



# A Study of the Effect of Service Recovery Method on Purchase Intention

## Service Recovery Timing as a Moderating Variable

Chiawei Chao<sup>1, a, \*</sup>, Haimei Xu<sup>2, b</sup>

<sup>1</sup>Tourism and historical culture college, Zhaoqing University, Guangdong, China

<sup>2</sup>Tourism and historical culture college, Zhaoqing University, Guangdong, China

a 1991150933@qq.com

b 1048469858@qq.com

**Abstract:** Inevitably, there will be mistakes in the service process, and service recovery is the main way to regain customer loyalty, customer satisfaction and willingness to buy again. It is generally believed that the earlier the service recovery timing is, the better. However, some studies suggest that delaying the service recovery timing can lead to higher repurchase intentions. This study was conducted to investigate whether there is a moderating effect of service recovery timing between service recovery methods and repurchase intention, using a situational simulation to design a questionnaire. This study was conducted to investigate whether there is a moderating effect of service recovery timing between service recovery methods and repurchase intention. The 246 valid questionnaires were collected, using a situational simulation approach and tested by ANOVA and regression analysis. The results of the study show that the timing of service recovery and the method of service recovery have a positive effect on repurchase intention, and the timing of service recovery has a positive effect on the method of service recovery. In addition, the service recovery timing has a moderating effect between service recovery method and repurchase intention, and the follow-up results give academic and practical suggestions to fill the theoretical gap and management suggestions.

**Keywords:** Service Recovery Method, Service Recovery Timing, Repurchase Intention, Situational Simulation Approach

## 1 Introduction

The era of leisure is coming, and mass tourism is becoming increasingly popular. In the background of this era, the hotel industry has developed rapidly, and the market is gradually diversified and saturated, which means that the fierce competition among the hotels in the same industry, in which the good and bad service quality is one of the main factors affecting the survival of the hotel. In the service process, it is inevitable to make mistakes, how to remedy them and how to make up for the old city and win back the

customers becomes an important issue, past studies found that the higher the level of service recovery, the higher the customer's repurchase intention will be [1]. However, the factors that lead to the change of repurchase intention are not only service recovery. Previous studies found that appropriate delayed service recovery can obtain better service improvement and higher repurchase intention of customers [2]. From the above, the timing of service recovery has a non-negligible influence on repurchase intention, but whether the relationship contains regularity, what timing of service recovery can have a positive influence on repurchase intention, and whether the double consideration of service recovery method and timing will have a further influence on repurchase intention. Whether the double consideration of service recovery method and timing will have further influence on the repurchase intention, these questions are worthy of further investigation.

It is important to study the impact of service recovery timing on repurchase intention under different service recovery methods in hotels. The purpose of this study is to systematically review the literature on service recovery methods and timing, and to find out the shortcomings and deficiencies of service recovery methods and timing that need further research; and to verify and determine the effects of service recovery methods and timing on repurchase intention, as well as the differences between the three relationships; we hope to collect valid data through the research design and survey to verify the research hypotheses. It is hoped that the research design and the survey can collect valid data to verify the research hypothesis, in order to draw conclusions and to give some relevant management and operational advice or suggestions to the company.

## **2 Literature Review**

### **2.1 Service Recovery Method**

Zheng pointed out that service failures are inevitable [3]. Cui, Li, and Wang suggest that service recovery is a way for a firm to cope with service failures in order to attract customers and minimize the costs associated with customer defection and negative word-of-mouth [4]. With regard to the service recovery methods, because scholars classify them on different bases, the methods vary, and according to different classification criteria, they can be broadly divided into two categories: moral compensation and tangible compensation. And this study adopts the service remedy methods proposed by Guo, Yin and Su [5], because the service recovery methods they listed are more commonly used by enterprises [6], and it is believed that the service remedy methods can be classified according to the compensation method as "psychological remedy" (such as communication, admitting mistakes or apologizing, etc.) and "tangible remedies" (e.g., compensation, gift, discount treatment, etc.).

### **2.2 Service Recovery Timing**

Zhang and Lu believe that the timing of service recovery can include two aspects: the timing of discovering service errors and the timing of implementing service recovery [7]. Wang, Hu and Pan believe that service recovery is a timely, proactive and efficient

management tool to improve customer satisfaction and loyalty, and they believe that service recovery should be a timely remedial measure after service failure to compensate for the negative impact of service failure and improve the service. They believe that service recovery should be a timely remedy after service failure to compensate for the negative impact of service failure and improve the service system and service quality [8].

In summary, according to the different timing of service recovery, from the perspective of service providers, service recovery is divided into passive service recovery and active service recovery according to the service provider's initiative and passivity, and active service recovery is subdivided into defensive service recovery and offensive service recovery; and according to the time advancement progress of service failure occurrence and service recovery, service recovery is divided into three types of service recovery: *ex ante* prevention, immediate and post delayed service recovery.

### **2.3 Repurchases Intention**

The consumer purchase behavior can highlight how much consumers like the product, and consumers repurchase intention is an expected indicator of purchase behavior, and Yang and Zhuang believe that repurchase intention is a psychological expectation indicator of the higher reliability of customers' actual repurchase behavior [9]. The repurchase intention can also be used to measure customer loyalty, and Jones argued that repurchase intention refers to the probable willingness of consumers to purchase a product (service) again at any time in the future, and included repurchase intention as one of the three main types of measuring customer loyalty [10]. The definition of repurchase intention is also more specific depending on the object of study or the industry and sector, and also extends different concepts, for example, Zhang defines customer repurchase intention in tourism as the willingness of tourists to revisit and participate in an activity again after arriving at a tourist location or participating in a tourist activity [11]. In addition, Filieri and Lin pointed out that persistence intention and repurchase intention belong to the same concept [12]. The repurchase intention varies in different service consumption contexts.

## **3 Research Methodology**

The research and analysis by Tang, Zhong and Jia found that tangible service recovery methods bring higher service recovery satisfaction than psychological service recovery strategies when immediate the service recovery, but psychological service recovery methods bring higher service recovery satisfaction than tangible service recovery methods when delayed service recovery is used [13]. This leads to the following hypothesis.H1: There is a significant effect of different service recovery methods on the repurchase intention.

Yin proposed that immediate service recovery is better than delayed service recovery in the case of tangible service recovery to increase customers repurchase intention [14]; Zhang and Yang used scenario simulation research to analyze and found that the earlier

the timing of recovery, the more customers are willing to buy and consume again, i.e., the higher repurchase intention [15]. Accordingly, the following hypothesis can be derived. H2: Different service remediation timing has a significant effect on repurchase intention.

Lu believes that service recovery will reduce the customer's perception and effect of service recovery if it lacks the consideration of service recovery timing [16]. And Tang et al. also believe that the choice of service recovery timing affects the efficiency of service recovery methods [17]. Thus, the hypothesis is listed: H3: The Service recovery timing has a significant effect on service recovery methods

Yin showed that service recovery timing has an influential role on repurchase intention, combined with the influence relationship between service recovery methods and repurchase intention and the influence relationship between recovery timing on recovery method [14]s, the following hypothesis is derived: H4: There is a moderating effect of service recovery timing in the effect of service recovery methods on repurchase intention. The research structure is presented in Figure 1:

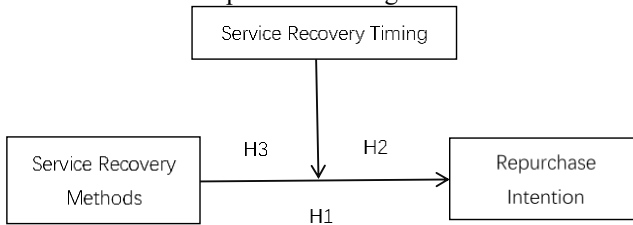


Fig. 1. Research Structure [Owner-draw]

In this study, the questionnaire was designed using the between-group factorial design in the class experimental research method, and the pre-test questionnaire was conducted from November to December 2019, and the formal questionnaire was conducted from November 2020 to February 2021, with the survey subjects mainly facing customers who have experienced staying or consuming in Marriott's four-star hotels or above. However, since the questionnaire is a scenario simulation, the consumers who do not have the above consumption experience can also be used as research subjects. Data analysis methods were used to verify the reliability, validity, multivariate analysis, and regression analysis.

## 4 Results and Conclusion

In this study, a total of 336 official questionnaires were distributed, of which 246 were valid. In the reliability and validity analysis, the reliability of service recovery method was 0.870, the timing of service recovery was 0.874, and the repurchase intention was 0.932, and the factor scores for all three dimensions were above 0.85, indicating good validity indicators. The results are presented in Table 1:

**Table 1.** The Results of Reliability and Validity analysis

Dimensions	Reliability	item	Validity
Service Recovery Method	0.870	P1	.888
		P2	.910
		P3	.878
Service Recovery Timing	0.874	T1	.910
		T2	.897
		T3	.874
Repurchase Intention	0.932	AT1	.877
		AT2	.905
		AT3	.934
		AT4	.930

In the multivariate analysis section, the results of the categorical variable "timing of service recovery" on repurchase intention were all non-significant, indicating that there was no significant difference in the results of different timing of recovery on repurchase intention. In the regression analysis, service recovery method ( $t=2.4858^{***}$ ) and timing of recovery ( $t=3.0832^{***}$ ) had significant positive effects on repurchase intention individually, but the overall moderating effect of service recovery timing ( $t=0.5406$ ) was insignificant, and the moderating effect of different recovery methods was found to be significant in the "post hoc psychological recovery" ( $t=2.4752^{***}$ ) method. The results are presented in Table 2.

**Table 2.** The Service Recovery Timing and Recovery Method Interaction Results

Interaction categories	B	T value
1. Immediate psychological	.3853	1.7264
2. Delayed tangible	.4198	1.8471
3. Delayed psychological	.4728	1.9498
4. Post-event tangible	.1386	.5507
5. Post-event psychological	.5192	2.4752 <sup>***</sup>

Note: \* $P < 0.05$ , \*\* $P < 0.01$ , \*\*\* $P < 0.001$

This study investigates the impact of different recovery methods and timing on the repurchase intention, and the timing should be appropriate for dealing with service errors in high star hotels, not to pursue fast and ignore the needs of customers, after all, high star hotel customers attach great importance to the word "attitude", and need to express to customers enough attention to the error and a well-thought-out response strategy, so that customers perceive that the hotel attaches importance to the guests, care about the feelings of the guests, put themselves in the shoes of the customers, and sincerely apologize to customers, and actively correct and adjust to prevent the error from happening again.

## References

1. Zhu, H. . The impact of customer involvement on customer satisfaction in the process of flight delay service remediation [D]. Tianjin: Tianjin Normal University, 2013.
2. Yang, H. L., Tang, S. F., Liu, B. Q.. A Review of Research on Service Remediation Timing Selection[J]. *Management World*,2013,(4):184-185.
3. Zheng, H. . The connotation of service remediation and its research status[J]. *Business Economics*,2013, (01):42-43.
4. Cui, J. H., Li X. Y., Wang, X. . The Influence of Online Non-monetary Service Recovery on Firm Performance: Based on Online Reviews[J].2018 4th International Conference on Innovative Development of E-commerce and Logistics(ICIDEL2018),2018:137-146.
5. Guo, S., Yin, C.Y., Su, J. L.. A study on customers' reactions and preferences for remedies under service contact failure at different social distances [J]. *Management Theory*,2017,29(12):141-152.
6. Liu, Z. G., Li, Q. D., Huang, J. C., Wal, D. . An exploratory study of service error types, compensation measures, and recurrence rates: An application of CIT method to the restaurant industry[J]. *Management Review*, 2001,20(01):65-97.
7. Zhang, S. L., Lu, C.. Exploration of service remediation timing strategy based on relationship analysis model [J]. *Science and Technology Management Research*, 2006, (01):220-222.
8. Wang, Z. M., Hu, W., Pan, Y.. A review of service remediation theory and exploration of operational strategies[J]. *Management theory*,2014,(04):122-125.
9. Yang, Q., Zhuang, Y.. A study on the influence of service convenience on consumers' willingness to repurchase - using consumer sentiment as a mediating variable[J]. *Journal of Dalian University of Technology (Social Science Edition)*,2014,(04):39-43.
10. Bigne, J. E.. Tourism Image · Evaluation Variables and After Purchase Behavior · Inter-relationship[J]. *Tourism Management*,2001,(05):66-72.
11. Zhang, Y.G.. An empirical study on the influence of vacation tourists' consumption experience on their willingness to repurchase[J]. *Business Economics*,2009,65(05):98-102.
12. Filieri, R., Lin Z. B.. The role of aesthetic, cultural, utilitarian and branding factors in young Chinese consumers' repurchase intention of smart phone brands[J].*Computers in Human Behavior*, 2017, (67):139-150.
13. Tang, S. F., Zhong, S., Jia, J. M.. Service remediation performance research: Is it still necessary to be camera-ready to pitch a good idea? [A]. *China Management Modernization Research Society. Proceedings of the Sixth (2011) Annual Conference of Chinese Management - Marketing Session [C]. China Society for Management Modernization Research: China Society for Management Modernization Research*,2011:61-73.
14. Yin, Y. T.. An empirical study on the relationship between service remediation and customers' willingness to buy [D]. Changsha: Hunan University, 2007.
15. Zhang, S. L., Yang K.. The impact of service remediation timing on consumers' emotional and behavioral intentions[J]. *Journal of Beijing University of Posts and Telecommunications (Social Science Edition)*,2010,12(05):82-91.
16. Lu, M.. Research on preventive service remediation in logistics and express service industry [D]. Tianjin: Tianjin University of Technology,2018.
17. Tang, S. F., Zhong, S., Zheng J.. A study on the impact of remediation timing and personality traits on remediation performance[J]. *Management World*, 2011, (04):178-179.

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

