RESTAURANT SERVICE FAILURE AND RECOVERY ANALYSIS

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ABSTRACT

Analyzing service failures and service recovery strategies is an extremely useful management tool. By systematically categorizing consumer complaints, a hierarchy of criteria evolve that reflect the consumer's perspective of effective performance. Despite the importance of analyzing service failures and recovery strategies, little empirical research exists which examines the subject.

The purpose of this research is to shed light on the nature of service failures and recoveries in the restaurant industry. Critical Incident Technique was employed to collect 373 critical incidents. Each critical incident was sytematically categorized through a deductive sorting process into one of three major failure classes developed by Bitner, Booms, and Tetreault (1990). Each of the three major classes was then sorted into subclass failures. Recovery strategies associated with subclass failures were also sorted and categorized.

The sorting process resulted in the identification of 11 unique subclass failure types and 8 different recovery strategies. Additional findings regarding failure magnitude, recovery rating, lapsed time since the event, and customer retention rates were also presented and discussed. Managers might use this information when designing service delivery systems and procedures, establishing policies regarding service recovery, and selecting and training service personnel.

Future research should consider the generalizability of the present typology in other service industries. In addition to investigating types of failures and recoveries, researchers might consider possible antecedents and consequences of service failure/recovery incidents. For example, researchers might consider organizational antecedents (e.g., organizational structure, leadership, and empowerment), employee-related antecedents (e.g., job satisfaction, organizational commitment, and motivation), and customer-related antecedents (e.g., customer expectations, a priori brand loyalty, and complaining behavior) to the implementation of effective service recoveries.

REFERENCES

Bitner, Mary Jo, Bernard H. Booms and Mary Stanfield Tetreault (1990), "The Service Encounter: Diagnosing Favorable and Unfavorable Incidents," Journal of Marketing, 54, 1, 71-84.