

# Effects of the Focus on Goals versus Processes of Actions on Consumers' Perceptions of Service Recovery Efforts

## *ABSTRACT (max 400 words)*

**Purpose** – The purpose of this paper is to understand how construing actions influences consumers' perceptions of service recovery efforts. When construing an action, some people focus more on the goal whereas others focus more on the process. We propose that these individual differences affect consumers' perceptions of firms' service recovery efforts. In particular, consumers having tendency to focus on the process (rather than the goal) of actions will place more importance on apology than on compensation.

**Methodology** – Two studies were conducted to test our prediction. In Study 1, participants read two scenarios (a restaurant that provide an apology but no compensation, and another restaurant that provide a compensation but no apology), then answered their likeability of each restaurant. The BIF (Vallacher & Wegner, 1989) was used to measure participants' focus on goal vs. process. In Study 2, a survey approach was used to examine naturally occurring responses within the population of interest (i.e., customers who had experienced a service recovery within a past year). Respondents were asked to recall a service recovery encounter (gained compensation, but bad service recovery process and/or did not gain compensation, but good service recovery process) and evaluate the recovery experience as well as report their focus on the goal or process (measured with the BIF).

**Findings** – Two studies provide support for our prediction. Individuals who are more likely to focus on the process (rather than the goal) of actions better evaluate the firms' service recovery efforts focusing on process / apology than on compensation.

**Research limitations/implications** – This paper contributes to the service recovery literature by shedding light on the role of construal level to service failures. Further studies are needed to show the underlying processes of these effects.

**Practical implications** – This paper demonstrates that the effectiveness of service recovery efforts, compensation and apology in particular, may vary among the individuals. Our findings offer a new perspective, suggesting that managers should consider the consumers' construal level implications when designing service recovery efforts.

**Originality/value** – Understanding how customers evaluate firms' service recovery efforts is important from customer relationship management perspective. However, researches on how firms respond to a complaint is still limited (Davidow, 2003). This paper aims to fill such research gaps. In addition, this paper is the first research to empirically show the effect of construal level on service recovery efforts.

**Key words** – service recovery, construal levels

**Paper type** – Research paper

## References (max 1 page)

- Davidow, M. (2000). The bottom line impact of organizational responses to customer complaints. *Journal of Hospitality & Tourism Research*, 24(4), 473-490.
- Davidow, M. (2003). Organizational responses to customer complaints: What works and what doesn't. *Journal of Service Research*, 5(3), 225-250.
- DeWitt, T., & Brady, M. K. (2003). Rethinking service recovery strategies: The effect of rapport on consumer responses to service failure. *Journal of Service Research*, 6, 193-207.
- Hui, M. K., & Au, K. (2001). Justice perceptions of complaint-handling: A cross-cultural comparison between PRC and Canadian customers. *Journal of Business Research*, 52, 161-173.
- Hui, M. K., Ho, C. K. Y., & Wan, L. C. (2011). Prior relationships and consumer responses to service failures: A cross-cultural study. *Journal of International Marketing*, 19(1), 59-81.
- Mattila, A. S., & Patterson, P. G. (2004). The impact of culture on consumers' perceptions of service recovery efforts. *Journal of Retailing*, 80, 196-206.
- Mattila, A. S., & Patterson, P. G. (2004). Service recovery and fairness perceptions in collectivist and individualist contexts. *Journal of Service Research*, 6(4), 336-346.
- Maxham, J. G., & Netemeyer, R. G. (2002). A longitudinal study of complaining customers' evaluations of multiple service failures and recovery efforts. *Journal of Marketing*, 66, 57-71.
- Miyamoto, Y., Knoopfner, C. A., Ishii, K., & Ji, L. (2013). Cultural variation in the focus on goals versus processes of actions. *Personality and Social Psychology Bulletin*, 20(10), 1-13.
- Patterson, P., Cowley, E., & Prasongsukarn, K. (2006). Service failure recovery: The moderating impact of individual-level cultural value orientation on perceptions of justice. *International Journal of Research in Marketing*, 23(3), 263-277.
- Schoefer, K. (2012). Cultural moderation in the formation of recovery satisfaction judgments: A cognitive-affective perspective. *Journal of Service Research*, 13(1), 52-66.
- Smith, A. K., Bolton, R. N., & Wagner, J. (1999). A model of customer satisfaction with service encounters involving failure and recovery. *Journal of Marketing Research*, 36, 356-372.
- Tax, S. S., Brown, S. W., & Chandrashekar, M. (1998). Customer evaluations of service complaint experiences: Implications for relationship marketing. *Journal of Marketing*, 62, 60-76.
- Vallacher, R., & Wegner, D. (1989). Levels of personal agency: Individual variation in action identification. *Journal of Personality and Social Psychology*, 57, 660-671.
- Wan, E. W., & Agrawal, N. (2011). Carryover effects of self-construal on decision making: A construal-level perspective. *Journal of Consumer Research*, 38(1), 199-214.
- Wong, N. Y. (2004). The role of culture in the perception of service recovery. *Journal of Business Research*, 57, 957-963.
- Yan, D., & Sengupta, J. (2013). The influence of base rate and case information on health-risk perceptions: A unified model of self-positivity and self-negativity. *Journal of Consumer Research*, 39(5), 931-946.