Service Failure and Service Recovery in Tourism: A Review

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ABSTRACT

Although tourism organisations may have customer satisfaction as a major goal, not all tourism experiences are satisfactory from the consumer perspective. Service failures can and do occur. Tourism may be particularly susceptible to the problem of service failure because of the number of different service providers involved and that fact that it is an important and heavily people-based service. If service failures cannot be avoided then organisations must have clear strategies for responding to service failures and minimising the adverse impact of customer complaints. This paper reviews existing literature on service failure in relation to travel and tourism and identifies the strategies that organisations can use to manage the outcomes of dissatisfying service experiences.

Keywords: complaint handling, tourism, perceived justice, service failure, service recovery.

INTRODUCTION

One of the most basic principles in marketing is that organizational performance is enhanced by satisfying customers. Consequently, organizations involved in the delivery of tourism and tourism-related services might reasonably be expected to have customer satisfaction as a key target. In practice, not all customers will be satisfied and few organizations can guarantee to deliver ózero defectsô service every time. Some service failures and customer dissatisfaction may be inevitable, particularly in tourism. The susceptibility of tourism to service failure arises from three main sources. First, in most cases, delivery of the service relies on inputs from a number of different parties (eg airline, hotel, tour operator) which must be co-ordinated to deliver the tourist experience. The involvement of a number of different organizations and the challenges of co-ordination can increase the potential for failure. Second, tourism is very much a people-based service; a

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heavy dependence on people to deliver service and the impact that other tourists may have on the experience of a particular individual can also increase the potential for service failure. Third, the tourism experience may be heavily influenced by factors outside an individual organisationôs control ï for example, the weather or access to visitor attractions. Poor weather, overcrowding at a visitor attraction, the failure to spot tigers during a safari etc can all lead to a dissatisfying experience and may focus consumers attention on the negative rather than positive aspects of a tourism experience.

A poor service or a service failure will result in dissatisfaction and this in turn will prompt a variety of responses which may include complaining, negative word-of-mouth and decisions not to repurchase. If it is impossible to avoid service failures and dissatisfaction, then it becomes increasingly important for organisations to understand how to manage such occurrences and minimise their adverse effects. There is a growing body of evidence to suggest that effective service recovery will generate a range of positive customer responses with complaint handling being seen as a key element in service recovery. Responding effectively to consumer complaints can have a significant impact on satisfaction, repurchase intentions and the spread of word-of-mouth. However, in order to understand how best to deal with service failure and how best to handle complaints, it is essential to understand the way in which consumers react to service failure and how they respond to different approaches to service recovery. This chapter provides an overview of existing research relating to service failure, service recovey and complaint handling in the context of tourism. The chapter begins with a discussion of service failures and then examines customer responses to those failures. Subsequent sections examine approaches to service recovery and the outcomes of the recovery process.

SERVICE FAILURE

Although a number of writers have suggested that organisations should aim to offer ózero defectsô service, some service failures are inevitable, and perhaps particularly so in tourism. Planes may be late, staff may be rude or inattentive, and the maintenance of the tangibles surrounding the service may not always be perfect. Service failure arises when customers experience dissatisfaction because the service was not delivered as originally planned or expected. In effect, then, service failure arises from the customerôs perception of a service experience and not from what the organisation believes it has provided.

The types of service failure that a customer may experience are many and varied. Classifying those failures according to type is a useful first step in understanding consumer reactions and identifying potential recovery strategies. Bitner et al. (1990) used the critical incident technique to identify a service failure classification model which has been widely adopted by other researchers (see for example Kelley et al. 1993 and Hoffman et al. 1995). Based on this research, failures can be classified as being of a number of different types:

Service Delivery Failures

In general, service delivery system failures consist of three types of failures: (1) unavailable service, (2) unreasonably slow service, and (3) other core service failures.

Unavailable service refers to services normally available that are lacking or absent such as a cancelled flight or a hotel that is overbooked. Unreasonably slow service relates to services or employees that customers perceive as being extraordinarily slow in fulfilling their function and might include delays in serving a meal in a restaurant or lengthy queues at a visitor attraction. Other core service failures encompass all other aspects of core service failure; this category is deliberately broad to reflect the various core services offered by different industries (e.g., food service, cleanliness of the aircraft, and baggage handling).

Failure to Respond to Customer Needs and Requests

The second type of service failure relates to employee responses to individual customer needs and special requests. Customer needs can be explicit or implicit. Implicit needs are not requested; if an airline customer becomes ill and faints, his or her needs will be apparent. The airline can fail to meet an implicit need when a flight schedule is changed and the airline fails to notify its customers so that alternative connection flights can be arranged. By contrast, explicit requests are overtly requested. In general, explicit requests are of four types: (1) special needs, (2) customer preferences, (3) customer errors, and (4) disruptive others. Responses to special needs involve complying with requests based on a customerôs special medical, dietary, psychological, language, or social circumstances. Preparing a meal for a vegetarian would count as a special request. Responses to customer preferences require the employee to modify the service delivery system in some way that meets the preferred needs of the customer. A customer request for the substitution of a menu at a restaurant is a typical example of a customer preference. Responding to a customer error involves a scenario in which the failure is initiated by a customer mistake (e.g., lost tickets or a lost hotel key) and the employee needs to respond. Finally, responding to disruptive others require employees to settle disputes between customers, such as requesting patrons to be quiet in cinemas or requesting that smoking customers not smoke in the non-smoking section of restaurants.

Unprompted and Unsolicited Employee Actions

The third type of service failure arises from employee behaviours that are totally unexpected by the customer. These actions are not initiated by the customer, nor are they part of the service delivery system. Subcategories of this group include (1) level of attention, (2) unusual actions, (3) cultural norms, (4) gestalt, and (5) adverse conditions. Negative levels of attention to customers pertain to employees who have poor attitudes, employees who ignore a customer, and employees who exhibit behaviour consistent with an indifferent attitude. The unusual behaviour subcategory includes employee actions such as rudeness, abusiveness, and inappropriate touching. The cultural norms subcategory refers to actions that violate cultural norms such as equality, fairness, and honesty. Violations would include discriminatory behaviour, acts of dishonesty such as lying, stealing, and cheating, and other activities considered unfair by customers. The gestalt subcategory refers to customer evaluations that are made holistically as in the case of a customer who evaluates a holiday as dissatisfying

overall without identifying any specific incidents that cause this dissatisfaction. Finally, the adverse conditions subcategory covers employee actions under stressful conditions. If an employee takes effective control of a situation when all others around him or her are ñloosing their headsò, customers are impressed by the employeeôs performance under those adverse conditions. By contrast, if the captain and crew of a sinking ship board the lifeboats before the passengers, this would be obviously be remembered as a negative action under adverse conditions.

Understanding the type of service failure that has occurred is important in designing an appropriate recovery strategy and, perhaps more importantly, in developing future policies to limit the occurence of service failures. For example, when faced with service delivery failures, an organisation may need to pay particular attention to service operations and design. When failures arise from employee actions and behaviour, the appropriate approach might be to focus attention on the management of human resources.

RESPONSES TO SERVICE FAILURES

When a consumer experiences a service failure ï ie the service fails to match expectations and the consumer is dissatisfied, a number of responses are possible. A nummber of researchers have attempted to identify and explain the different ways in which consumers respond to failure. Understanding this process is important from an organizational perspective, not least because service recovery can only be initiated if the organization is aware of a service failure and customer complaints are probably one of the most effective ways of collecting such information. Unfortunately, many customers do not complain following a service failure, but they do engage in activities such as negative word-of-mouth and brand switching (e.g., TARP, 1986). This suggests that many organizations may miss out on the opportunity to undertake service recovery because they do not know that a failure has occurred.

Generally, customers respond to a service failure in a number of ways. An initial classification scheme to address the first question was a hierarchical framework proposed by Day and Landon (1976). They suggested that consumers first decide whether to convey an expression of dissatisfaction (action) or to take no action. The second-level decision concerns whether the response taken is public or private. Public actions include seeking redress directly from the organisation, taking legal action, or complaining to public or private agencies. Private actions include boycotting the seller or manufacturer (brand switching) and/or engaging in negative word-of-mouth. Complaining to an airline following poor service on a flight would constitute public action; deciding not to fly with that airline again would constitute private action.

A second conceptual approach was offered by Day (1984). He examined consumer complaint behaviour from the perspective of the goals beings sought. Day suggested that the goals of complaining could be classified into three broad themes: redress seeking (complain to organisation or take legal action in the hop of obtaining some form of compensation),

complaining (engaging in negative word-of-mouth to make others aware of the service failure), and personal boycotting (switching to an alternative provider).

Singh (1988) proposed and tested a third classification system. This scheme identifies three sets of responses once dissatisfaction occurs: voice responses (e.g., seek redress from the seller), private responses (word-of-mouth communication), and third-party responses (e.g., take legal action). Classification is based on identifying the object towards which the consumer complaint behaviour (CCB) responses are directed. Three different "types" of objects are proposed. Voice CCB is aimed at objects that are directly involved in the dissatisfying exchange (e.g., airline, tour operator). Singh suggests that the no-action responses are included in this category because they appear to reflect feelings towards the seller. In contrast, private responses are directed at objects that are external to the consumer but not directly involved in the dissatisfying experience (e.g., friends, relatives). The final category, third-party CCB, includes actions that are directed at formal external parties, such as the legal system.

Another approach to understanding consumer responses to service failure was taken by Singh (1990), who developed a typology of consumer dissatisfaction response styles. Singh empirically derived four clusters of complaint response groups, which he labelled Passives, Voicers, Irates, and Activists. He examined their propensity to engage in voice (action directed at the seller/producer), private actions (complaints to friends/relatives or switching brands), and third-party actions (talk to lawyers or consumer protection agencies). Passives fall below average on intentions to complain to any source. Voicers actively complain to service providers but show minimal interest in providing negative word-of-mouth or seeking support from third parties. Irates are consumers who have a high tendency to complain directly to seller/providers, but are less likely to engage in third-party actions. Finally, Activists are dissatisfied patrons who score above average on all complain dimensions.

A variety of factors have been identified as influencing the type of response the consumers adopt;

Market Factors

The economist, Albert Hirschman (1970), in his classic book ôExit, Voice, and Loyaltyô, was one of the first to point out the risk a business takes when it does not hear feedback from customers. He contrasted monopoly and competitive markets, pointing out that in a competitive market with many sellers, dissatisfied buyers do not necessarily voice their complaints because they can easily exit and go elsewhere. The time and effort it takes someone to speak up is unlikely to pay off, and brand switching is simpler. Businesses in competitive markets that do not make an effort to listen to customers therefore risk losing business without knowing why. A monopoly market, in contrast to a competitive one, may actually increase complaining because customers are captive and exiting to another supplier is not a possibility; complaining is the only chance for improvement.

Seller and Services Factors

A variety of organisational factors can influence consumer responses. Dissatisfied customers are more likely to complain to companies with a reputation for being responsive to complaints (Day and Landon, 1977; Granbois et al., 1977). They are also more likely to complain if a service is complex, expensive, or considered important, or if the service failure is serious (Blodgett and Granbois, 1992; Bolfing, 1989; Landon, 1977; Richins, 1983). Buyers tend not to complain about low-cost, low-involvement purchases such as nondurables (Day and Landon, 1976). The relatively complexity, expense and importance associated with tourism products means that consumers are more likely to complain about dissatisfying experiences thus providing organisations in the tourism sector with a useful source of information on the extent and nature of service failures.

Consumer Factors

Many studies have investigated consumer-related factors that may enhance or inhibit complaining. A fairly consistent finding in the literature is that complainers occupy higher socio-economic levels in society. Their higher income, education, and social involvement give them the knowledge, confidence, and motivation to speak up when the feel wronged (see for example Moyer, 1984; Singh, 1990; Warland et al., 1984; Warland et al., 1975; Zaltman et al., 1978). In contrast, customers who do not speak up when they are dissatisfied may be located at lower socio-economic levels (Kraft 1977; Spalding and Marcus, 1981) and may, in fact, be members of particularly vulnerable groups in the marketplace, such as the poor or immigrants (Andreason and Manning, 1990).

Consumersô beliefs and attitudes have been associated with their complaining behaviour. For example, people who believe that complaining will make a difference are more likely to try it (Blodgett and Granbois, 1992; Day and Ash, 1979; Day and Bodur, 1978). Persons who perceive that many marketing practices are unfair are more likely to complain (Zaltman et al., 1978). Attributions about who is to blame for a problem also affect consumerôs willingness to complain. Those who believe the problem was caused by someone else and not themselves are more likely to complain (Krishnan and Valle, 1979; Richins, 1983), particularly if they think the company has control over the situation (Folkes et al., 1987). If buyers attribute the problem to themselves, they are less likely to speak up (Godwin et al., 1995; Spalding and Marcus, 1981; Stephens and Gwinner, 1998; Westbrook, 1987). Personality factors may also be involved in consumer complaining, although the literature is sparse on this topic. In general, assertive people are more likely to complain, whereas submissive persons are more likely to keep quiet (Bolfing, 1989; Fornell and Westbrook, 1979).

More recently it has been suggested that consumersô emotions may influence their complaining behaviour (Bolfing, 1989; Godwin et al., 1995; Westbrook, 1987), especially with regard to non-complaining (Bolfing, 1989; Spalding and Marcus,

1981; Stephens and Gwinner, 1998). In fact, Westbrook (1987) argued that the emotion that accompanies purchase experience is as important as satisfaction or dissatisfaction, if not more so, in determining peopleôs complaining behaviour.

Consumers may feel three different types of negative emotions when they are dissatisfied. The specific feelings are based on their attributions about who is to blame for the problem (Godwin et al., 1995; Smith and Ellsworth, 1985). Those who blame another party, typically the company or employee, generally feel anger, disgust, or contempt. These negative emotions are the ones most likely to lead to complaining (Folkes et al., 1987). They probably lead, as well, to negative word-of-mouth communication to family and friends (Westbrook, 1987).

Consumers who see the cause of the problem as situational (i.e., no one is to blame) tend to feel distress or fear. These emotions probably do not result in as much complaining because consumers feel powerless compared to the company, perhaps because of its size or its market position (Stephens and Gwinner, 1998). Social fear may also come into play; some dissatisfied buyers keep quite because they fear being rude, bothering someone, or hurting someoneôs feelings (Bolfing, 1989; Stephens and Gwinner, 1998). Stephens and Gwinner (1998) suggested that some consumers may not complain because they empathise with, or feel with compassion for, the employee who causes the problem, a finding that may be unique to services because of the face-to-face contact between buyer and seller.

Persons who make internal attributions about the cause of the problem (i.e. they blame themselves) usually experience shame or guilt. These are negative emotions that seem to keep disappointed consumers from speaking up (Godwin et al., 1995; Stephens and Gwinner, 1998; Westbrook, 1987).

Thus, there are a variety of responses available to consumers who experience service failure, only one of which is complaining. However, without customer complaints, organisations may only have limited information on the extent and nature of service failure and may not have the opportunity to engage in service recovery. The propensity of individuals to complain may be influenced by the market environment, the nature of the service/service provider and by a variety of personal factors including socio-economic class, attitudes, personality and emotions.

APPROACHES TO SERVICE RECOVERY

Service recovery is concerned with the process of addressing service failures; more specifically, service recovery can be thought of as being concerned with the productive handling of complaints and includes all actions taken by a service provider in order to try to resolve the problem a customer has with their organisation (Grönroos, 1990). It is generally recognised that complaints are necessary to institute a recovery effort. Without complaints, a firm may be unaware that problems exist and unable to appease unhappy customers. Indeed, arguably the greatest barrier to effective service recovery and organisational learning is the

fact that only 5 to 10 percent of dissatisfied customers choose to complain following a service failure (Tax and Brown, 1998, p.77).

What constitutes an effective service recovery has been the subject of some debate. Bell and Zemke (1987) proposed five ingredients for recovery:

- Apology: A first person apology rather than a corporate apology, and one which also acknowledges that a failure has occurred.
- Urgent reinstatement: Speed of action coupled with a 'gallant attempt' to put things right even if it is not possible to correct the situation.
- Empathy: A sincere expression of feeling for the customer's plight.
- Symbolic atonement: A form of compensation that might include not charging for the service or offering future services free or discounted.
- Follow-up: An after-recovery call to ascertain that the consumer is satisfied with the recovery process.

Bitner et al. (1990) in a study of 700 critical incidents found that it is not necessarily the failure itself that leads to customer dissatisfaction, as most customers do accept that things can go wrong. It is more likely to be the organization's response (or lack of response) to a failure that causes dissatisfaction (see also Feinberg et al., 1990). They suggested that for a successful recovery an organization's response should include the following four key elements:

- Acknowledgement of the problem
- Explanation of the reason for the failure
- Apology where appropriate
- Compensation such as a free ticket, meal or drink

Dissatisfaction, they suggested, results from the organization's inadequate or inappropriate response to the failure (i.e. inability to effect the above) and this they suggested leads to a magnification of the negative evaluation. They defined this situation as a 'double deviation' scenario, where the original problem was not adequately recovered.

Boshoff (1997) surveyed 540 randomly selected international travellers and presented them with a constant negative service situation (a missed connection due to a flight delay). Each person was assigned one of 27 randomly selected recovery strategies. He found that the most successful strategies were (in order):

- A fast response by the highest possible person in terms of seniority
- A fast response accompanied by a full refund plus some amount of compensation
- A large amount of compensation provided by a high-ranking manager.

He also found that an apology was of limited effect unless accompanied by some form of compensation.

In an attempt to integrate different frameworks for service recovery, Johnston and Fern (1999), suggest that the approach to service recovery may be contingent on the extent of the failure and the desired outcome from recovery. They distinguished between the actions required in dealing with service failures (single deviation) and the situations where there was an inappropriate or inadequate response to the failure (double deviations). It was found that one set of actions can restore the customer to a satisfied state whereas an enhanced set of action will delight the customer. Fast response and correction are fundamental to all strategies, though customers experiencing the double deviation strategy want to see staff going out of their way to deal with the situation. This goes beyond following some pre-prepared procedure. An apology needs to be appropriate to the situation. A modest apology probably would not satisfy in double deviation situations, a written apology would delight in single deviation situations. Information is required, but again in different forms: verbal confirmation and assurance that it will not happen again in single deviation situations and written assurance and explanation for double deviation situations. Managerial involvement is an ingredient of recovery, but is only required in double deviation situations. Compensation too is important. A óback-to-normalô refund of costs/charges incurred is appropriate for the single deviation situation whereas óabove and beyondô compensation is expected by customers experiencing the double deviation scenario.

Recent research on service recovery has focused attention on the role of perceived justice in understanding the effectiveness of service recovery strategies (Blodgett, et al, 1997; Tax et al. 1998, McCollough, Berry and Yadav, 2000). This theoretical perspective focuses on the extent to which customers perceive the process and outcomes of service recovery to be just and where levels of perceived justice are high, consumers are more likely to be satisfied. Perceived justice is seen as an aggregate construct with three dimensions which consumers will use when evaluating service recovery (Tax et al., 1998). These three dimensions are the fairness of the resolution procedures (procedural justice), the interpersonal communications and behaviours (interactional justice), and the outcomes (distributive justice). Typically, procedural justice is operationalized as the delay in processing the complaint, process control, accessibility, timing/speed, and flexibility to adapt to the customer's recovery needs. Interactional justice refers to the manner in which people are treated during the complaint handling process including elements such as courtesy and politeness exhibited by personnel, empathy, effort observed in resolving the situation, and the firm's willingness to provide an explanation as to why the failure occurred. Distributive justice, the third component, focuses on the perceived fairness of the outcome of the service encounter. In effect, distributive justice is concerned with the level and nature of apologies and compensations (Tax and Brown, 2000; Bateson and Hoffman, 1999; Tax et al., 1998; Blodgett et al., 1997)

A growing number of empirical studies have applied perceived justice to examine consumer responses to complaints. Blodgett et al. (1997) used retail based scenarios to demonstrate the importance of interactional justice as an influence on subsequent consumer behaviour. In a cross sectoral study, Tax et al. (1998) present evidence for the importance of all three dimensions of perceived justice in generating positive evaluations of complaint handling. Maxham III and Netmeyer (2003) provided evidence for the importance of perceived justice as a determinant of satisfaction, purchase intent and word-of-mouth. They also highlighted the importance of employeesô perceptions of shared values with the

organization and the willingness of those employees to engage in extra role behaviour as determinants of perceived justice.

The relevance of perceived justice in a cross-cultural context is demonstrated by Hui and Au (2001) using hotel-based scenarios. They examine three complaint handling strategies ï namely voice (allowing a customer to express themselves fully to relevant personnel), compensation and apology and their impact on customer perceptions of the fairness of the outcome. Their results suggest that the impact of voice on fairness is much greater in China than it is in Canada because of the significance that Chinese customers attach to status and respect. In contrast, the impact of compensation on perceptions of fairness was much greater for Canadian customers.

The hotel context is also used by Sparks and McColl-Kennedy (2001) who explore a series of interactions between different aspects of perceived justice (extent of voice, level of concern displayed and extent of special treatement), again using a scenario-based approach. Their results also highlight the importance of the way in which a service provider responds to customer complaints, but they draw attention to a series of complex interactions which affect consumer evaluations of service recovery. For example, high levels of compenstation have a positive impact, provided that this level of compensation is hotel policy but a negative impact otherwise; they speculate that customers may feel uncomfortable, even guilty if they receive levels of compensation that are seen as unusally high and not consistent with hotel policy. In contrast, if customers are offered low levels of compensation (eg drinks vouchers) which is outside normal poilcy ï ie they are offered special treatment but with token compensation, the impact on evaluations is positive.

Schoefer and Ennew (2003) use a perceived justice framework to examine complaints to tour operators and find evidence for all three dimensions of perceived justice having an impact on consumerôs evaluations of the way in which complaints have been handled. The outcomes of a complaint (distributive justice) were clearly important but so were the systems for dealing with a complaint (procedural justice) and the behaviour of staff (interactional justice).

THE IMPACT OF SERVICE RECOVERY

Service failure has the potential to have a significant negative impact on organizations. In tourism, negative word-of-mouth may be a particular cause for concern because of the importance of personal recommendations. Effective service recovery can counteract many of the negative outcomes associated with service failure and indeed some researchers have pointed to the existence of a so-called service recovery paradox which suggests that excellent service recovery can lead to levels of cumulative satisfaction that are higher than those existing prior to the service failure. For example, Goodwin and Ross (1989) claimed that satisfaction levels after complaint handling (secondary satisfaction) can be higher than previous levels of satisfaction and that effective complaint-handling can lead to higher levels of customer loyalty. Research by Smith and Bolton (1998) has shown that satisfaction with service recovery will contribute positively both to cumulative satisfaction with the organization and to re-patronage intentions. Similarly, Sparks and McColl-Kennedy (2001)

comment on the positive impact of approaches to service recovery on levels of post failure satisfaction but note that the relationship may be complex. Kelley et al. (1993) and Blodgett et al. (1993) have previously demonstrated the beneficial impact of effective service recovery on customer retention rates. Effective service recovery has also been demonstrated to have a positive impact on post recovery word-of-mouth (Blodgett et al., 1993, Blodgett, Wakefield and Barnes, 1995). One study reported that customers who experienced a service failure told nine or ten individuals about the poor service experience, whereas satisfied customer only told four or five individuals about their satisfactory experience (Collier, 1995).

Indeed, the beneficial effects of effective service recovery have led many commentators to argue that there are significant potential benefits from encouraging complaints. These complaints are the only responses that provide the organization with an opportunity to recover effectively from the service failure. Given the risk that customers who experience service failure may simply defect (and the revenue implications of that defection) and the potential for effective service recovery to increase retention rates, the benefits of creating an environment that encourages dissatisfied customers to complain may be considerable (Blodgett et al., 1995). Consequently, although it may seem paradoxical, it could be in the best interest of organizations to encourage consumer to complain, and then to react appropriately to the complaint behaviour (Davidow and Dacin, 1997).

CONCLUSIONS

The nature of tourism services is such that few, if any, organizations can hope to offer ózero defectsô service. If some service failure is inevitable, then the process of responding to those failures is potentially of considerable significance in relation to consumersô future evaluations of an organization. Service failure occurs when a service fails to live up to what was promised or what the consumer expected; because it is something that is identified by the consumer, it is customer complaints that serve as the main indicator of service failure. Unfortunately, not all customers complain ï many may simply decide not to purchase again or may engage in negative word-of-mouth. Because complaints provide an organization with the opportunity to recover from service failure and prevent negative behaviours on the part of customers, an increasing number of organizations actively encourage customers to complain.

Once an organization is aware of a service failure, a clear service recovery strategy is essential in order to minimise the negative effects of the initial failure and maximise the positive outcomes from the recovery process. Research has highlighted the potential benefits of effective service recovery including improvements in cumulative satisfaction, increased loyalty, repurchase and positive word-of-mouth. There is rather less agreement about how to realise those benefits. Debates arise concerning the role of apologies, communication and the provision of compensation. In part, conflicting opinions about how best to manage customer complaints reflects variations in the severity of service failure and the objectives of service recovery. Increasingly, researchers have started to employ the concept of perceived justice, suggesting that customer satisfaction with complaint handling and service recovery will be higher when customers are convinced that outcomes and policies are fair (distributive and procedural justice) and are treated fairly during the process (interactional justice).

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