



## Does delaying service-failure resolution ever make sense?



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### ABSTRACT

Conventional wisdom suggests that service providers should respond to their failures as quickly as possible. Some research, however, points out that delaying resolutions may produce highly desirable results. The study here investigates these competing views by examining under which conditions an immediate or a delaying resolution produces more positive consumer responses in term of re-patronage and negative word-of-mouth intentions. Based on the concept of service separation, this research identifies an interaction effect between service separation (separated service, non-separated service) and response timing (immediate response, delaying response) on consumers' post-consumption intention. This research also finds that the relationship between service separation-response timing interaction and consumer response is mediated by consumers' negative emotions. This study contributes to refining our understanding of consumer psychology in service recovery. Practically, the studies also enable service providers to better allocate their resources to recover different types of services' failure.

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Surely early interventions are better than later ones, and offering people the services of a trained professional is better than asking them to sit and write by themselves. But we would be wrong.....It turns out that making people undergo CISD [Critical Incident Stress Debriefing] right after a trauma impedes the natural healing process.....Wilson (2011)

### 1. Introduction

When should a service provider recover a service failure? Most consumers, probably including you, will say immediately, of course! Yes, in some cases, such as in medical service, the service provider must recover its failure as quickly as possible as it may cause human lives. However, is the as-quickly-as-possible service recovery belief valid in all circumstances?

Main-stream research findings support the as-quickly-as-possible belief (Boshoff, 1997; Dubé-Rioux, Schmitt, & Leclerc, 1989; Taylor, 1994). A delaying resolution requires a consumer to wait thus results in negative emotions (Nie, 2000). Negative emotions then in turn produce adversarial reactions, such as non-repurchase and negative word-of-mouth (WoM) (Chebat & Slusarczyk, 2005; Schoefer, 2008; Schoefer & Diamantopoulos, 2008). Therefore, some scholars argue that timely resolution is a standard to which providers should conform (Wirtz & Mattila, 2004).

However, some scholars propose an opposing view. They argue that a delay may produce better consumer responses to the recovery strategy (Davidow, 2003; Karatepe & Ekiz, 2004; Mattila & Mount, 2003). Neuropsychology theory suggests that a delay can have a quenching effect on conflicts between consumers and service providers (Brehm, 1999). Specifically, a passage of time can calm down the initial negative emotions triggered by a service failure, enabling consumers to respond to firms' resolution efforts relatively rationally. Thus, a delay can serve as a buffer enabling consumers to fade out initial negative emotions, in turn enhancing the effectiveness of a recovery resolution.

These two streams of research suggest two competing effects of delaying resolutions. An exaggerating effect suggests that a delay triggers negative consumer responses. In contrast, a buffering effect suggests that a delay calms customers, thus producing favorable resolution results. This research aims to distinguish situations under which delaying response leads to an exaggerating or a buffering effect. A pilot study shows that a delaying resolution produces better consumer responses. Nevertheless, this pilot study should ignore variables that moderate the relationship between response timing and consumer response.

A dominant assumption within service literature is that service is non-separated so that consumers are always on the spot from service production to consumption. However, many researchers severely challenge this assumption in recent years. They have provided ample examples indicating that separating service production and its consumption is increasingly common (Edvardsson, Gustafsson, & Roos, 2005; Keh & Pang, 2010; Lovelock, 2000; Lovelock & Gummesson, 2004; Vargo & Lusch, 2004). Based on this argument, this research introduces service

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separation (separated service, non-separated service) as a moderator affecting whether different response timing (immediate, delaying) of a resolution produces favorable or unfavorable consumer responses. This research argues that in a non-separated service's failure, an immediate resolution produces more favorable consumer responses, with regard to re-patronage and negative WoM intention, than a resolution delay. However, a resolution delay produces more favorable responses in a separated service's failure. This research further includes consumers' negative emotions as a mediator in explaining the interaction between the two types of service separation.

A second study identifies an interaction effect between service separation and response timing on consumers' post-consumption intention. Compared with an immediate resolution, the level of negative emotion is higher for a non-separated service's failure and lower for a separated service's failure with a resolution delay. The findings provide valuable insights challenging two assumptions about service marketing. Theoretically, viewing all services as inseparable may limit understanding of how consumers respond to service failures and resolutions. Practically, the studies also suggest that providing an immediate resolution to service failures does not always produce the best results.

## 2. Theoretical background and hypotheses development

### 2.1. Two competing effects of delaying resolution

Service failures are inevitable in a firm's daily operation. Service providers should resolve their failures; otherwise, the failures will create negative consequences, such as consumers spreading negative WoM and switching to competitors (Chang, 2006; Maxham, 2001; McColl-Kennedy & Sparks, 2003; Vázquez-Casielles, Suárez Álvarez, & Díaz Martín, 2010; Zhou, Huang, Tsang, & Zhou, forthcoming). Response timing, an important attribute in a recovery strategy, has attracted researchers' attention. Extant literature reports two competing effects of delaying resolutions.

#### 2.1.1. Time is a scarce resource

The prevalent view is that a response delay to a service failure will negatively influence customers' post-consumption behavior (Bitner, Booms, & Tetreault, 1990; Boshoff, 1997; Dubé-Rioux et al., 1989; Johnston, 1995; Smart & Martin, 1992; Smith, Bolton, & Wagner, 1999; Taylor, 1994). Advocates of this proposition mainly base their arguments on a premise that time is a scarce resource. Thus, (1) timely response is commonly a desired resolution a firm should perform (Clark, Kaminski, & Rink, 1992; Conlon & Murray, 1996; Gary, Kaminski, and Rink, 1992; Gilly & Gelb, 1982). Through a quick response, a service provider signals customers its commitment (Smart & Martin, 1992), efficiency (Folkes, 1984; Wirtz & Mattila, 2004), and fairness (Chebat & Slusarczyk, 2005; Smith et al., 1999). In contrast, delays hinder consumers from resolving their problem and can create serious problems (sometimes even fatal). (2) A delaying resolution makes consumers to wait, which is commonly a negative experience and an obstacle to goal achievement (Hui, Thakor, & Gill, 1998; Nie, 2000). Due to as-quickly-as-possible belief, people prefer avoid waiting (Miller, Kahn, & Luce, 2008). Thus,

**H1a.** An immediate resolution produces more favorable consumer responses in terms of re-patronage and negative WoM intention than a resolution following a delay.

#### 2.1.2. Time heals all wounds

Another line of research, in contrast, suggests that timely responses to complaints may not produce the desired results (Davidow, 2003; Karatepe & Ekiz, 2004; Mattila & Mount, 2003; Miller et al., 2008). Advocates mainly base their arguments on the proposition that time has a quenching effect on conflicts between consumers and service providers. First, a timely response may create a negative conjecture for consumers. They may perceive that the service provider's quick response indicates

that it does not take the service failure seriously. For example, Davidow (2003) points out that "answering too soon may leave the impression that the organization did not even look into the problem, potentially leaving consumers more frustrated than before." In addition, time passes in the delay acts like a buffer thus can somewhat reduce the tension between the service provider and the affected consumer (Miller et al., 2008). Thus,

**H1b.** A resolution following a delay produces more favorable consumer responses in terms of re-patronage and negative WoM intentions than an immediate resolution.

### 2.2. Pilot study: testing the two competing effects

#### 2.2.1. Design, participants, and procedure

To assess the validity of the two competing effects, this study first conducts a pilot experiment, which manipulates response timing (immediate, delaying) to a service failure. One hundred undergraduate students participate for extra course credits. Of the participants, 58% are female, and the average age is 20. This pilot experiment randomly assigns participants to either the immediate response or the delaying response condition.

Each participant first read a scenario and projects himself or herself into a service failure. The scenario describes that the participant purchases a back cushion from an online shop. The participant later finds that the cushion's quality is significantly worse than the shop describes. Thus, the participant complains to the shop. Then, this pilot study manipulates the response timing. Specifically, in the immediate response condition, participants immediately receive a problem resolution, which is a free return plus a 10 RMB (about \$1.57 US) gift certificate, after they complain. In the delaying response condition, participants first complain of a service failure and approximately 30 min later receive the same problem resolution. During the 30 min, this pilot experiment conduct a learning task for the participants, the content of which is unrelated to the research. The participants then answer questions about dependent variables, including re-patronage and negative WoM intentions. Four items measure re-patronage intention ( $\alpha = 0.84$ ): I will spend money at this online shop/I won't use this online shop again (R)/I would like to use this online shop if needed/If needed, I will use another online shop (R). Three items measure negative WoM intention ( $\alpha = 0.68$ ): I will spread negative word-of-mouth here about the online shop/I will bad-mouth this online shop to my friends/When my friends are looking for a similar service, I will tell them not to consume in this online shop. We revise all the aforementioned scales from Grégoire and Fisher (2006) and Grégoire, Tripp, and Legoux (2009). They are on an 11-point Likert scale (1 = strongly disagree; 11 = strongly agree).

#### 2.2.2. Results and discussion

Results of a MANOVA (Fig. 1) show that participants score significantly higher on re-patronage intention measures ( $M_{\text{immediate}} = 5.23$ ,  $SD = 2.05$ ;  $M_{\text{delaying}} = 6.97$ ,  $SD = 1.82$ ;  $F(1, 98) = 20.15$ ,  $p < 0.001$ ) and lower on negative WoM measures ( $M_{\text{immediate}} = 5.94$ ,  $SD = 2.07$ ;  $M_{\text{delaying}} = 4.18$ ,  $SD = 1.70$ ;  $F(1, 98) = 21.56$ ,  $p < 0.001$ ) in the delaying response condition than in the immediate response condition.

The pilot study supports the notion that a delaying resolution to a service failure produces better consumer responses than an immediate resolution. However, it is too early to conclude that immediate resolutions produce relatively inferior consumer responses. Instead, a subsequent question needs consideration about any variables that define the condition in which an immediate resolution produce better consumer responses and vice versa. A comprehensive literature review helps in revealing a dominant assumption within the service marketing literature that service is non-separated in that consumers are always on the spot of service, from its production through

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