

## MASTER'S THESIS

### **Affect, perceived service quality, and satisfaction: assessing the moderating role of service setting**

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Affect, Perceived Service Quality, and Satisfaction:  
Assessing the Moderating Role of Service Setting

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## ABSTRACT

Recently, the role of affect in marketing has been studied extensively. However, the findings on the relationships between the two basic dimensions of affect (pleasure and arousal), perceived service quality, and satisfaction are not conclusive. In this study, a new moderating variable "service setting", which examines whether the service setting is hedonic or utilitarian in nature, is introduced in order to advance the understanding of these relationships.

To test the hypotheses, Karaoke and Banking services were chosen to represent hedonic and utilitarian service settings respectively. The results suggest that service setting moderates the effect of pleasure/arousal on perceived service quality/satisfaction, showing that the effect of pleasure is stronger in hedonic service settings than in utilitarian service settings, and the effect of arousal is only significant in hedonic service settings. Additionally, perceived service quality was also found to partially mediate the effect of arousal on satisfaction in hedonic service settings, and partially mediate the effect of pleasure on satisfaction in utilitarian service settings.

These research findings suggest that affect influences quality and satisfaction evaluations, although the influence varies across services. Hence, more attention should be drawn on how to manage consumption emotions in services. Implication for managers and suggestions for further research are also discussed in detail.

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