

**NOT ALL SMILES ARE CREATED EQUAL:
HOW EMPLOYEE-CUSTOMER EMOTIONAL CONTAGION IMPACTS SERVICE RELATIONSHIPS**

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ABSTRACT

The concept of employee-customer emotional contagion, defined as the flow of emotions from employees to service customers, and its impact on customers' assessments of their service encounters with employees are examined in this paper. Drawing on interpersonal relationship research, we investigate the influence of service employees' display of positive emotions on customers' emotional state and, subsequently, their assessment of a service interaction and their relationship with the service provider. To test the proposed impact, 223 consumers participated in a simulated service encounter with actors playing the role of service employees. In a 2 X 2 factorial design, these "employees" varied the extent of their smiling behavior and the type of emotional labor strategy used by engaging in either surface acting or deep acting. Results provide support for emotional contagion in that service employees' emotions have a direct impact on the emotional state of customers. Furthermore, an employee's display of emotions and the emotional contagion process are found to exert an effect on customer outcomes. Implications are discussed.

References available upon request