

# CHAPTER 11: COMPLAINT HANDLING, SERVICE FAILURE AND SERVICE RECOVERY

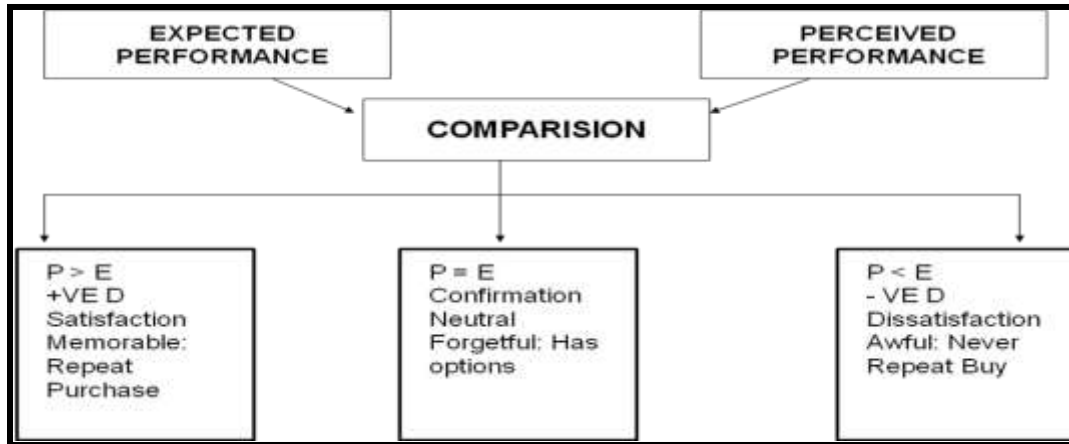
## CHAPTER CONTENTS

- Disconfirmation Model
- Customer responses to Service Failures
- Consumer Complaint Behavior
- Types of Complainers
- 3 Types of Justice/ Fairness Customers look for after complaining
- Causes behind customer switching
- Service Recovery System
- Guidelines for Effective Problem Resolution
- Service Recovery Strategies

## DISCONFIRMATION MODEL

The disconfirmation model explains 3 situations wherein the customers experience either:

- Positive Disconfirmation
- Negative Disconfirmation
- Confirmation
  
- **Knowledge and experience of consumer:** Just how much credence we attach to prior expectations must be subject to an assessment of how well informed consumers are. Those with little or no prior knowledge or experience may, if they are willing communicate expectations which are unreasonable, impractical, unattainable, unclear and even transitory.
- **Level of expectations:** How are we to interpret level of expectation-minimum tolerable, adequate, desired, ideal in terms of customer satisfaction? (Waiting for half an hour for the meal to be served is unreasonable time to wait in a restaurant).
- **Customer satisfaction:** Should we consider those whose expectations are at a high level and are met or exceeded as more satisfied than those whose expectations are more modest?



### COMPLAINT HANDLING

Even with the Best organizations failures can just happen – they may be due to the service not available when promised, it may be delivered late or too slowly (some times too fast ??), the outcome may be incorrect or poorly executed, or employees may be rude or uncaring. All these types of failures bring about negative experiences. If left unfixed they can result in customers leaving, telling others about the negative experiences or even challenging through consumer courts.

Research has shown that resolving the problems effectively has a strong impact on the customer satisfaction, loyalty, and bottom-line performance. Customers who experience service failures, but are ultimately satisfied based on recovery efforts by the firm, will be more loyal.

Whatever a service firm may do for a customer even the best firms are going to find themselves facing complaints from customers who feel that they are not being treated fairly. In dealing with these situations, it is important to know how to diffuse them and then turn them into positive experiences for all involved.

People complain because the service they have received is below the zone of tolerance. There are many reasons for this. For example, in a hotel some common complaints that are registered by disgruntled hotel guests include unclean rooms, uncomfortable beds, inoperable climate controls and inadequate housekeeping.

If these complaints are not resolved to the satisfaction to the guest, there can be serious ramifications. In particular, the individual is likely to tell others of the poor service. But if the things are done well, there are also positive ramifications. It has been observed that those customers who have had problems that have been satisfactorily resolved tend to be the most loyal customers of all. Moreover, five out of six people who complain will continue doing business with the organization even if the problem is not resolved to their satisfaction, if they perceive the person who took the complaint to be friendly,

enthusiastic, and non-defensive and committed to the relationship. These are interesting findings by researchers and show that efforts to resolve customer problems (even if unsuccessful) are important. However, even if the problem is resolved, the customer is not always happy and may sometimes stop doing business with the enterprise. Some researchers explain that

Three out of six customers who complain and have their problems resolved will stop doing business with in spite of the fact that they “got what they wanted” , if they perceive the person taking the complaint as cold, unfriendly, defensive and uncommitted to the relationship, in other words, if the person doesn’t care. The aim for any organization should be to develop a system of effective complaint management. Such a system of ongoing steps or actions would allow an organization to both:

- Respond effectively and efficiently to the complaints of individual customers, and
- Collect, aggregate and analyze complaint data to pinpoint and correct the root causes of customer problems.

### **CUSTOMERS RESPONSES TO SERVICE FAILURES**

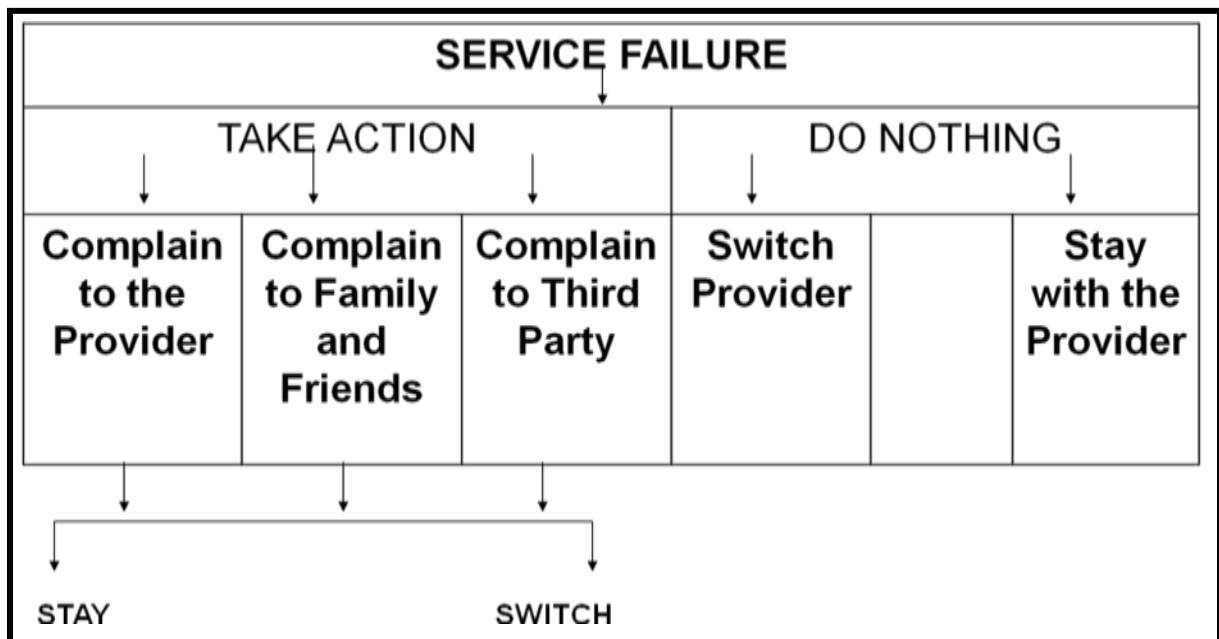
When there is a service failure, customers can respond in a variety of ways as illustrated in the figure below. First, they can choose to take action or they can do nothing. Many customers are very passive about their dissatisfaction, simply saying or doing nothing. Whether they can take action or not, at some point the customer will decide whether to stay with that provider or switch to a competitor. As we already have seen those who do not complain is least likely to return. For companies, customer passivity in the face of what options is open to customers when they experience a service failure? This model suggests at least four major courses of action:

- Do nothing
- Complain in some form to the service firm
- Take action through a third party( consumer advocacy group, consumer affairs or regulatory agencies, and civil or criminal courts)
- Abandon this supplier and discourage other people from using the service (negative word-of-mouth)

Following through the sequence of possible reactions, we can see a variety of end results, leaving the customer anything from furious to delight. The risk of defection is high, especially when there are a variety of competing alternatives available. One study of customers switching behaviour in service industries found that close to sixty percent of all respondents who reported changing supplies did so because of a perceived failure. Twenty-five percent cited failure in the core service; nineteen percent reported an unsatisfactory encounter with an employee, ten percent reported by an unsatisfactory response to a prior service failure and four percent described unethical behaviour on the part of the provider.

Managers need to be aware that the impact of a defection can go far beyond the loss of that person’s future revenue stream. Angry customers often tell many other people about their problems. The Web has made life more difficult for companies that provide poor service because unhappy customers can now reach thousands of people by posting complaints on bulletin boards or setting up websites to publicize their bad experiences with specific organizations.

If customers take action following service failure, that action can be of various types. A dissatisfied customer can choose to complain on the spot to the service provider giving the company the opportunity to respond immediately. This is often the best case scenario for the company because it has a second chance right at that moment to satisfy the customer, keeps his or her business in the future, and potentially avoids any negative word of mouth. If they don’t complaint immediately, customers may choose to complaint later to the provider by phone or in writing, or even to write or call the corporate office of the company. Again, the company has a chance to recover. Some customers choose not to complaint directly to the provider but rather spread negative word of mouth about the company to friends, relatives and co-workers. This negative word of mouth can be detrimental because it can reinforce the customer’s feelings of negativism and spread that negative impression to others as well. Further, the company has no chance to recover unless the negative word of mouth is accompanied by a complaint directly to the company. Finally, customers may choose to complain to third parties such as the Better Business Bureau, to consumer affairs arms of the government; to a licensing authority, a professional association, or potentially to a private company.



**CONSUMER COMPLAINT BEHAVIOUR**

Chances are that you're not entirely satisfied with the quality of at least some of the services that you use. How do you respond when you have been disappointed? Do you complain informally to an employee, ask to speak to the manager, file a complaint with the head office of the firm that let you down, write to some regulatory authority, or telephone a consumer advocacy group? Or do you just grumble to your friends and family, mutter darkly to yourself, and take your business elsewhere next time you need that type of service. If you don't normally tell a company (or outside agency) of your displeasure with unsatisfactory service or faulty goods, then you are not alone. Research around the world has exposed the sad fact that most people do not complain, especially if they don't think it will do any good. And even when they do communicate their dissatisfaction, managers may not hear about complains made to consumer contact personnel.

**Who is more likely to complain?**

In general, research findings suggest that consumers from high income households are more likely to complain than those from low income once and that younger people are more likely to complain than older ones. People who complain also tend to be more knowledgeable about the products in question and the procedure for complaining. The other factors that increase the likely hood of a complaint include problem severity, importance of the product to the consumer, and whether financial loss is involved.

**WHY DO PEOPLE COMPLAINT**

The categories just described suggest that there are some customers who are more likely to complain than others. As individuals these consumers believe that positive consequences may occur and that there are social benefits of complaining and their personal norms support their complaining behavior. They believe they will and should be provided compensation for the services is service failure in some form. They believe that fair treatment and good service is their due, and that in cases of service failure, someone should make good. In some cases they feel a social obligation to complain—to help others avoid similar situations or to punish the service provider. A very small number of consumers have “complaining” personalities—they just like to complain or cause trouble.

Those who are unlikely to take action hold the opposite beliefs. They often see complaining as a waste of their time and effort. They don't believe anything positive will occur for them or others based on their actions. Sometimes they don't know how to complain—they don't understand the process or may not realize there are avenues open to them to voice their complaints. In some cases, non complainers may engage “emotion-focused coping” to deal with their negative experiences. This type of coping involves self-blame, denial, and possibly seeking social support. They may feel that the failure was somehow their fault and that they don't deserve redress.

Personal relevance of the failure can also influence whether people complain. If the service failure is not really important, if the failure had no critical consequences for the consumer, or if the consumer has little ego involvement in the service experience, then he or she is less likely to complain. For example, consumers are more likely to complain about services that are expensive, high risk and ego involving (e.g. Vacation packages, airline travel, medical services) than they are about less expensive, frequently purchased services ( e.g. fast-food drive through service, cab ride, a call to a customer service help line). These latter services are simply not important enough to warrant the time to complain. Unfortunately, even though the experience may not be important to the consumer at the moment, a dissatisfying encounter can still drive him or she to a competitor next time the service is needed.

### **TYPES OF COMPLAINERS**

Research suggests that people can be grouped into categories based on how they respond to failures. Four categories of response types were identified in a study that focused on grocery stores, automotive repair services, medical care, and banking and financial services: passive, voicers, irates, and activists. While the proportion of the types of complainers is likely to vary across industries and contexts, it is likely that these four categories of complainer types will be relatively consistent and that each type can be found in all companies and industries.

- 1) **Passive:** This group of customers is least likely to take any action. They are unlikely to say anything to the provider, less likely than others to spread negative word of mouth, and unlikely to complain to a third party. They often doubt the effectiveness of complaining, thinking the consequences will not merit the time and effort they will expend. Sometimes their personal values or norms argue against complaining. These folks tend to feel less alienated from the marketplace than irates and activists.
- 2) **Voicers:** These customers actively complain to the service provider but they are less likely to spread negative word of mouth to switch patronage or to go to third parties with their complaints. These customers should be viewed as the service provider's best friends. They actively complain and thus give the company a second chance. As with the passives, these customers are less alienated from the market place than those in the other two groups. They tend to believe complaining has social benefits and therefore don't hesitate to voice their opinions. They believe the consequences of complaining to the provider can be very positive and they believe less in other types of complaining such as spreading word of mouth or talking to third parties. Their personal norms are consistent with complaining.
- 3) **Irates:** These consumers are more likely to engage in negative word of mouth to friends and relatives and to switch providers than are others. They are above average in their propensity to complain to the provider. They are unlikely to complain to third parties. These folks tend to feel somewhat alienated from the market place. As their label suggest, they are angrier with the provider although they do believe that

complaining to the provider can have social benefits. They are less likely to give the service provider a second chance and instead will switch to a competitor spreading the words to friends and relatives along the way.

- 4) **Activists**: These consumers are characterized by above average propensity to complain on all dimensions. They will complain to the provider, they will tell others and they are more likely than any other group to complain to third parties. Complaining fits with their personal norms. As with the irates these consumers are more alienated from the market place than the other groups. They have a very optimistic sense of the potential positive consequences of all types of complaining.

### **3 TYPES OF JUSTICE/ FAIRNESS CUSTOMERS LOOK FOR AFTER COMPLAINING**

When they do take the time and effort to complain, customers generally have high expectations. They expect to be helped quickly. They expect to be compensated for their grief and for the hassle of being inconvenienced. And they expect to be treated nicely in the process.

Specifically, customers want justice and fairness in handling their complaints. Service recovery experts Steve Brown and Steve Tax have documented three specific types of justice that customers are looking for following their complaints: outcome fairness, procedural fairness and interactional fairness.

- 1) **Outcome Fairness**: Customers expect outcomes or compensation that matches the level of their dissatisfaction. This compensation can take the form of actual monetary compensation, apology, future free services, reduced charges, repairs, and /or replacements. They expect acuity in the exchange- that is they want to feel that the company has paid for its mistakes in a manner at least equal to what the customer has suffered. The company's "punishment should fit the crime". They expect equality- that is, they want to be compensated no more or less than other customers who have experienced the same type of service failure. They also appreciate it when a company gives them choices in terms of compensation. For example, a hotel guest could be offered the choice of a refund or a free upgrade to a better room in compensation to his room not being available on arrival. On the other hand customers can be uncomfortable if they are overly compensated. Early with its experience with service guarantees, Dominos Pizza offered not to charge the pizza if the driver arrives after 30 minutes guarantee delivery time. Many customers were not comfortable asking for this level of compensation, especially if the driver was only few minutes late. In this case "the punishment was greater than the crime".
- 2) **Procedural Fairness**: In addition to fair compensation, customers expect fairness in terms of policies, rules and timeliness of the complaint process. They want easy access to the complaint process and they want things handled quickly, preferably by the first person they contact. They appreciate companies that can be adequate in their

procedures so that the recovery effort can match their individual circumstances. In some cases, particularly in business to business services, companies actually ask the customer “what can we do to compensate you for our failure?” Many times, what the customer asks for is actually less than the company could have expected. Fair procedures are characterized by clarity, speed and absence of hassles. Unfair procedures are those customer perceive slow and inconvenient. Customers also feel it is unfair if they have to prove their case- when the assumption seems to be they are wrong of until they prove otherwise.

- 3) **Interaction fairness**: Above and beyond their expectations of fair compensation and hassle free, quick processes, customers expect to be treated politely, with care and honesty. This form of fairness can eliminate the others if customers feel the company and its employees have uncaring attitude and have done little to try to resolve the problem. This type of behavior on the part of the employees may seem strange-why would they treat customers rudely or in an uncaring manner under these circumstances? Often it is due to lack of training and empowerment- a frustrated frontline employee who has no authority to compensate the customers may easily respond in an aloof or uncaring manner, especially if the customer is angry and/ or rude himself.

### **CAUSES BEHIND SERVICE SWITCHING**

#### **PRCING:**

- High price
- Price increase
- Unfair pricing
- Deceptive pricing

#### **INCONVENIENCE**

- Location/ hours
- Wait for appointment
- Wait for service

#### **CORE SERVICE FAILURE**

- Service mistakes
- billing errors
- service catastrophe

#### **SERVICE ENCOUNTER FAILURE**

- uncaring
- impolite
- unresponsive
- unknowledgeable

#### **RESPONSE TO SERVICE FAILURE**

- negative response

- no response
- reluctant response

**COMPETITION**

- found better service

**ETHICAL PROBLEMS**

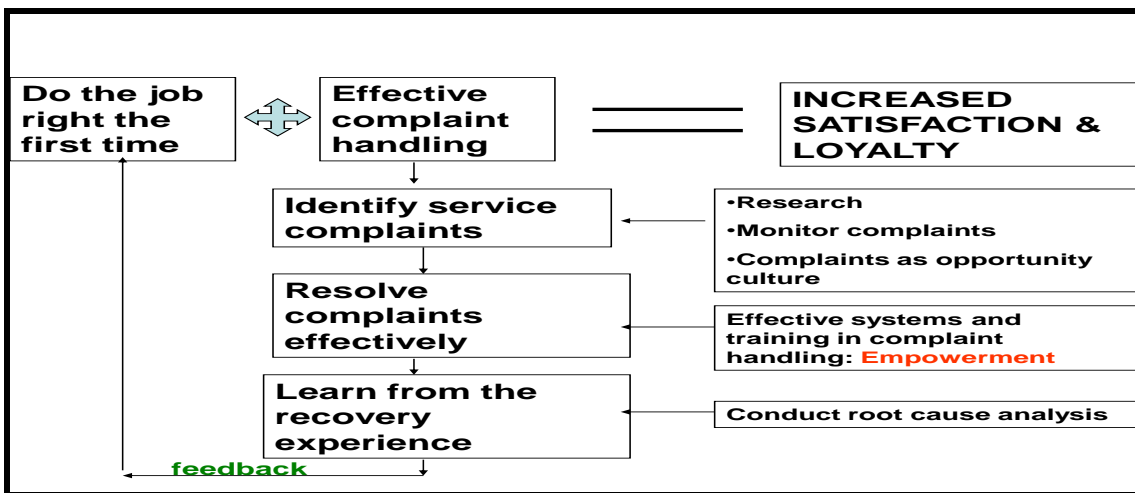
- cheat
- hard shell
- unsafe
- conflict or interest

**INVOLUNTARY SWITCHING**

- customer moved
- provider closed

**SERVICE RECOVERY**

Service recovery is an umbrella term for systematic efforts by a firm to correct a problem following a service failure and to retain a customer’s goodwill. Service recovery efforts play a crucial role in achieving (or restoring) customer satisfaction. In every organization things may occur that have a negative impact on its relationships with customers. The true tests of a firm’s commitment to satisfaction and service quality isn’t in the advertising promises or the decor and ambience of its offices but in the way it responds when things go wrong for the customer. (Unfortunately firms don’t always react in the ways that match their advertised promises.) Effective service recoveries require thoughtful procedures for resolving problems and handling disgruntled customers. It is critical for firms to have effective recovery strategies, because even a single service problem can destroy a customer’s confidence in a firm under the following conditions:



- The failure is totally outrageous (for instance, blatant dishonesty on the part of the supplier).
- The problem fits a pattern of failure rather than being an isolated incident.
- The recovery efforts are weak, serving to compound the original problem rather than correct it.

Some complaints are made while service delivery is still taking place, whereas others are made after the fact. In both instances, how the complaint is handled may determine whether the customer remains with the firm or seeks new suppliers in the future. The advantage of getting real-time complaints is that there may still be a chance to correct the situation before service delivery is completed. The downside of real-time complaints (from an employee perspective) is that they can be de-motivating. Dealing with them in real time can also interfere with service delivery. The real difficulty for employees is that they often lack the authority and the tools to resolve customer problems, especially when it comes to arranging alternatives at the company's expense or authorizing compensation on the spot. When complaints are made after the fact, the options for recovery are more limited. In this case, the firm can apologize; repeat the service to achieve the desired solution, or after some other form of compensation.

### **GUIDELINES OF EFFECTIVE PROBLEM RESOLUTION**

Recovering from service failures takes more than just pious expressions of determination to resolve any problems that may occur. It requires commitment, planning and clear guidelines. Both managers and front-line employees must be prepared to deal with angry customers who are confrontational and sometimes behave in insulting ways toward service personnel who aren't at fault in any way. Service recovery efforts should be flexible, and employees should be empowered to use their judgment and communication skills to develop solutions that will satisfy complaining customers.

1. Act fast. If the complaint is made during service delivery, then time is of the essence to achieve a full recovery. When complaints are made after the fact, many companies have established policies of responding within 24 hours or sooner. Even when full resolution is likely to take longer, fast acknowledgement remains very important.
2. Admit mistakes but don't be defensive. Acting defensively may suggest that the organization has something to hide or is reluctant to fully explore the situation.
3. Show that you understand the problem from each customer's point of view. Seeing situations through the customers' eyes is the only way to understand what they think has gone wrong and why they are upset. Service personnel should avoid jumping to conclusions with their own interpretations.
4. Don't argue with customers. The goal should be to gather facts to reach a mutually acceptable solution, not to win a debate or prove that the customer is an idiot. Arguing gets in the way of listening and seldom diffuses anger.

5. Acknowledge the customer's feelings, either tacitly or explicitly (for example, "I can understand why you are upset"). This action helps to build rapport, the first step in rebuilding a bruised relationship.
6. Give customers the benefit of the doubt. Not all customers are truthful, and not all complaints are justified. But customers should be treated as though they have a valid complaint until clear evidence to the contrary emerges. If a lot of money is at stake (as in insurance claims or potential lawsuits), careful investigation is warranted; if the amount involved is small, and it may not be worth haggling over a refund or other compensation. But it's still a good idea to check records to see if there is a past history of dubious complaints by the same customer.
7. Clarify the steps needed to solve the problem. When instant solutions aren't possible, telling customer how the organization plans to proceed shows that corrective action is being taken. It also sets expectations about the time involved (so firms should be careful not to over promise).
8. Keep customers informed of progress. Nobody likes being left in the dark. Uncertainty breeds anxiety and stress. People tend to be more accepting of disruptions if they know what is going on and receive periodic progress reports.
9. Consider compensation. When customers do not receive the service outcomes that they paid for or have suffered serious inconvenience or loss of time and money because the service failed, either a monetary payment or an offer of equivalent service in kind is appropriate. This kind of recovery strategy may also reduce the risk of legal action by an angry customer. Service guarantees often lay out in advance what such compensation will be and the firm should ensure that all guarantees are met.
10. Persevering to regain customer goodwill. When customers have been disappointed, one of the biggest challenges is to restore their confidence and preserve the relationship for the future. Perseverance may be required to defuse customers' anger and to convince them that actions are being taken to avoid a recurrence of the problem. Truly exceptional recovery efforts can be extremely effective in building loyalty and referrals.

### **SERVICE RECOVERY STRATEGIES**

Thankfully not all companies are doing poorly in service recovery. There are certain companies who have realized the importance of providing excellent recovery for disappointed customers. In this section we examine their strategies and share examples of benchmark companies and what they are doing. It will become clear that excellent service recovery is a combination of a variety of strategies that need to work together.

#### **1. Fail safe your service – do it right the first time**

The first rule of service quality is to do it right the first time. In this case service recovery is unnecessary. Customers get what they expect and the costs of redoing the

service and compensation for errors can be avoided. As you have already learnt, reliability or doing it right the first time is the most important dimension of service quality across industry contexts. Service reliability is the most basic and fundamental strategy of all. What specific strategy do firms employ to achieve reliability? The adoptions of TQM, or total quality management, practices of “zero defects” are commonly used. However, given the inherent differences between services and manufactured products, these tools typically require considerable adaptation to work well in service contexts. Firms that blindly adopt TQM practices, without taking into consideration the service implications, often fail in their efforts.

## **2. Welcome and Encourage complaints**

Even in a zero defect organization that aims for 100 percent service quality, failures occur. A critical component of a service recovery strategy is thus to welcome and encourage complaints. Complaints should be anticipated, encouraged, and tracked. The complaining customer should truly be viewed as a friend. There are a number of ways to encourage and track complaints. Customer research can be designed specifically to do this through satisfaction surveys, critical incident studies, and lost-customer research that are discussed in chapter 5. In a less formal manner, employees can be important listening posts, discovering sources of customer dissatisfaction and service failure on the front line. They should be encouraged to report this type of information. For example, at Ritz-Carlton hotels, all employees carry service query forms called “instant action forms” with them so that they can immediately record service failures and actions to address them. Each individual employee “owns” any complaint that he or she receives and is responsible for seeing that service recovery occurs. In turn the employees report these sources of service failure for remedies. If common themes are observed across a number of failure situations, changes are then made for service process or attributes.

## **3. Act Quickly**

Complaining customers want quick responses. Thus, if the company welcomes, even encourages complaints, it must be prepared to act on them quickly. This requires systems and procedures that allow for quick actions, as well as empowered employees.

### **a) Take care of problems on the Front Line:**

Customers want the persons who hear their complaints to solve the problems whether a complaint is registered in person, over the phone or via the internet. In the example given earlier, Ritz-Carlton insists that the first person to hear the complaint from a customer “owns” that complaint until they are sure that

it is resolved. That means if a maintenance employee hears a complaint from customer while the employee is in the middle of fixing a light in the hotel corridor, he owns that complaint and must be sure that it is handled appropriately before returning to his work.

**b) Empower employees:**

Sometimes employees can even anticipate problems before they arise and surprise customers with a solution. For example, flight attendants on a flight severely delayed due to weather, anticipated everyone's temper, particularly the young children's. Once in flight, they announced to the harried travelers "Thank You for your extreme patience in waiting with us. Now that we are on our way, we would like to offer you complementary beverages and dinner. Because we have a number of hungry children on board, we would like to serve them first, if it is OK with all of you." The passengers nodded and applauded for their efforts, knowing that hungry, crying children could make the situation even worse. The flight attendants had anticipated a problem and solved it before it escalated.

For service employees, there is specific and real need for recovery training. Because customers demand that service recovery take place on the spot and quickly, front line employees need the skills, authority, and incentives to engage in effective recovery. Effective recovery skills include hearing the customer's problems, taking initiative, identifying solutions, improvising, and perhaps bending the rules from time to time.

**c) Allow Customers to solve their own problems:**

Another way that problems or complaints can be handled quickly is by building systems that allow customers to actually solve their own service needs and their own problems. Typically this is done through technology. Customers directly interface with the company's technology to perform their own customer service, providing them with instant answers. This is the case with FedEx's package tracking services, for example. Our Technology-Spotlight features a company that is a master at online customer service-Cisco Systems.

#### **4. Treat Customers Fairly**

In responding quickly, it is also critical to treat each customer fairly. As discussed in an earlier section, customers expect to be treated fairly In terms of the outcome they receive, the process by which the service recovery takes place, and in terms of the interpersonal treatment they receive. Examples, strategies, and results of research focused on fairness in service recovery were discussed earlier. Here, you are reminded that this fair treatment is an essential component of an effective service recovery strategy.

#### **5. Learn from Recovery Experience**

“Problem-resolution situations are more than just opportunities to fix flawed services and strengthen ties with customers. They are also a valuable- but frequently ignored or underutilized- source of diagnostic prescriptive information for improving customer service” By tracking service recovery efforts and solutions, managers can often learn about systematic problems in the delivery system that need fixing. By conducting root-cause analysis, the sources of the problems can be identified and processes modified, sometimes eliminating almost completely the need for recovery.

### **6. Learn from Lost Customers**

Another key component of an effective service recovery strategy is to learn from the customers who defect or decide to leave. Formal market research to discover the reasons customers have left can assist in preventing failures in the future. This type of research is difficult, even painful for companies however. No one really likes to examine their failures. Yet, this is essential for preventing the same mistakes and losing more customers in the future.

Lost customer research typically involves in-depth probing of customers to determine their true reasons for leaving. This is most effectively done by depth interviews, administered by skilled interviewers who truly understand the business. It may be best to have this type of research done by senior-level people in the company, particularly in business-to-business contexts where customers are large and the impact of even one lost customer is great. The type of depth analysis often requires a series of “why” questions or “tell me more about that” questions to get at the actual, core reason for the customer’s defection.

### **7. Return to “Doing It Right”**

The set of strategies leads directly back to the beginning: “fail safe the service and do it right the first time.” By integrating all of the strategies, companies will find less and less of a need for service recovery. Yet, when those situations do occur, they will be prepared to impress the customer and keep their business anyway.

## **THE SERVICE RECOVERY PARADOX**

Some have suggested that customers who are dissatisfied, but experience a high level of excellent service recovery may ultimately be even more satisfied and more likely to repurchase than are those who were satisfied in the first place. For example, think of hotel customer who arrives to check in and finds there is no room available for him. In an effort to recover, the hotel front desk person immediately upgrades this guest to a better room at the same original price. The customer is so thrilled with this compensation that he is extremely satisfied with this experience even more impressed with the hotel than he was before and vows to be loyal into the future. The logical but not very rational. Conclusion is that companies should plan to disappoint customers so they can recover and gain even greater loyalty from them as a result! This idea has become known *as the recovery paradox*.

Certainly, the recovery paradox is more complex than it may seem on the surface.

1. First of all, it is expensive to fix mistakes and it would appear somewhat ludicrous to encourage service failures-after all we know that reliability (“doing it right the first time”) is the most critical determinant of service quality across industries.
  2. Second, empirical research suggests that only under the very highest levels of customer’s service recovery ratings will we observe increased satisfaction and loyalty. This research suggests that customers weight their most recent experiences heavily in their determination of whether to buy again. If the experience is negative overall feeling about the company will decrease and repurchase intentions will also diminish significantly. Unless the recovery effort is absolutely superlative, it cannot overcome the negative impression of the initial experience enough to build repurchase intentions beyond where they would be if the service had been provided right in the first place. The stage “Do it right the first time” is still the best bet. However when a failure does occur, then every effort at a superior recovery should be made.
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