

A Study on Service Failure, Fairness and Satisfaction of Customers

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Abstract. The result based on research analysis highlights the influences that service failure has on fairness and satisfaction in this study. The results of this research, which focused on responses from actual foreign visitors to Korea, highlight the importance of securing satisfaction of customers. It is expected that the research analysis of service failure is currently receiving in the county will help domestic food service enterprises, which are grappling to maintain and improve customer satisfaction, improve their competitiveness by providing the theoretical groundwork needed for the establishment of new service strategies and the development of customer service programs.

Keywords: Customers; Fairness; Satisfaction; Service Failure

1 Introduction

This study focuses on the effect of service failure in food service enterprises on the fairness and satisfaction. Its aim is to propose effective measures to improve such failed services in South Korea. Three objectives guided this research. The first objective was to distinguish the service failures that foreign visitors experience from food service enterprises in Korea. The second objective was to study fairness based on thorough research. The final objective was to identify differences in satisfaction levels that result from the quality of relationship with customers who are assumed to have been affected by fairness.

2 Research Model and Hypothesis

While service failure brings about different responses from customers depending on the extent to which enterprises have been able to control their failure in advance, customers evaluate their service failure by judging whether the object perceived to be responsible for a specific reason behind a service failure has controlled the reason. Customers show the strong discontent when the reason for a service failure is

permanent, when enterprises or service providers are responsible for such a reason, and when they realize that such a reason could have been controlled. However, the degree of discontent decreases when they realize that the reason for a service failure is temporary, when the reason is relevant to the customers, and/or when they realize the reason could not possibly have been controlled in advance. Service failure influences the level of discontent and complaints of customers towards enterprises and their repurchase intention. It is for this reason that customers who have experienced delayed services feel more anger when they believe that the delay was a failure that the enterprise could have controlled in advance than when they believe it was a failure that was impossible to control [3]. The more customers become aware of the fact that the enterprise could have controlled the reason for a service failure, the greater the customer dissatisfaction, which in turn influences their behavioral intentions [1].

The following hypothesis has been formed based on the above research in this study.

H1. Customers' service failure will have a significant negative(-) influence on their fairness.

Although the idea that fairness perceived in the process of recovering from service failures has a positive effect on the quality of relationship with regard to service recovery such as in the aspects of satisfaction, is unanimously agreed upon in the literature, many researchers assert that the degree of influence differs by type of fairness. Goodwin and Ross [4], Tax et al. [7] asserted that fairness has the most significant influence. Blodgett et al. [2] proposed fairness as having a major influence on the quality of relationship. The quality of relationship is a concept comprised of satisfaction, and it refers to customer evaluation of service providers in the long term.

The following hypothesis has been formed based on the above research in this study.

H2. The more customers perceive fairness, the more significant the effect on their satisfaction.

3 Research Method

The targets for this research were foreign visitors to South Korea for identifying their service failure, fairness and satisfaction. A questionnaire written in English was distributed to 500 foreign visitors, and 450 questionnaires were collected of which 413 were used for the analysis. Questionnaires that had many blanks or that otherwise seemed untrustworthy were discarded. The CFA was executed using AMOS 7.0 to analyze the validity of the evaluation model created from the variables used in the demonstration model.

Table 1. Frequency Analysis

| Variable | Contents | Frequency | % |
|------------------------------|--|-----------|------|
| Visit object | Tourism | 262 | 63.4 |
| | Business | 77 | 18.6 |
| | Acquaintance visit | 23 | 5.6 |
| | Study | 35 | 8.5 |
| | Etc. | 16 | 3.9 |
| Accompany | Friend | 177 | 42.9 |
| | Lover | 35 | 8.5 |
| | Family | 66 | 16.0 |
| | Colleague | 54 | 13.1 |
| | Travel colleague | 32 | 7.7 |
| | Etc. | 49 | 11.9 |
| Stay a period | Average 16.2day (Standard 52.66) | | |
| Information acquired process | Internet | 114 | 27.6 |
| | newspaper/magazine | 35 | 8.5 |
| | public broadcast | 11 | 2.7 |
| | Travel company | 98 | 23.7 |
| | Tradition | 143 | 34.6 |
| | Etc. | 12 | 2.9 |
| Used food service restaurant | Korean restaurant | 282 | 68.3 |
| | Chinese restaurant | 9 | 2.2 |
| | Japanese restaurant | 24 | 5.8 |
| | Western restaurant(family restaurant included) | 15 | 3.6 |
| | Hotel/Lodgings in restaurant | 59 | 14.3 |
| | Fast food store | 14 | 3.4 |
| | etc | 10 | 2.4 |
| Average a meal expense | ₩10,000(less than) | 169 | 40.9 |
| | ₩10,000~30,000 | 180 | 43.6 |
| | ₩30,000~50,000 | 50 | 12.1 |
| | ₩50,000~100,000 | 12 | 2.9 |
| | ₩100,000(or more) | 2 | 0.5 |

| | | | |
|------------------------------------|---------------------|-----|------|
| Restaurant choice a standard | Taste | 222 | 53.8 |
| | Price | 57 | 13.8 |
| | Kindness | 47 | 11.4 |
| | Language understood | 31 | 7.5 |
| | Atmosphere | 25 | 6.1 |
| | Cleanliness | 24 | 5.8 |
| | etc | 7 | 1.7 |
| Total | | 413 | 100 |

4 Results

The results of this research, which focused on responses from actual foreign visitors to Korea, highlight the importance of securing satisfaction of customers. Furthermore, it is expected that the research analysis of service failure of domestic services that foreign visitors are currently receiving in the county will help domestic food service enterprises, which are grappling to maintain and improve customer satisfaction, so called the relationship with customers, improve their competitiveness by providing the theoretical groundwork needed for the establishment of new service strategies and the development of effective customer service programs.

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