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In restaurants, on the other hand, the dining experience is undertaken on the premises, the price is not insubstantial, and the customer may not be planning to return to the restaurant even if satisfied. In this situation, customers could claim the dining experience was inferior, even if it wasn't, and demand to renegotiate the price. Such renegotiation imposes costs on other customers (by reducing the restaurant's ambience) and on the owner (by depreciating the restaurant's reputation). Yet, because some customers are transients who are not expected to return or to inform other potential customers, the restaurant could attempt to discriminate against these customers by providing poor service.

The ability of both the customer and the restaurant to impose losses on each other results from the commitment of nonsalvageable assets by both parties to the exchange. A customer can be seated and can scrutinize the menu without obligation. Although this imposes an opportunity cost on the restaurant, it also imposes a time cost on the customer. The time cost incurred by the customer signals that the customer obtained the seat in good faith. However, once the meal has been ordered, the restaurant has made a much larger commitment, and so will hold the customer more closely to the contract. If the customer inspects the food and rejects it, the restaurant will attempt to rectify it and may even replace it. However, once the food is consumed, the restaurant is no longer willing to allow the customer to terminate the contract because the consumed meal represents a major commitment of nonsalvageable assets on the part of the restaurant.

















































