

Service Failure and Recovery at the Crossroads: Recommendations to Revitalize the Field and its Influence

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Abstract

In this editorial, we offer a critical assessment of the service failure and recovery (SFR) literature and suggest that the field is at a crossroads in terms of growth and relevance. Specifically, we address two key questions: (1) What is the current state of the field? (2) What avenues should SFR researchers pursue to promote a new stage of success? To answer the first question, we tracked the evolution of SFR articles over the last 15 years by using Web of Science. Our analysis suggests that the recent growth of SFR research is mainly attributable to articles published in specialized journals; the number of articles published in leading journals remains stable and relatively low for the last 10 years. This situation reflects the poor integration of two core SFR domains: *Behavioral-subjective* research tends to be published in specialized journals, whereas *quantitative-objective* articles have been in high demand in leading journals. To answer the second question, we propose a dozen research avenues to help the integration of the two domains, so that the whole field can regain prominence. These research avenues are organized in four categories: (1) expanding the static “customer-firm” dyad, (2) studying new contexts that challenge the assumption of recovery, (3) collecting better data and using stronger analytics, and (4) building on the synthetic knowledge base already created. By making such changes, the SFR domain will reclaim its rightful place as an important subfield of service science.

Keywords

service recovery, service failure, customer complaining, transgression, crisis

Service failure and recovery (SFR) is a prolific subfield of service science. For example, Web of Science lists approximately 1,600 peered-review SFR articles (by July 2020), which have been cited more than 50,000 times.¹ In addition, 19.2% of the articles published in the *Journal of Service Research* between 2015 and 2019 focused on SFR issues. Despite its success, we detect many signals suggesting the field is at a crossroads in terms of growth and relevance, and we believe it is time to have a “hard look” at the whole field to ensure its future prosperity. With this purpose in mind, this editorial addresses two key questions: (1) What is the current state of the field? (2) What avenues should SFR researchers pursue to promote a new stage of success?

The Current State of the SFR Field: A Tale of Two Worlds

To better understand the evolution of the field, we tracked SFR articles published in 30 established business journals, including 11 leading (or top-ranked) business journals and eight leading marketing journals (see Figure 1). We created a separate category for marketing because of the leadership role of this discipline in the development of SFR. We selected these journals because they are typical outlets for publishing SFR research

and have been included in Web of Science for a long period (since 2005). They represent a variety of disciplines: marketing, operations, information technology, management, and ethics. The leading journal lists include journals that have received the highest ratings in international rankings (e.g., *ABS*, *CNRS*).

We see two noticeable trends in Figure 1. First, when all 30 journals are considered, we note a recent increase in the last 3 years, which was preceded by a period of relative stability between 2011 and 2017. However, in parallel with this recent growth, we also note that leading outlets have published a stable and low number of articles since 2009, typically oscillating between five and 10 in “leading marketing” (for an average of 6.82 for the 2009–2019 period) and eight and 13 in “leading business” journals (for an average of 9.82). In short, there has been limited progression in leading journals for the last 10 years. Although leading journals steadily publish SFR articles,

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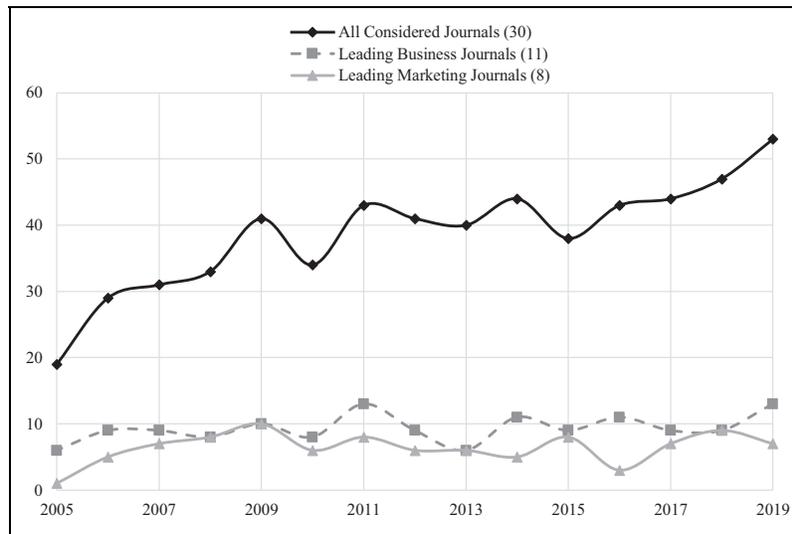


Figure 1. The evolution of SFR articles for 30 established business journals (2005–2019). *Note.* The 30 established business journals are (in order of percentage of articles): *JBR* (10.2), *European Journal of Operation Research* (9.7), *Service Industries Journal* (9.7), *JSR* (9.6), *JSOM* (7.5), *EJM* (5.3), *JAMS* (4.37), *JPIM* (3.8), ***POM*** (3.7), *IMM* (3.3), ***HBR*** (3), *IJOPM* (3), *JR* (2.9), ***JOM*** (2.7), *JBE* (2.5), ***Management Science*** (2.5), ***Operation Research*** (2.2), *JM* (2.1), *Decision Sciences* (1.6), ***SMR*** (1.5), ***MISQ*** (1.5), *IJRM* (1.4), *JCR* (1.2), *JMR* (1), *Marketing Science* (1), ***CMR*** (1), ***JAP*** (.7), ***ISR*** (0.6), *Operational Research* (0.6), and *JCP* (0.4).

Note. The eight leading marketing journals are underlined and the 11 leading business journals are in bold.

their number is limited, and their share decreases over time. The overall increase of the field is mainly attributable to articles published in journals that typically receive lower ratings in international rankings, a phenomenon that reflects an isolation of recent SFR research.

These trends indicate a tale of two worlds that require our attention: (1) the concentration of “behavioral-subjective” research in specialized journals and (2) the growing popularity of “quantitative-objective” articles in top-tier outlets. These two “worlds” represent both threats and opportunities. They are threats if the two streams continue to develop in isolation. However, they also constitute fantastic opportunities if both start building on their respective strengths.

Each “world” or domain possesses its own identity and characteristics. Behavioral-subjective SFR research (hereafter, *behavioral SFR* for simplicity) relies largely on scenario-based experiments (about 70% of the studies) and on surveys to a lesser extent (about 20%) (Khamitov, Grégoire, and Suri 2020). The dependent variables of this domain typically represent a mix of attitudes, intentions, or perceptions—that is, subjective and self-reported outcomes. In terms of analyses, behavioral SFR employs mainly ANOVAs, regressions, structural equation modeling, and PROCESS. In turn, the quantitative-objective SFR domain (hereafter *quantitative SFR*) relies strongly on archival and objective data, reflecting real behaviors rather self-reported intentions. Quantitative SFR has embraced the notion of big data with samples counting thousands and even millions of observations. Such data come from a variety of sources including: social media posts or online reviews, industry databanks, or a given firm providing data on its customer base. In terms of analytics, quantitative

SFR employs textual analyses, advanced econometrics, optimization, and game theory.

Behavioral SFR constitutes the bulk of the domain, and this type of research has created the whole field. These articles build on seminal work on justice and attribution theories (Smith, Bolton, and Wagner 1999; Tax, Brown, and Chandrasekaran 1998). They typically propose a form of recovery or an actionable factor that influences customers’ perceptions (e.g., justice, attributions), emotions (e.g., satisfactions, anger), and complaint behaviors. Despite the historical roots of this stream, it seems to have lost momentum in top-ranked journals in recent years. For instance, since 2014, such articles are barely represented in the four top marketing journals (*JCR*, *JM*, *JMR*, and *Marketing Science*), whereas most of them have found “a home” in service or hospitality journals. Behavioral SFR has turned into a specialized “service” silo by paying scant attention to increasing demands for stronger data and analytics. This form of subordination is unfortunate because it undermines the influence of the entire field. As a result, the rich knowledge base created in recent years has received little attention and has been poorly integrated by related fields (e.g., crisis, word-of-mouth, brand transgression).

The situation is reversed for quantitative SFR articles, which have been in high demand in leading journals in recent years. For instance, between 2014 and 2018, roughly 75% of SFR articles published in the top four marketing journals were quantitative, although such work represents a minor portion of the field. These articles have brought a fresh look at SFR by using large data sets, objective metrics, and advanced analytics. However, the quantitative domain has its own shortcomings. Regardless of its technical sophistication, its conclusions tend

Table 1. Key Problems and Recommendations.

1. Expanding the examination of static “customer-firm” dyads so we can test the robustness of our theories (both behavioral and quantitative domains)
<ul style="list-style-type: none"> • Integrating the perspective of the observers as a third entity involved in a service failure • Giving more balanced attention to the three entities of interest (customer, firm, and observer) by developing dyadic or triadic designs • Considering the multiple dimensions of each entity: customer (e.g., B2B vs. B2C, small vs. large groups), observer (e.g., customer, viewer, competitor, government), and firm (e.g., chatbot, employee, supervisor, supplier) • Studying the dynamic aspect of our theory by using longitudinal designs and by applying the notions of “journey” and “experience”
2. Studying new contexts and theories that challenge the assumption of recovery (both behavioral and quantitative domains)
<ul style="list-style-type: none"> • Health care is a priority: For many healthcare failures, a recovery is often not possible or takes different forms (e.g., acceptance and forgiveness) • Studying other sectors for which the current justice and satisfaction theories poorly apply, such as government services or moral transgressions • Innovative qualitative or conceptual research that focuses on self-recovery and theories related to self-healing, meditation, or cognitive restructuring
3. Collecting bigger and better data, and analyzing them with advanced analytics by following best practices (behavioral SFR domain)
<ul style="list-style-type: none"> • A more rigorous application of the behavioral best practices (i.e., multimethod, rigorous process testing), and going beyond scenario-based experiments • Collecting in greater quantity data of better quality, such as archival data from social media, financial metrics at the industry level, and data from a given firm • Using elaborated analytical tools from psychology (longitudinal, multilevel, models, etc.), marketing finance, or economics (event studies, time series, etc.)
4. Developing frameworks by using the rich, synthetic knowledge base that has already been created (quantitative SFR domain)
<ul style="list-style-type: none"> • Building on established conceptual/theoretical building blocks; theories of high quality should not be overlooked • Enhancing relevance by using rich insights on the notion of recovery • Building on “ready-to-use” synthesized knowledge by using meta-analyses and systematic reviews

to be fairly descriptive. Quantitative SFR often presents frameworks that fail to account for strong SFR theories, such as justice, attributions, or service quality, to name a few. This omission is unfortunate, since we believe that quantitative SFR would gain in substance by incorporating seminal work, meta-analyses, or systematic reviews.

We strongly believe that the future of the field relies on a better integration of these two currently separate views. This editorial suggests that these two “worlds” should unite and learn from one another. To facilitate this kind of exchange, we formulate four core recommendations that speak to the integration of the two domains of interest (see Table 1). The first two recommendations apply to both domains, whereas the third targets behavioral SFR, and the fourth is developed for quantitative SFR.

Expanding the Static “Customer-Firm” Dyad to Enhance Current Theories

We believe that an immediate way to make a contribution to both fields is to reconsider the context of a “static” dyad involving customers and firms. We suggest that the robustness of current SFR theories be tested by expanding this dyad in four ways by (1) adding observers as a third entity, (2) using a multiple-source perspective, (3) exploring new dimensions of

the entities of interest, and (4) incorporating time effects. It is important to understand how our theories apply when new entities and dimensions are considered.

First, it is typically assumed that a service failure concerns only customers and firms, and the presence of “observers” is often overlooked. Given the omnipresence of cameras and the universal access to social media, any service failure can easily become part of the public domain within minutes. In this context, we invite SFR researchers to examine the ways that observers could affect a given situation and the application of current theories and concepts.

Second, most research takes the perspective of the victimized customer while paying much less attention to employees and observers. We need a more balanced focus that gives similar attention to all three entities (i.e., customers, firms, and observers). We suggest it is time to consider dyadic or triadic designs to understand how one entity might affect another. We can think of many designs incorporating multiple entities such as “customer-employee-supervisor,” “customer-broker-supplier,” “customer-chatbot-brand,” or “customer-observer-firm,” to name a few. It is surprising that research designs involving multiple entities are so scarce in SFR, compared to other related fields such as sales and organizational behavior.

Third, we see a need to expand our classical theories by using finer grained conceptualizations of the three entities of

interest. Here are some examples. For customers, it could be helpful to account for the size of the affected group, the type of customers (B2B vs. B2C), or the influence of family and friends. For observers, a distinction could be made depending on the nature of the individual (e.g., customers on site vs. online viewers) or the general observing entity (e.g., customer, competitor, government). For firms, we can also think of different players involved in the failure or recovery, such as frontline employees, supervisors, brands, suppliers, technicians, brokers, chatbots, or sales representatives.

Fourth, there is a pressing need to study SFR in a dynamic context by examining the effect of time on actors' responses and by integrating the notions of experience and journey (Van Vaerenbergh et al. 2019). Although collecting such longitudinal data is difficult, these efforts are needed to add a new layer of complexity to our current theories.

Studying New Contexts and Theories That Challenge the Assumption of Recovery

The SFR literature is based largely on the assumption that the firm is at fault and that it should take actions to recover from the failure. Our core theories and most studied contexts—such as hospitality, tourism, retailing, and telecommunications (Khamitov, Grégoire, and Suri 2020)—rely strongly on this assumption, which has rarely been questioned. Here, we invite researchers to switch their focus to contexts where the role of service recovery takes novel forms or is nonexistent. We elaborate on three contexts that seem especially promising.

First, health care should be viewed as a priority. This sector is tricky, as many healthcare components are credence based for an average patient. Indeed, how easy is it for a patient to assess the outcome of surgical procedures and to request a proper recovery when there is a problem? In many instances, a recovery is not possible (e.g., a permanent illness), and the notions of acceptance and psychological support should be carefully examined.

Second, there is a need for new theories in other important sectors—such as government services, home remodeling, moving or moral transgressions—for which our current theories apply poorly. We argue that justice-based theorizing does not fit the context of monopolies and government services, since satisfying customers is not a top priority. Again, our current theories are not suitable to explain when customers are “hostages” of a relationship, for instance, in the context of an ongoing home remodeling project. Finally, there is scant research on how customers would feel after moral transgressions with severe consequences; the context of identity theft seems particularly salient in today's digital world.

Third, there is limited qualitative and conceptual research that would enable us to step out of the box and offer radically new views on the recovery process. A full recovery is not always possible, for instance, when individuals suffer deep moral injustice (e.g., racism) or severe long-term consequences (e.g., bankruptcy). For the field as a whole, we need to pay more attention to the notion of self-recovery by developing

theories related to forgiveness, self-healing, and mindfulness meditation, so that we can help suffering individuals.

Collecting Bigger and Better Data and Analyzing Them With Advanced Analytics

In order to be recognized outside of its silo, behavioral SFR needs to improve the quality of its data, methods, and analytics by following best practices (behavioral and quantitative).

Best Behavioral Practices

Many SFR articles that belong to the behavioral-subjective domain do not always follow the best practices required in top behavioral journals. It should be noted that the standards for behavioral-subjective SFR research have rapidly increased in recent years, with growing pressure for a large number of studies, a multimethods approach, and elaborated process testing. For example, a recently accepted *JSR* article has 10 studies, combining archival data, experiments, and a Monte Carlo simulation (Nazifi et al. 2020). Although scenario-based experiments are unlikely to disappear, a strict reliance on this method seems insufficient for articles to be published in leading journals. Scenario-based experiments need to be combined with innovative field studies involving real behaviors or archival data. In addition, a focus on the process should become the cornerstone of any behavioral article. Along with mediation analysis, such research should rule out rival explanations and establish boundary conditions (Khamitov, Grégoire, and Suri 2020).

Bigger and Better Data

Quantitative SFR research offers insightful examples of novel data, which should inspire researchers from the behavioral domain. First, there is a need for data taken from social media and online reviews (e.g., Ma, Sun, and Kekre 2015). It is now possible to “scrape” millions of observations that pertain to the content of customers' posts/reviews as well as managers' posts/rebuttals. Such conversational datasets can be combined with the “likes” and “shares” from observers. Second, it is also possible to collect data at the industry level (each observation corresponds to a firm) after a service failure has become viral (e.g., Herhausen et al. 2019). In that case, researchers can create databanks combining the characteristics of crises; the characteristics of firms; and the effects of crises on firms' social media, stock value, or sentiment analysis. Third, researchers can work closely with a firm (e.g., Kanuri and Andrews 2019), thus gaining access to specific variables related to the service failure (e.g., satisfaction, type of recovery), complainer characteristics, and firm profitability.

Advanced Analytical Tools

Novel data naturally require new models and analyses, which are poorly integrated in behavioral SFR. The quantitative

domain offers numerous analytical tools that can help SFR researchers to examine nontraditional data. For instance, researchers can use advanced econometric models to analyze longitudinal customer data (Ma, Sun, and Kekre 2015). For company data, the marketing finance literature offers a large variety of quantitative models, including event studies, Tobit or Probit models and latent class models (Kanuri and Andrews 2019). Importantly, quantitative SFR research typically addresses with great care the issue of endogeneity (Kanuri and Andrews 2019), a topic that is scarcely addressed in behavioral SFR research. Finally, behavioral SFR researchers could benefit from advanced models developed in psychology, such as mixed linear models that account for multilevel data, longitudinal data, and random effects.

A recent *JM* article presents a convincing example of how behavioral research can benefit from applying quantitative best practices (Morgeson et al. 2020). This article tests the effects of a series of moderators on the relationship between complaining and loyalty. To do so, they used a large commercial databank including more than 34,000 participants who had answered a survey in the past 10 years. Then, the authors combined the survey responses with archival data related to the macroeconomic environment and different industries. To test their hypotheses, the authors used hierarchical linear modeling to account for the multilevel nature of their data. Such an article has to be commended for a clever integration of both behavioral and quantitative best practices; this kind of integration effort represents the future of the field, in our opinion.

Building on the Rich, Synthesized Knowledge Base

As quantitative SFR has its own shortcomings, we argue that behavioral SFR can make a contribution in three substantive ways by (1) providing solid conceptual building blocks, (2) offering rich managerial insights, and (3) creating “ready-to-use” synthesized knowledge.

Solid Building Blocks

Quantitative SFR tends to be fairly descriptive and technical in nature. In this domain, there is a need for more theoretical grounding that goes beyond sophisticated modeling. The time might be ripe to integrate SFR classics, meta-analyses, and systematic reviews into the quantitative-objective domain to take this stream to the next level. Quantitative researchers should realize that the behavioral-subjective domain offers a large variety of well-articulated theories such as justice theory, attribution theory, the disconfirmation paradigm, the service quality paradigm, appraisal theories, and the revenge and forgiveness framework (Khamitov, Grégoire, and Suri 2020). In addition, behavioral SFR offers clear definitions and valid scales for most constructs.

We understand that the applicability of the current theories and constructs may be tricky in the context of archival data. However, this challenge also represents a major opportunity for

quantitative SFR. Extant theories provide clear directions to guide the coding of archival data and the development of new dictionaries for textual analyses. These established theories and concepts are the cornerstone of a rich discipline, and they should be used and leveraged by quantitative SFR.

Recovery Insights

Fundamentally, research from the behavioral-subjective domain was developed to generate managerial insights. Managerial implications are indeed part of the field’s identity or DNA. For example, behavioral SFR has focused on conceptualizing various recovery types and determining the effect of service recovery on customer responses. Behavioral SFR has also identified various typologies of recovery strategies, the optimal levels of compensation, and the components of a sincere apology (Van Vaerenbergh et al. 2019). Learning from behavioral SFR would enable quantitative SFR to break free from descriptive typologies and intuitive findings.

Creating Synthesized Knowledge

Behavioral SFR needs to find a better way to communicate its rich foundational knowledge to quantitative researchers, and meta-analyses and systematic reviews offer an instrument to do so. Fortunately, the behavioral domain showcases a few such efforts (e.g., Gelbrich and Roschk 2011; Khamitov, Grégoire, and Suri 2020; Van Vaerenbergh et al. 2014), and these articles should become the “most read” and starting points for all potential SFR researchers. That being said, the field has a relatively low number of meta-analyses and systematic reviews—given its size and success—and the absence of such work represents an obstacle in the diffusion of knowledge accumulated in hundreds of articles. There is clearly a need for creating such synthesized knowledge.

Conclusion

Although the SFR field is at an advanced stage, we believe there are still plenty of opportunities for this community of researchers (see Table 1 for a summary). However, in order to stay relevant and to break out of the silo mentality, SFR researchers need to expand the basic and static “customer-firm” dyad and consider new contexts in which the notion of recovery may inadequately apply. Importantly, behavioral SFR also needs to collect better data and use stronger analytics to become more attractive in leading journals. Similarly, quantitative SFR researchers need to leverage current theoretical lenses to enhance the meaning of their models. By making such changes and creating ready-to-use synthesized knowledge, the SFR field, we are confident, will reclaim its rightful place as a generator of key insights for managers and academics.

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Note

1. For the details of any statistics in this editorial, please contact the first author.

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