel agency with the aim of booking a skiing holiday. Respondents viewed the video and were asked to imagine that they were the customer. This method has been proven to be useful in research (Lemminck et al., 1998).

The respondents were told that they had already informed themselves with the help of some travel brochures about the different possibilities, and made a priority list with which they went to the travel agency. The purpose of the video was to let the respondents experience the situation in order to test our hypotheses. We filmed the encounter in an existing travel agency to increase to realism of the video. For the role of service provider, we trained an actress to act as a travel agent, to use either related or unrelated humor, and to communicate the outcome. Regarding the use of related humor, the service provider made jokes and comic remarks related to the skiing holiday and in the unrelated condition jokes and comic remarks unrelated to skiing or any other aspect of the holiday were made. With respect to the outcome the trip could be booked (favorable) or could not be booked (unfavorable).

Four video films were composed based on the combination of the manipulated variables. In order to standardize the behavior of the service provider apart from the type of humor and outcome, a script was developed for the advisor and the customer for each encounter. These scripts were different for type of humor and service outcome, but the same for the other behaviors of the employee and the customer. The service provider in the video was talking to another person, e.g., an actress who played the role of customer. Only the customer’s back was visible, to make it easier for the respondents to identify with the customer in the filmed service encounter and to enable to experience the encounter literally through the eyes of the customer. The respondents were randomly assigned to one of the four conditions. Each respondent received a booklet, which included an instruction and the questionnaire. Students were told to read the instruction and to watch the video. Next, they were asked to indicate their overall evaluation of the service encounter and to communicate the outcome. Regarding the use of related humor, the service provider made jokes and comic remarks related to the skiing holiday and in the unrelated condition jokes and comic remarks unrelated to skiing or any other aspect of the holiday were made. With respect to the outcome the trip could be booked (favorable) or could not be booked (unfavorable).

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Pre-test

Students (15) were selected for the pre-test. The subjects responded to a series of items assessing the validity of the manipulations immediately after exposure to the manipulation and were interviewed. The pre-test revealed that the manipulations were successful in creating the desired treatment effect. Only minor
adaptations were necessary for the script. Furthermore, preliminary analyses indicated that the dependent measures showed sufficient reliability in terms of Cronbach's alpha.

Sample

Hundred and two business students from a large Dutch University participated in our study. They received course credits for their participation. The sample consisted of 53% men and of 47% women. The age ranged from 19 to 24 (average of 22). Regarding Internet experience (years of use), 47% of all respondents has experience for 2-3 years, 27% between 4-5 years and 26% between 1-2 years.

Questionnaire Development

All items were measured on a 7-point Likert-type scale using ‘totally agree’ and ‘totally disagree’ as anchors. Satisfaction with the service encounter was operationalised by eight items as suggested by Oliver (1997). The five enjoyable interaction items were adapted from a scale developed by Gremler et al. (2000). The behavioral intention scale consisted of four items describing the customer’s intention to recommend the provider and to return to the travel agency. The items were measured using an existing scale developed by Oliver and Swan (1989). The items used for manipulation check were “In the situation put before you there is an element of humor” and “In the situation put before you there is an element of humor which has nothing to do with a skiing holiday” for type of humor and “In the situation put before you a trip is booked” for outcome.

Results

From our manipulation checks, we can conclude that there are differences between the related humorous service process and the unrelated humorous service process ($F_{1,100}=76.81; p<.001$), and the favorable service outcome and the unfavorable service outcome ($F_{1,100}=922.22; p<.001$). The results of the ANOVA tests for the dependent variables and the cell means are presented in Table 1. We find that a service encounter with a favorable outcome in which related humor is used is evaluated more positively than a service encounter with a favorable outcome in which unrelated humor is used in terms of satisfaction and behavioral intentions (satisfaction: $t_{50}=4.73; p<.001$; behavioral intention: $t_{50}=9.40; p<.001$). Thus, for two out of the three evaluative criteria $H_1$ is supported.

In line with the relationship assumed under $H_2$, we find that a service encounter with an unfavorable outcome in which related humor is used is evaluated more positively than a service encounter with an unfavorable outcome in which unrelated humor is used in terms of all evaluative criteria (satisfaction: $t_{48}=6.26; p<.001$; enjoyable interaction: $t_{48}=2.28; p=.029$; behavioral intention: $t_{48}=3.83; p<.001$).

<table>
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<tr>
<th>Dependent variables</th>
<th>Effect</th>
<th>$F_{1,98}$</th>
<th>p-value</th>
<th>Partial $h^2$</th>
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<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Main effects</td>
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<td>&lt;.001</td>
<td>.32</td>
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<td></td>
<td>Outcome</td>
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<td>&lt;.001</td>
<td>.16</td>
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<tr>
<td>Two-way interaction</td>
<td>Humor*outcome</td>
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<td>.809</td>
<td>.00</td>
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<td><strong>Enjoyable interaction</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Main effects</td>
<td>Humor</td>
<td>4.95</td>
<td>.028</td>
<td>.05</td>
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<td>Humor*outcome</td>
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<td>Two-way interaction</td>
<td>Humor*outcome</td>
<td>3.38</td>
<td>.069</td>
<td>.03</td>
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**Cell Means for the Face-to-Face Encounter**

<table>
<thead>
<tr>
<th>Related humor</th>
<th>Unrelated humor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favorable outcome</td>
<td></td>
</tr>
<tr>
<td>Satisfaction: 5.30 (1.13)</td>
<td>Satisfaction: 4.02 (0.65)</td>
</tr>
<tr>
<td>Enjoyable interaction: 4.73 (0.86)</td>
<td>Enjoyable interaction: 4.50 (0.74)</td>
</tr>
<tr>
<td>Behavioral intention: 5.19 (0.90)</td>
<td>Behavioral intention: 3.46 (0.35)</td>
</tr>
<tr>
<td>Unfavorable outcome</td>
<td></td>
</tr>
<tr>
<td>Satisfaction: 4.49 (0.66)</td>
<td>Satisfaction: 3.11 (0.85)</td>
</tr>
<tr>
<td>Enjoyable interaction: 4.04 (1.08)</td>
<td>Enjoyable interaction: 3.40 (0.86)</td>
</tr>
<tr>
<td>Behavioral intention: 3.83 (0.82)</td>
<td>Behavioral intention: 2.76 (0.89)</td>
</tr>
</tbody>
</table>
We found significant differences between the related humorous service process and the unrelated humorous service process ($F_{1,112}=43.25; p<.001$), and between the favorable service outcome and the unfavorable service outcome ($F_{1,112}=2491.60; p<.001$). The relationship stated under $H_2$ does not hold. We find no significant differences in evaluative criteria between respondents who experienced a service encounter with a favorable outcome in which related humor was used and respondents who experienced a service encounter with a favorable outcome in which unrelated humor is used. So, $H_2$ is rejected.

Concerning $H_2$, we find small but statistically significant differences between the groups. In this case, respondents who experienced a service encounter with an unfavorable outcome in which related humor was used evaluate the service encounter more positively than respondents who experienced a service encounter with an unfavorable service outcome in which unrelated humor was used in terms of enjoyable interaction and behavioral intentions (enjoyable interaction: $t_{52}=2.72; p=.009$; behavioral intentions: $t_{52}=2.10; p=.042$). Consequently, we fail to reject $H_2$ for two out of the three evaluative criteria. As described above, the cell means we used for the testing of $H_1$ and $H_2$ consist of both main and interaction effects. Since there is no significant main effect for type of humor, the differences between the cell means as found in testing $H_2$ can be interpreted as interaction effects.

Concerning $H_3$, we find that there is a significant interaction effect (without including main effects) between type of humor and service outcome for the variables enjoyable interaction ($F_{1,110}=6.06; p=.015$) and behavioral intentions ($F_{1,110}=4.88; p=.029$). The relative difference between service encounters with a favorable and an unfavorable outcome is smaller in terms of enjoyable interaction and behavioral intentions when related humor is used than when unrelated humor is used (see Figure 1).

**DISCUSSION**

This study was aimed at nuancing the intricate interplay between the type of humor used and the outcome of the service encounter in establishing customer’s evaluations of face-to-face and electronic encounters. Various observations can be drawn from our results. Consistent with research on humor in the context of advertising and education (Spotts et al., 1997; Zillman et al., 1983), the results suggest that a related humor process increases the likelihood of a positive service evaluation by customers in a face-to-face encounter. With respect to the electronic encounters, we found that type of humor is not significant. This implies that there is no difference in effect for related and unrelated humor on customers’ evaluations. Furthermore, in line with previous service research, we find that the outcome of the service is an important determinant of customers’ evaluations in face-to-face encounters (e.g., Brown et al., 1989) as well as in electronic encounters.

In addition, it is found that the type of humor in a face-to-face encounter is more important than the outcome, whereas in electronic encounters, the outcome is more important than the type of humor. As suggested, this finding might have to do with the mode of service provision. As Wolfenbarger et al. (2001) suggest customers might prefer electronic encounters when they have a specific purpose in mind, and desire to purchase what they want quickly whereas they like offline shopping when they are driven by experiential and hedonic motives.

However, for enjoyable interaction a reverse result was found in the face-to-face encounter, i.e., outcome is more important than the type of humor. Gremler et al. (2000) state that enjoyable interaction is an assessment of the relational aspects of service. They suggest three strategies to achieve an enjoyable interaction; 1) relating to a customer’s needs; 2) caring about the customer’s service outcome; and/or 3) using humor to place the customer at ease. As it appears from our study, humor does not influence enjoyable interaction, though these other strategies might be of influence. The relative importance of outcome in our study may be an indication of the importance of the second strategy. Also, Johnson and Zinkhan (1991) demonstrate that service outcome may trigger affective reactions. Finally, with respect to the relatively small effect of type of humor on enjoyable interaction, it might well be that the sense of humor of the respondents has a moderating effect on this relationship. Previous studies have shown that various individual characteristics may differentially determine humor’s effectiveness (Moran et al., 1999). Kirsner (1997) describes how on-line service providers use humor to categorize users into particular types and delivers appropriate personalization on their web-site.

We failed to find interaction effects for the face-to-face encounter, e.g. type of humor and outcome do not strengthen or weaken each other in their effect on customers’ evaluations. One explanation for the lack of these effects might be the type of service.
In the context of our study, a customer can effectively separate process and outcome evaluations, as the interpersonal and outcome elements of the travel service encounter are relatively distinct (as opposed to, for instance, medical services). Hence, it is possible for a customer to appreciate the process (e.g., related humor), but to rate the outcome negatively (and vice versa). While related humor is an important determinant of evaluative judgments in face-to-face encounters, it does not weaken the negative effect of an unfavorable outcome. Therefore, humor may be a value-added feature but may not be a substitute for outcome.

In electronic encounters, the effects of type of humor and outcome strengthen each other with respect to the customer’s evaluative judgments. This suggests that the nature of the outcome of an encounter influences the way in which the humor is evaluated. The relative difference in enjoyable interaction and behavioral intentions between service encounters with a favorable outcome and an unfavorable outcome is smaller when related humor is used. This might indicate that related humor can partly compensate for an unfavorable service outcome. Therefore, although on-line customers may be likely focussed on the occurrence of a favorable outcome, in case of an unfavorable outcome, the use of related humor (compared to unrelated humor) may weaken the negative effect of the unfavorable outcome. It might be that because of the unfavorable outcome, the customer focuses more on the site and its design, and the fun experience caused by the service-related comic strips and cartoons may create some positivity. In the same line of reasoning, we might conclude that in case of an unfavorable outcome the use of unrelated humor creates lower evaluative judgments than related humor. This might support research in the context of education which states that unrelated humor might cause annoyance (Hezel et al., 1982) and consequently magnifies the effects of an unfavorable outcome. It should be noted, however, that these patterns do not appear to apply to customer satisfaction. In other words, an unfavorable outcome lowers the customer’s satisfaction and this effect can not be offset and/or will not be maximized by the type of humor used. Apparently, this type of customer evaluative judgment differs from the enjoyable interaction and behavioral intention criteria. So, in case of an unfavorable outcome, the customer is less satisfied, and the type of humor used does not influence this, but in these circumstances related humor does create a more enjoyable interaction and increase the intentions of the customer to return and to recommend the web-site.

**Suggestions for Future Research**

Several limitations to our research have to be recognized. These may point to future research issues. The first limitation...
relates to our design. It pertains to a ‘laboratory experiment’ and consequently, the generalizeability of the findings is limited with regards to settings outside the laboratory. Furthermore, the use of a scenario approach is subject to a possible lack of realism. Even though we built websites and used audio-visual scenarios which are more realistic than written scenario’s, it is easily conceivable that favorable and unfavorable outcomes will produce stronger emotional reactions in customers in a real-life setting compared to a simulation. While our scenario approach is valid for behavioral research purposes as the manipulation of the two outcome extremes enabled us to disentangle the influence of service outcome, future work may wish to explore perceptions of actual outcomes in a real-life setting.

The only process variable addressed in this study was type of humor. Other process variables, like the customization and responsiveness of the service provider, may be investigated in future research, since they might be important offline as well as online.

Also, future research should explore the issues introduced in our study over a broader set of services, as the focus was limited to the travel industry only. It may be that the impact of type of humor as well as output behaves differently depending on the type of service and an important question is whether the humor and outcome dimensions are significant in every service industry. For example, in our study it is possible to evaluate the outcome of the service accurately, but in case of experience and credence services this is much more difficult. Also, the measurement of personal characteristics such as sense of humor might yield a further insight into the relationships between the study variables.

Furthermore, based on advances in attribution theory (e.g., Meuter et al., 2000), it can be argued that customers’ inferences concerning the cause of an unfavorable outcome during encounters may considerably moderate customer evaluations. For instance, in electronic encounters, s/he might interpret an unfavorable outcome caused by a server break-down differently from a non-availability of the product or service. Future research should take the impact of such attributions into account.

Also, more research is needed with respect to the determinants of enjoyable interaction. Gremler et al. (2000) suggest three strategies. Whereas we find that type of humor is hardly of influence, we find an indication of the importance of caring about the customer’s service outcome. However, we did not measure customers’ perceptions of these strategies directly. Therefore, an important contribution to the understanding of creating an enjoyable interaction could be made by exploring the customers’ perceptions of these strategies. Future research also may investigate other dimensions of humor. In addition to related vs. unrelated humor, some research has focused on the relevance of humor. Relevant humor helps to make a critical point (Hezel et al., 1982). Although this distinction might be more useful in interactions with an instructional character, it might be important to services too. Finally, future research might include a no humor control group to more clearly show whether the results are being driven by related humor facilitating or unrelated humor inhibiting customers’ evaluations.

REFERENCES


