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POST-SERVICE RECOVERY EMOTION AND CUSTOMER TRUST: THE ROLE OF SATISFACTION AS MEDIATION

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Abstract

Service failure is inevitable, leading to the provision of a recovery method by companies to overcome customer mistrust, that creates certain emotions. This research, therefore, aims to examine the indirect effect of customer emotion on trust and service recovery mediated by satisfaction. Data were obtained from 104 participants that read the vignette on service failure and recovery. This study used the data analysis of Process Hayes to measure the role of mediation. The result showed that customer satisfaction moderated the indirect effect between emotion and trust after service failure. In addition, cognitive appraisal theory supports the interactional and procedural process used to provide positive judgment. The implication of this study is useful for companies to minimize the possibility of service failure and provide recovery in order to maintain customer trust.

Keywords: Customer emotion; customer satisfaction; service recovery; trust

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INTRODUCTION

There is a significant competitive increase in the service industry, and this encourages development. The rapid and accurate services provided by companies are a factor that attracts customers' interest. Services are closely related to the direct interaction between providers and customers' emotions. This is achieved when employees are aggressive, disrespectful, provide inappropriate orders, fail to put up a smiling face while attending to customers, thereby, leaving a negative impression. Conversely, when customers acquire maximum services such as a sincere smile, quick response, and empathy, they tend to leave a positive impression, thereby, making them loyal to the providers.

The service environment is one of the important factors on customer emotions, both socially and physically (DeCelles, DeVoe, Rafaeli, & Agasi (2019), and Liang, Lin, & Liang (2011)). In the context of the service industry, providers show positive emotions such as a friendly attitude and smile, which increases positive emotions for customers. Furthermore, customer behavior is included in social activities that involve direct interaction between products or services providers. Certain expectations and judgments are used to determine customer satisfaction or dissatisfaction with service providers (Burns & Neisner, 2006). Therefore, an increase in customer satisfaction leads to a rise in an individual's tendency to re-visit the store or service provider.

According to Kundu & Datta (2015), customer satisfaction is the positive judgment on a product or service in accordance with their needs. In addition, service providers tend to fulfill their expectations, by providing satisfactory goods and services (Hume & Mort, 2010).

The process of comparing the performance of service providers is inseparable from the cognitive and affective factors of the customer (Burns & Neisner, 2006). These two factors produce different judgment with the ability of affecting individual emotions. Bagozzi, Gopinath, and Nyer (1999) defined

emotions as the mental conditions that occur based on events accompanied by psychological processes. The interactions tend to influence customers emotions, which is considered as a determining factor in understanding their perceptions of service conditions (Ladhari, Souiden, & Dufour, 2017).

Gracia, Bakker, and Grau (2011) stated that service quality in accordance with reliability, security, responsiveness, empathy, and tangibles. This showed a positive influence on customer emotions with the ability to increase their loyalty. Therefore, the service process is sometimes considered a "moment of truth," which is decided by the customer to make a re-transaction due to the creation of a pleasant feeling by the service.

Therefore, companies need to maintain outstanding services to keep customers satisfied and loyal (Cheshin, Amit, & van Kleef, 2018). Intense business competition, tends to encourage companies to provide services that exceed customers' expectations, thereby, maintaining loyalty and long-term relationships. Conversely, customers are dissatisfied with the services provided with negative behaviors with an impact on the company's turnover and reputation. (Hussain, Al Nasser, & Hussain, 2015).

However, service providers have realized that the process has the tendency to experience failures (Radu, Arli, Surachartkumtonkun, Weaven, & Wright, 2018). Koc (2019) stated that service failure as a form of error, shortage, or problems due to the delays in fulfilling customers' needs. This leads to the spread of negative word-of-mouth and feelings of discrimination (Choi & Choi (2014) and Min & Kim, 2019). Good service recovery is able to influence the customer's judgment due to losses (Etemad-Sajadi & Bohrer, 2017).

The process of providing services to customers is unavoidable from failures that affect customer emotions, with the ability to reduce their satisfaction over time. The company's role in overcoming failures through service recovery increases customers' trust, which is an important factor related to the long-term relationship between service providers and customers. It also increases security in the transactions and brand loyalty with the ability to spread positive word-of-mouth to other customers. Several studies have proven that customer satisfaction affects trust (Danesh dkk (2012), and Yap, Ramayah, & Wan Shahidan (2012)). Therefore, this study examines the effect of customer emotions on trust mediated by their satisfaction

Some variables and hypothesis development related to this research are explained as follows: Customer trust is the expectations towards service providers with the ability to deliver orders or requests promptly (Santos & Fernandes (2008), and Sirdeshmukh, Singh, & Sabol (2002)). Trust is a perception of comfort in a relationship which is dependent on the reliability and integrity shown by the partner. In a conventional business context, trust is obtained from the customer observations on employee knowledge and responses (Chu, Lee, & Chao, 2012).

Sirdeshmukh et al. (2002) mentioned three aspects of customer trust, namely (1) Operational Competence, which is the ability, skills, and knowledge needed to carry out tasks effectively. This relates to the description of competent behavior that requires individuals to show appropriate behavior to be considered competent in carrying out certain tasks. Therefore, employees are considered incompetent, assuming they do not show adequate knowledge in the form of actual behavior. (2) Operational benevolence is a behavior that describes the desire to prioritize the interests of customers over personal interests. This is a form of service provider behavior that is considered to be an "extra-role," because it is conducted without profit. (3) Problem-solving orientation is used to evaluate customers' problems during and after service. Santos and Fernandes (2008) stated that the factors affecting customer trust in the context of service recovery consisting of complaint handling, which is the ability of the company to deal with complaints using the current and previous transaction processes.

The service process, such as the interaction, also allows the individuals to have expectations on the service provider's performance. This expectation is not only assessed in physical terms such as the appearance of employee clothing, it also involves the emotional aspects that arise during interaction. Emotion is an important part of service providers and customers (Tumbat, 2011).

In the transaction process, customers buy products or services and also gain experience, therefore, satisfaction is the main component (Chaparro-Peláez, Hernández-García, & Urueña-López, 2015). It is important to increase positive emotions to achieve a better level of satisfaction since the decrease in negative emotions does not have a significant impact.

Customer satisfaction is the standard in assessing the success of an organization's achievement through performance (Hussain et al., 2015). It is important to achieve this in order to determine new customers that are loyal to the company and creates an impact in increasing the number of buyers (Hult, Sharma, Morgeson III & Zang, 2019). Satisfied customers show positive behaviors while making transactions, by trying out new products or services, making good comments, and providing suggestions on organizational development. Conversely, dissatisfied customers' tend to express their feelings through negative behavior, which has the ability to harm the company's reputation. According to Asad, Mohajerani, & Nourseresh (2016), customer satisfaction is their feeling or response after obtaining services or buying a company's products. It is a vital element of a business organization in maintaining long-term relationships with customers and facing the current competitive situation (Khuong & Dai (2016), and Siu, Zhang, & Yau, (2013)).

Customer satisfaction increases sales and a positive outlook for the company (Eisingerich, Auh, & Merlo, 2014) with the ability to encourage organizational development by providing positive feedback. Suchánek, Richter, and Králová (2014) stated that customer satisfaction consists of five aspects, namely the quality/availability of a product, price, the services provided, product distribution process, and the brand offered in the community.

Factors that influence customer satisfaction include changes in expectations, the involvement of some individuals in the service process, and limitations of uncertain, complex, and dynamic conditions (Vázquez-casielles, Alvarez, & Martín, 2010). This makes the service provider less able to control interactions with customers, thereby enabling the emergence of failures. This condition causes dissatisfaction and requires the organization to provide recovery in returning customer satisfaction (Khuong & Dai, 2016). Perceived justice is commonly used to evaluate the service recovery process and determine the behavior as well as the attitude of customers in subsequent transactions (Chang & Chang, 2017). Cheung and To (2017) stated that perceived justice affects customer satisfaction.

It also plays an important role in maintaining trust (Norizan, Arham, & Norizan, 2019), satisfaction, and word of mouth (Chen & Kim, 2017). This is also part of the business actions conducted by the service provider in 3 forms, including interactional, distributive, and procedural justice (Chebat & Slusarczyk, 2005). Interactional recovery focuses on the company's attitude when handling customer complaints in the form of an apology (Ha & Jang, 2009). Distributive recovery focuses on returning results in the form of discounts or granting compensation (Crisafulli & Singh, 2016). Meanwhile, procedural recovery refers to service recovery methods, such as accessibility, timeliness, fast response, and flexibility to adjust to customer needs (Vázquez-casielles, Alvarez, & Martin, 2010). Proper service recovery strengthens customer confidence with service providers (Maxham & Netemeyer, 2002).

METHOD

Data were obtained on the indirect effect of emotions on trust by mediating customer satisfaction through service recovery, interactional, distributive, and procedural processes. Customer trust is the independent variable in this study and evaluation that depends on the product or service. The dependent variable in this study is customer emotions, which are judgments felt by users of products or service post-recovery. It is also used as a mediating variable in assessing the expected product.

This research was conducted in the Makassar city on a sample of 104 people, which was determined using the G * Power. The participant criteria used are customers with experienced service recovery in a restaurant between the ages of 18-24 years at 82.7%. The totals of male and student participants, employees, or entrepreneurs were 51% and 25%, respectively. The participants consist of

participants that received interactional service recovery (N = 35), distributive (N = 35), and procedural (N = 34), which was acquired randomly.

Service recovery is provided to participants in the form of narratives that consists of interactional, distributive, and procedural recovery related to a sincere apology, discounts, and responsiveness. The data collection in this research is through self-report in the form of the scale used, which consists of the following: (a) Customer Trust Scale. Sirdeshmukh et al. (2002) arranged this in three categories, namely competence, benevolence, and problem-solving orientation, by adjusting the context in this study. The scale preparation is carried out through expert judgment and trials on forty (N=40) respondents consisting of 12 items with a reliability of 0.88. For instance, companies tend to work quickly and efficiently in handling problems with customers in categories of very inappropriate (1) to very appropriate (5), (b) Customer emotion Scale: This consists of 3 items, which include anger, offense, and disappointment. The emotional scale has a reliability of 0.79, and it is measured by choosing responses from very angry (1) to not very angry (5). (c) Customer Satisfaction Scale: this consists of 4 items, with a reliability scale of 0.83 and categorized from very inappropriate (1) to very appropriate (5).

Table 1
Research Scale

Measurement	Number of Items	Reliability	Example of Items
Customer Trust Scale	12	0,88	The restaurant work quickly and efficiently in handling problems with customers
Customer emotion Scale	3	0,79	After improving its service, how do you feel?
Customer Satisfaction Scale	4	0,83	The response of the restaurant was better than expected

In this research, customer satisfaction acts as a mediator of the indirect effect between emotions and trust by using the Process Hayes model 4, which produces output for indirect that can be used on abnormal data.

RESULTS AND DISCUSSION

This research analyzed the role of customer satisfaction mediation that indirectly affects trust in the recovery of the interactional, distributive, and procedural services. In H1, it is expected that there is a significant influence between emotions that occur after interactional recovery of customer trust and satisfaction. The results of the Process analysis in answering H1 are shown in table 2.

Table 2
Estimation of the Effects of Post-Interactional Recovery Emotions on Trust with Customer Satisfaction Mediation

Antecedent	Consequence							
	M (Satisfaction)				Y (Trust)			
	Coeff.	SE	p		Coeff.	SE	p	
X (Emotion)	<i>a</i>	0,56	0,08	0,00	<i>c'</i>	0,07	0,07	0,28
M (Satisfaction)					<i>b</i>	0,52	0,06	0,00
Constant	<i>i₁</i>	1,27	0,31	0,00	<i>i₂</i>	1,22	0,23	0,00
			R ² = 0,28				R ² = 0,48	
			F(1,102) = 41,33, p < 0.00				F(2,101) = 47,07, p < 0.00	

The process analysis showed a significant effect of post-interactional recovery emotions on trust, mediated by the customer satisfaction variable. Table 2, shows that there are indirect effects of post-

interactional recovery emotions on trust through customer satisfaction, $b = 0.29$, BCa CI [0.18, - 0.42]. Therefore, H0 was rejected, and H1 accepted

Table 3
Estimation of the Effects of Post-Distributive Recovery Emotions on Trust with Customer Satisfaction Mediation

Antecedent	Consequence								
	M (Satisfaction)			Y (Trust)					
	Coeff.	SE	p		Coeff.	SE	p		
X (Emotion)	a	0,87	0,15	0,00	c'	0,36	0,20	0,07	
M (Satisfaction)					b	0,24	0,15	0,13	
Constant	i_1	-0,11	0,55	0,84	i_2	1,03	0,51	0,05	
			$R^2 = 0,47$					$R^2 = 0,36$	
			$F(1,33) = 30,35, p < 0,00$					$F(2,32) = 9,19, p < 0,00$	

The result showed that H2 uses post-distributive recovery emotions to indirectly influence trust for customer satisfaction. Table 3 shows no significant effect on customer satisfaction mediation using the post analysis method with $b = 0.21$, BCa CI [-0.05, -0.60]. Therefore, the statistical test accepted H0, and H2 was rejected.

Table 4
Estimation of the Effects of Post-Procedural Recovery Emotions on Trust with Customer Satisfaction Mediation

Antecedent	Consequence								
	M (Satisfaction)			Y (Trust)					
	Coeff.	SE	p		Coeff.	SE	p		
X (Emotion)	a	0,52	0,12	0,00	c'	-0,05	0,08	0,48	
M (Satisfaction)					b	0,64	0,09	0,00	
Constant	i_1	1,54	0,45	0,00	i_2	1,35	0,27	0,00	
			$R^2 = 0,34$					$R^2 = 0,68$	
			$F(1,32) = 16,34, p < 0,00$					$F(2,31) = 34,25, p < 0,00$	

In table 4, post-procedural recovery emotions significantly influence trust through customer satisfaction mediation, $b = 0,33$, BCa CI [0.19, - 0.51], therefore, H3 is accepted.

Regression analysis using the procedural method supports H1 and H3. In general, these results show that post-service recovery emotions have a positive effect on customer trust through satisfaction mediation. Therefore, the customer satisfaction variable indirectly plays a role in the effect of emotions on trust. This study specifically proves that the occurrence of emotions due to service provider error has the ability to influence customer satisfaction, which has an impact on trust in using services. Conversely, when service recovery is provided in distributive, post-recovery emotions have no effect in increasing customer satisfaction and trust.

The results of hypothesis test support previous research conducted by Radu et al. (2018), which stated that the affective response due to service failure influences customer service evaluation. Negative emotions are triggered by service failures, which have an impact on customer satisfaction towards service providers. According to Bakar, Hidayati, & Giffani (2019), service failures are overcome by providing recovery strategies such as compensation, apologies, and a responsive attitude. Post-recovery

emotions minimize the negative impacts due to service errors, thereby, leading to positive customer evaluations.

Emotions are affective and spontaneous reactions in response to positive or negative situations. Balaji, Roy, & Quazi (2017) stated that customer emotions play a role in influencing satisfaction from the service process. Therefore, the emotions shown by customers through the regulatory process depend on the recovery process from service failures by the company. Negative emotions tend to occur when the recovery process is not in line with customer expectations, thereby reducing their satisfaction with the service. Conversely, a fast and precise recovery process that involves affection enables the creation of positive emotions and increases customer satisfaction.

Planning of service recovery is the most important operational step in handling service failures. According to Xu, Liu, & Gursoy (2019), the size and impact of service failures positively and negatively influence customers. Xu et al. (2019) reported that the behavior, emotions, and fast service of the service providers were more able to provide positive emotions to customers than compensation in the form of money. Customer emotions lead to satisfaction on service results and the spread of positive word-of-mouth to other customers.

Research conducted by Smith & Bolton (2002) showed that emotional responses shown by customers during the service process influence their judgment on service recovery efforts and satisfaction, which differs in accordance with the type of industry. Other studies that test customers' emotions toward satisfaction also show significant results in the context of hospitality, which tends to positively or negatively evaluate their satisfaction (Ali, Hussain, & Omar, 2016). Customer satisfaction has a direct effect on trust (Danesh, Nasab, & Ling (2012), Yap, Ramayah, & Wan (2012), and Osman & Sentosa (2013)). Therefore, there is an adequate need for companies to maintain customer loyalty to their product or service by paying attention to trust, which increases security between the two parties. It makes customers continue to use the product or service for a longer time.

This mechanism is described through the concept of cognitive appraisal theory, therefore, customers that experience service failures associate it with conflict situations (Rio-Lanza, Vázquez-Casielles, & Díaz-Martín, 2009). Customer emotional response is an appraisal of a failed situation, which leads to negative emotions (Bagozzi, Gopinath, & Nyer, 1999). The right way to restore emotions and positive evaluations of customers is through the provision of adequate methods. The tendency that occurs is that customers positively evaluate services in a positive emotional state. This leads to positive experiences during the service recovery process and tends to influence customer trust in service providers.

The process of cognitive appraisal that occurs in interactional and procedural recovery provides a positive judgment in rehabilitating service failures occurred. Customers consider that the company's strategy through apology, a responsive attitude, and guarantees from service providers is an appropriate and meaningful recovery. Recovery in apologies and providing procedural improvements are considered fair with conflict situations due to service failures. Therefore, emotions that occur after recovery influence satisfaction and customer trust in the future.

Distributive recovery is not significantly proven to influence emotions on trust with customer satisfaction mediation. These results show that recovery in the form of price discounts or compensation is an improvement strategy that is less valuable to customers and does not have an impact on trust.

CONCLUSION

In conclusion, service providers do not have the capability to avoid failures completely. However, they possess the ability to minimize the impact by providing recovery to create positive customer emotions. This research has proven that customer satisfaction is the mediation between post-recovery emotions on customer trust. These results are applicable to interactional and procedural recovery and not proven on distributive. Furthermore, the narration was used as a stimulus in an effort to create interactional, procedural, and distributive recovery. The use of narration needs the ability of imagery,

cognitive, and focus power for the reader. Therefore, further research is required on the use of stimuli, such as videos in presenting experiences for certain situations from participants.

Therefore, the occurrence of a service failure makes a company focus on providing interactional and procedural recovery. In addition, they are expected to prioritize non-material factors such as professionalism and empathy for customers to continue using their products or services in the future.

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