SERVICE RECOVERY PARADOX IN RESTRAINT CULTURES: AN IMPLEMENTATION IN TOURISM SECTOR

ABSTRACT

The features of services that distinguish them from tangible goods, increase the likelihood of failures in the delivery of them during service encounters. Although the service businesses make an effort to provide full service to increase the client satisfaction and pleasure, due to either business or client related reasons, they might provide insufficient service.

In this research, it has been studied if the service recovery paradox, which claims that in the case when a failure a client faces is recovered by the business, the client is more satisfied than the case when the client has never faced a failure, is effective on the clients who come from the culture of restraint and have a higher probability to remember the negative experiences. In the research, data were collected from 309 Russian tourists who were on vacation in Antalya through questionnaires with different scenarios. Levene Tests, One Way Variant analysis and Post-Hoc tests have been used for testing the related hypothesis.

According to the analysis, following the service recovery, the level of satisfaction and Word of Mouth tendencies of the tourists who come from restraint cultures, are lower than the ones who never faced a service failure. The findings show that the recovery of the service failures by the businesses might not provide the desired results in a restraint culture. Therefore, businesses need to be more careful while providing service for clients who come from restraint cultures and provide accurate service at first.

Keywords: Service Marketing, Service Recovery, Service Recovery Paradox, Accommodation Sector, Word of Mouth

JEL Codes: M30, M31, M39

1 The extended abstract of this study is presented at the 23rd Marketing Congress (27-29 June 2019 Kocaeli).

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1. INTRODUCTION

Different from goods, services are products that are produced and consumed simultaneously, intangible and densely include the human factor in the process (Koc, 2019b). Therefore, it is really hard to determine the critical factors that provide client satisfaction and loyalty on services (McDougall & Levesque, 2000, p.392). Besides, the specific features of services make both the business and client related service failures more common.

The service failures that occur might result in customer dissatisfaction and this might affect client loyalty negatively (Koc, 2013). In addition to that, those failures might lead to client’s leaving the business and starting to get service from the rival business. At this point, it is possible to claim that there are two important reasons why the clients stop receiving service from a business and switch to other service providers. Those reasons are “that the clients do not believe that they are being treated well and that the service failure has not been recovered on time (Kambur, 2018, p.51)” . As is seen, if the service failures are not recovered timely, the business may lose its existing customers and one of their most important competitive advantages. Therefore, it is really important for businesses to recover the service failures in an efficient, effective and timely manner.

Service recovery is defined as; “processes are those activities in which a company engages to address a customer complaint regarding a perceived service failure” in literature (Spreng, Harrell & Mackoy, 1995, p.15; Koç, Boz and Boz, 2019: 97) and when it is delivered by the businesses on the right time, it usually creates a higher client satisfaction than expected. About the issue, there is also a theory which claims that the level of customer satisfaction following the high of a service failure by the business will be higher than the level of satisfaction when the customer has never encountered a failure (Baker, 2017, p.33; de Matos, Henrique & Rossi, 2007, p.61). This theory is known as “Service Failure Paradox”.

Service failure paradox can be defined from the perspective of “expectations theory”, which was developed by Kahneman and Tversky (1979). According to expectations theory, not to lose is more important than to gain for people. According to the research of Verduyn and Lavrijsen (2015), this also might be the reason why sadness and hatred are the longest remaining emotions in the memory. It is known that emotions have an important effect on the satisfaction levels of consumers, their word of mouth communication (WOM) and the intention of buying again (through Koc, 2019a).

Therefore, the expectation of a customer who faces a service failure will decrease because of his/her priority of “not losing” and when the service failure is recovered by the business, the satisfaction of the customer will be more than it was before the failure, or than a customer who never faced a failure (Koç et al. 2017, p. 44). However, the claims on the service recovery paradox cannot result the same in every society. Because, for the people who live in indulgent cultures, the possibility of remembering the positive experiences is higher while the possibility of remembering the negative experiences is higher for the people who live in restraint cultures (Koç, Ar and Aydin, 2017, p.4). As service recoveries
include both negative (at the time of failure) and positive (the service recovery stage) experiences, there might be differences between indulgent societies and culture of restraint while evaluating the recovery process. In this context, as predicted by service recovery paradox, especially in cultures of restraint, customers might not get highly satisfied following the recovery of the service failure.

Against this backdrop, this study aims to explore how people from a restraint culture may evaluate the service recovery process and whether the predicted higher satisfaction, termed as service recovery paradox, would take place or not. Although various studies have been carried out in the literature in regards to cultural dimensions, the topic of service recovery paradox from the perspective of the cultural dimension of indulgence-restraint has been largely overlooked.

2. REVIEW OF THE LITERATURE

According to the studies of Clark et al. (1992), %52 of the clients who face with low service quality and receive no recovery from the business, decide to switch and receive the service from a different service provider and tend to engage in negative word of mouth communication. thus, service failures need to be recovered by the businesses in an efficient, effective and timely manner by the service provider. In fact, according to many recent studies (Smith and Bolton, 1998; Tax, Brown and Chandrashekaran, 1998; Maxham and Netemeyer, 2002; Hocutt, Bowers and Donovan, 2006; Jones, Dacin and Taylor, 2011) especially in the first instance of the failure, the recovery provided by the business has significant implications for maintaining customer satisfaction and establishing rapport with the customer.

However, it is known that service recovery paradox does not take place in an all service failure incidents. In fact, various studies (e.g. Michel and Meuter (2008); McCollough, Berry and Yadav (2000) show that service recovery paradox may not occur. The discrepancies may be related to a wide variety of factors ranging from demographic and cultural variables to personality characteristics of individuals and the severity of the service failure. This study explores the influence of indulgence-restraint dimension on service recovery perceptions of tourists who come from a restraint culture.

One of the seminal studies on analyzing the influence of cultural dimensions on consumer behavior is “Hofstede’s Fifth Dimension: New Evidence from the World Values Survey.”, which was published in 2012. In this research, the indulgence scores of the societies have been calculated and it has been found out that in countries like the Netherlands, the United States of America and the United Kingdom, people tend to have high indulgence scores, while the people from countries like the Russian Federation, Italy, Japan and Turkey tend to have low indulgence scores, i.e. they may be classified as restraint cultures.

As mentioned above, while the people who live in societies with a high indulgence score are highly tend to remember the positive emotions and situations; in the societies of restraint, they are tend to remember the negative emotions and experiences (Minkov and Hofstede, 2012; Koç, Ar and Aydınc.
2017: 4). In this regard, as a consequence of the recovery of effort, the satisfaction levels of people who come from restraint cultures may be expected to be lower compared with their previous level of satisfaction, i.e. before they encountered the service failure. As people from restraint cultures are more likely to remember negative experiences, service recovery may not increase their level of satisfaction to be more than their previous level of satisfaction, i.e. before they encountered the service failure.

Additionally, research shows that only 4% of the customers who are not satisfied with a product/service do actually take the trouble and complain, 96% of them switch to product or service providers. These customers are called “silent switchers” (Adjei et all, 2015, p.13). Of those silent switchers, 91% of them do not do business with service provider again (TARP, 2007). Additionally, the study of Kim (2017) shows that, the type of word of mouth communication (i.e. positive or negative) has a significant influence in shaping tourists’ purchasing decisions.

3. METHOD

In this section the aim of the study, the hypotheses, the sample and the data collection process are explained.

3.1. The Aim of the Study and Hypotheses of the Research

This study aims to determine whether the service recovery paradox takes place for tourists from a restraint culture. In line with this aim, the following two hypotheses have been developed:

H1 – In tourism and hospitality services provided for the tourists who come from culture of restraint, the level of satisfaction after the service recovery is lower than the ones who never faced with service failure (Service recovery paradox does not apply).

H2 – In tourism and hospitality services provided for the people who come from culture of restraint, the positive WOM of people who received service recovery is lower than the ones who never faced with a service failure.

3.2. Sampling and Data Collection Process

The universe of the research consists of tourists who come from culture of restraint and have received service from hospitality establishments (hotels) in Antalya region, Turkey, during August and September of 2017. The main reason for choosing Antalya region was that it attracted tourists from a wide variety of countries and cultures (The Ministry of Culture and Tourism, 2018).

As it is not possible to know the number of people in the main universe, the data were collected through convenience sampling. In collecting the research data, three questionnaire forms, with different scenarios, have been used. In the first questionnaire form, there were two scenarios with “a service failure and a recovery action”. In the second questionnaire form there were two scenarios with “a service failure without recovery action”. In the third questionnaire form of the research, there were two scenarios “with no service failures”.

Through those questionnaire forms with different scenarios, it has been aimed to determine whether the “service recovery paradox”, which suggests that the satisfaction level following the recovery of the service failure will be higher than when no service failure is encountered, would take place.

In all the questionnaire forms, there were questions to assess the general satisfaction level of tourists exposed to the scenarios, and three Likert type questions to assess their positive WOM intentions. The Likert type questions have been adapted from Yılmaz (2014). The last part of the questionnaires contained questions on the demographic variables of the participants.

The questionnaires have been reviewed by an expert with a Ph.D. in tourism, and the recommended corrections have been taken on board. Then, the questionnaires have been translated to Russian, as the study aimed to assess the attitudes of tourists from the Russian Federation, i.e. a restraint culture. The Turkish and Russian questionnaire forms have been checked by another bi-lingual (Turkish and Russian). The corrected and improved questionnaires have been used in the study.

For the implementation, a travel agency has been contacted, which specialized on tourists from the Russian Federation. The necessary permissions have been asked and received and the questionnaires were applied at hotels where this travel agency sent its tourists to.

The main reason for choosing the tourists from the Russian Federation was that the Russian Federation’s indulgence score is rather low (20), i.e. it can be considered as a highly restraint culture (Minkov and Hofstede,2012). The questionnaires were applied in August-September 2017 and 309 questionnaires were collected. Of those collected filled-in questionnaires’, seven of them were left out as they were incomplete. The remaining 302 questionnaires were included in the analysis.

4. FINDINGS AND DISCUSSION

4.1. The Descriptive Statistics

Table 1 shows the descriptive statistics.

<table>
<thead>
<tr>
<th>Gender</th>
<th>n</th>
<th>Percentage</th>
<th>Average Number of Yearly Holidays</th>
<th>n</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>165</td>
<td>54,64</td>
<td>1 or 2</td>
<td>167</td>
<td>55,30</td>
</tr>
<tr>
<td>Female</td>
<td>137</td>
<td>45,36</td>
<td>3 or 4</td>
<td>90</td>
<td>29,80</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td>5 and more</td>
<td>45</td>
<td>14,90</td>
</tr>
<tr>
<td>Married</td>
<td>180</td>
<td>59,60</td>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>122</td>
<td>40,40</td>
<td>2000 dollars or less</td>
<td>53</td>
<td>17,55</td>
</tr>
<tr>
<td>The Questionnaire Form Implemented</td>
<td></td>
<td></td>
<td>Between 2001-3000 dollars</td>
<td>42</td>
<td>13,91</td>
</tr>
<tr>
<td>There is service failure and no recovery</td>
<td>103</td>
<td>34,11</td>
<td>3001-4000 dollars</td>
<td>107</td>
<td>35,43</td>
</tr>
<tr>
<td>There is service failure and recovery</td>
<td>94</td>
<td>31,13</td>
<td>4001-5000 dollars</td>
<td>46</td>
<td>15,23</td>
</tr>
<tr>
<td>There is no service failure</td>
<td>105</td>
<td>34,77</td>
<td>5001dollars and more</td>
<td>54</td>
<td>17,88</td>
</tr>
</tbody>
</table>
As seen in Table 1, 54.64% of the participants were male and 45.36% of them were female. 59.60% of the participants were married. 55.30% of the participants stated that they went for at least once or twice a year. Income wise, 107 participants had an average monthly income of 3001-4000 dollars. Following the detection of the descriptive statistics, to test the hypothesis of the research, kurtosis and skewness values of WOM, which were assessed through Likert type questions, were analyzed. At this stage, the unfilled (lost) data in the data set were analyzed and 15 lost data in Likert type questions have been estimated through “Expectation Maximization (EM)” method. This method is often used in data prediction and it works as; “the EM algorithm “generates a sequence of parameter estimates by cycling iteratively between an expectation (E) step and a maximization (M) step” (Gold & Bentler, 2000, p.333).

Following the above process data set, the kurtosis and skewness values were found to be respectively 0.078 and 0.446 for the WOM scale; and -0.282 and 0.505 for the satisfaction scale. Based on these results, it was determined that the data were distributed normally (Tabachnick and Fidell; 2013). Therefore, parametric techniques were decided to be used in the analysis of the two hypotheses of the study.

4.2. Hypothesis Tests

To test of the first hypothesis that claims that the service recovery paradox would not take place in restraint cultures, the general satisfaction levels of the tourists about the hotel were tested through one-way analysis of variance, and the results were as follows (Table 2).

Table 2. Results of H1 Hypothesis

<table>
<thead>
<tr>
<th>Groups (with scenarios)</th>
<th>n</th>
<th>Average</th>
<th>Standard Deviation</th>
<th>Levene Test (p)</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>No service failure and no recovery</td>
<td>103</td>
<td>2.02</td>
<td>0.54849</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service failure with an ensuing service recovery</td>
<td>94</td>
<td>2.47</td>
<td>0.76405</td>
<td>0.000</td>
<td>70.849</td>
<td>0.000</td>
</tr>
<tr>
<td>No service failure incident</td>
<td>105</td>
<td>3.24</td>
<td>1.00588</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As seen in Table 2, there is a statistically significant difference between the satisfaction levels of the groups as a result of the scenarios they encountered (F= 70.849 and p=0.000). As the group variances are not homogenous (Levene test p=0.000), to compare the differences Tamhane’s T2 Post-hoc test has was used. It was seen that the averages of all the groups were statistically different from one another. In line with these results, H1 hypothesis has been accepted.

In terms of the averages, when the differences are compared, the tourists who never encountered a failure in the service they received had the highest level of satisfaction (x=3.24), while the ones who encountered a service failure and recovery by the business had the second highest level of satisfaction.
(x=2.47), to be followed by the ones, with the lowest level of satisfaction, those tourists who encountered a service failure with no recovery action (x= 2.02).

In the second hypothesis, the likelihood of engaging in positive WOM will be higher among tourists who received a service recovery than those ones who never encountered a service failure was tested (Table 3).

Table 3. Results of H2 Hypothesis

<table>
<thead>
<tr>
<th>Groups (with scenarios)</th>
<th>n</th>
<th>Average</th>
<th>Standard Deviation</th>
<th>Levene Test (p)</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>No service failure and no recovery</td>
<td>103</td>
<td>2.23</td>
<td>0.51751</td>
<td>0.000</td>
<td>52.289</td>
<td>0.000</td>
</tr>
<tr>
<td>Service failure with an ensuing service recovery</td>
<td>94</td>
<td>2.54</td>
<td>0.75629</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No service failure incident</td>
<td>105</td>
<td>3.21</td>
<td>1.00651</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As seen in Table 3, the variance analysis showed that whether the positive word of mouth levels of the participants differed from one scenario to another, had similar results to the first one. According to the results of the analysis, the differences among groups were statistically significant (F=52.289 and p=0.000). The T2 test results of Tamhane showed that the average of all groups are statistically different from each other as a result of the comparisons.

When the group averages were analyzed, tourists who never encountered a service failure had the highest level of tendency (x=3.21) to engage in positive WOM, followed by tourists who encountered a failure which was recovered by the business (x=2.54). The group who had the lowest level of the likelihood of engaging in positive WOM tendency was the one which contained tourists who encountered a failure with no recovery action at all (x=2.23).

Based on the results of the study both of the hypotheses have been accepted. This means that service recovery paradox, which claims that the satisfaction that will ensue as a result of the recovery of the failure will be higher than the situation in which there was no service failure, did not take place in a restraint culture.

CONCLUSION and RECOMMENDATIONS

The satisfaction levels and WOM tendencies of the participants were higher when they did not encounter a service failure than the case of participants who encountered a service failure and the ensuing recovery action. These results of the study are in line with the explanations of Minkov and Hofstede (2012) who stated that people from restraint cultures are more likely to remember negative experiences, compared with positive experiences. Therefore, based on the above it may be recommended that tourism and hospitality businesses serving tourists from a restraint culture need to concentrate on not making a service failure, as recovering failures may not increase their satisfaction levels significantly.
Additionally, as the study showed the recovery of service does not guarantee a reduction in the likelihood of engaging negative WOM among people from restraint cultures, it is advised that businesses are still recommended in engaging all possible recovery actions to reduce their disappointment and frustration.

The findings of this study shows that the concept of service recovery paradox needs to be further studies and analysed different perspectives like cultural dimensions, and especially from the perspective of the indulgence-restraint dimension. However, as the data in this study were collected through convenience sampling, and from a relatively smaller sample, this research has limitations. Therefore, it may not be possible to make generalizations with confidence based on the results of this study. In future research, researchers may compare the data collected from societies of restraint like Russian Federation (Turkey, Japan, France etc.) with data collected from indulgent cultures (United States of America, United Kingdom, Netherlands etc.). As a result, it can be comparatively seen whether that service failure recovery paradox is less likely to occur in restraint cultures, compared with the indulgent cultures. Additionally, future studies may attempt ensure generalizability by collecting data from larger samples.

It may also stated that the results of this study are in line with the findings of Verduyn and Lavrijsen (2015), who found that sadness and anger were the longest lasting emotions. Hence, future research may also investigate remembering positive and negative experience from the perspective of emotions in restraint and indulgence cultures.

Furthermore, future research may also investigate the perception of justice of tourists from the three dimensions of justice theory (distributive, procedural and transactional justice); and the influence of various service recovery methods (apologizing, reimbursement etc.) on service recovery paradox in these cultures.

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