An exploration of consumers's response to online service recovery initiatives

by

Associate Professor Wilson Ozuem, University of Gloucestershire;

Amisha Patel, GP Liaison Officer, Commercial and Business Development, Lister Hospital, Chelsea

Professor Kerry E. Howell, Director of Research, Graduate School of Management, Plymouth University

and

Professor Geoff Lancaster, Dean, London School of Commerce

ABSTRACT

In a changing social, political and economic environment the use of information technology has permeated all forms of organisations: from private to public; from local to global; old and new. Parallel with this development, companies have developed and experimented with new means of interacting with customers, and have devised and applied a variety of marketing strategies. The deployment of the internet along with its subsets has created a number of new opportunities as well as a range of uncertainties and burdens, particularly on consumer perceptions of service quality, service failure and recovery. This paper concentrates on levels of service failure and recovery strategies in relation to UK online fashion retailers. It contributes to extant knowledge and an understanding of behavioural related issues, e.g. understanding consumer behaviour in the development of innovative business models in the industry.

INTRODUCTION

The broader institutional contexts in which we exist have been immersed in a societal transformation over the past two decades (Ringbern, Odekerken-Schroder and Christensen, 2007; Hoffman, et al 2003). Organisations have become absorbed in a process of negotiating choices among a diversity of options under conditions of intensified globalisation.

Literature on service failure and recovery suggests that firms seek to identify the nature of consumer complaints and effective service recovery (Bitner, et al 1990; Hennig-Thurau, et al 2004; Ward and Ostrom, 2006; McColl-Kennedy and Sparks, 2003; Berry and Seiders, 2008). Knowledge about passive customers who are dissatisfied, and the recovery paradox, is dependent on context and situation and tends to espouse existing recovery strategies in traditional marketing programmes into computer-mediated marketing environments (CMMEs). Success of a firm's strategies in service failure and recovery in the physical marketplace cannot be extrapolated to online marketing environments. This paper examines the level of service failure and recovery strategies in relation to UK online fashion retailers. The objective is to contribute to extant knowledge on service failure and recovery on CMMEs particularly in the UK fashion industry. The emerged analysis could reinforce behavioural related issues, e.g. understanding consumer behaviour in the development of innovative business models in the industry.

SERVICE FAILURE AND RECOVERY

Technological advancements have led to changes in customer expectations and methods by which businesses interact with consumers (Ozuem, Howell and Lancaster, 2008; Walker, et al 2002; Magnini and Ford 2004). Service failure and recovery can be learning opportunities for companies to help retain consumers. Organisations strive to provide maximum levels of customer service as consumers increasingly look for added value. Customer complaints are not

likely to provide ideas into key causes of operational failures as Meuter et al (2000) suggest, but a company's willingness and diligence to deliver value plays a vital role in providing a higher order of customer satisfaction. The effect of recovery strategies on a company's revenue and return can be significant, and keeping sound relationships with current customers is a key strategy. Customer dissatisfaction may lead to future purchases with competitors if recovery is ineffective. Many mainstream fashion stores have migrated to the Internet. Sales for the Arcadia group online, dominantly Topshop.com, increased by 27% in 2011 whilst 60 stores within the Arcadia group were closed worldwide. A study by Mintel estimated that the UK online fashion market was worth £10 billion in 2014 and predicted that the UK online fashion market will grow to £19 billion by 2019. The potential for profit online is enormous and optimum customer service is vital to maintain customer repurchasing.

Technologically induced marketing environments offer a level of shopping which offers streams of competing and highly differentiated brands. This environment allows dyadic modes of communication, and association with customers and consumers are able to justify their feelings about brands online through 'Word of Mouse'. As Kalb (2002: 62) summarised: "Unappeased claimers form the top of a negative word of mouth pyramid publicising negatives about your company." By implication, the reputations of companies online are not only due to the company themselves, but consumers who have opinions about them. This can be advantageous for brands, as consumers may connect and share interests. Through the growth of pressure groups, service failure without recovery can be broadcast through media such as forums and blogs. The online community is well informed about company activities (Kerr, et al 2012). Failing to recover after customer dissatisfaction may lead to potential customers choosing competitors. Service recovery after failure may be seen as an essential strategy in ensuring sound company reputation, encouraging consumers to communicate positive feelings about a company (Ringberg, Odekerker-Schroder and Christensen, 2007; Aaker, Fournier and

Brassel, 2004; Hui et al 2011). Companies' efforts to reduce risk associated with a growing number of encounters could be possible determinants for customers to remain loyal (Hess, Ganesan and Klein, 2003).

Changes in technology offer new opportunities to the way products and services are marketed. Although online media has distinct characteristics compared to traditional media, it is arguably more valuable to combine both forms to produce synergy (Ozuem, 2004). Thus, companies must ensure that they make use of technological assets which present added value for customers and return on investment. Despite these advantageous technologies, the tangible product cannot be felt or tried on by the consumer when shopping online. Drawing on Internet Retailer (2005) findings, Kandampully, (2012) contended that 62% of consumers prefer to try on clothes before buying them. In other words, shopping online cannot replace the process of touching, actually trying on the clothes before purchasing, allowing bricks-and-mortar stores to continue being the real retail experience. Because of the digital barrier between the consumer and product, there is a higher risk that consumer expectations may not be met. Thus, ensuring that recovery can be implemented and consumer expectation levels heightened is essential.

In his analysis of customer loyalty in the emerging technological market-space, Szwarc (2005) ascertained that through the internet, consumer pressure groups are emerging to highlight poor examples of service that is no longer considered acceptable. Customers may only give loyalty to those companies who have earned this right and have displayed loyalty to them. Levels of service expectation have increased and there has been a change in purchasing processes as customers seek to interact with each other to decrease purchase risk. Good service recovery can build dedication and trust between company and customer, which increases customer satisfaction and loyalty. Customers are likely to talk positively about the company which can assist in image enhancement.

A growing body of research has acknowledged the role of the internet as consumers are able to adapt to an evolving intrinsic and culturally context environment (Sousa and Voss, 2009). However, this critical stream of research has not really elaborated on the fundamental issue of service failure and recovery, and why management fails to adequately deal with individual complaints.

EQUITY AND FAIRNESS

In the technical or economic context, equity means that no person prefers the allocation given to another rather than one's own. A situation may be satisfied if all individuals can choose their allocation in a domain that provides a level playing field. Consequently, equity may be considered as 'equal liberty' in terms of basic goods (rights of people) and 'primary goods' where opportunities and personal attributes and capacities, as well as market variables and possibilities, are taken into consideration. Equity theory argues that rewards should directly correlate with the quality and quantity of inputs in relation to outcomes. When people are rewarded in the same way, this assists in convincing them that the organization/society is fair and appreciative, especially when the levels of inputs in relation to outcomes are similar. In such a situation, it would be acceptable for senior colleagues to receive greater remuneration because experience and consequent inputs are greater. People assess their job satisfaction by making comparisons between themselves and work colleagues. Given that no person should prefer the allocation given to another if an they considers that another person has greater recognition and rewards for similar contributions, it is likely that the employee would become dissatisfied and under-appreciated. In the same way as shoppers exist on a level playing field within the market place, if they perceive they are treated fairly in terms of service, and retailers are seen to ensure egalitarian allocation and ameliorate dissatisfaction, then recovery is more likely to occur.

Equity theory and ideas of 'fairness' are relevant when any form of exchange occurs; that is, at any point in the exchange process either individual or service provider may perceive inequity. In a service failure context, this provides a framework for assessing given consumer perceptions of inequity following service failures that can have consequences in terms of customer loyalty and trust. It is paramount to establish effective service recovery strategies relating to perceptions of shoppers, regarding equity and fairness in the exchange process.

RESEARCH METHODOLOGY

With this background in mind we proceeded with a qualitative study involving a constructivist ethnographic methodology, which was necessary in gaining a critical case perspective from an equity perspective to discover whether service failure recovery is a method of customer retention. For the constructivist paradigm, the core assumption is that realities are not objectively 'out there', but are constructed by people under the influence of a variety of social and cultural factors that lead to shared constructions. Howell (2013) argues that constructivism understands reality as locally constructed and based on shared experiences; because groups/individuals are changeable, constructivism incorporates a 'relative realism' or 'relativist ontology' for constructivist ethnography social science research incorporates interaction between the individual and what is sought in relation to values embedded in the research environment as well as other individuals involved in the investigation. Researchers are caught up in their social, historical and cultural histories which need to be made meaningful in relation to existing and historical theoretical frameworks and present day research in relation to that under investigation by the individual researcher. Constructivist ethnography involves understanding people's experiences through the development of 'a social construction that relates to individuals that are defined and determined by ideology, power, politics and culture that are implicit to this construction' (Howell, 2013: p.127). In a complex world, particularly computer-mediated marketing environments, multiple-frames of reference are needed to
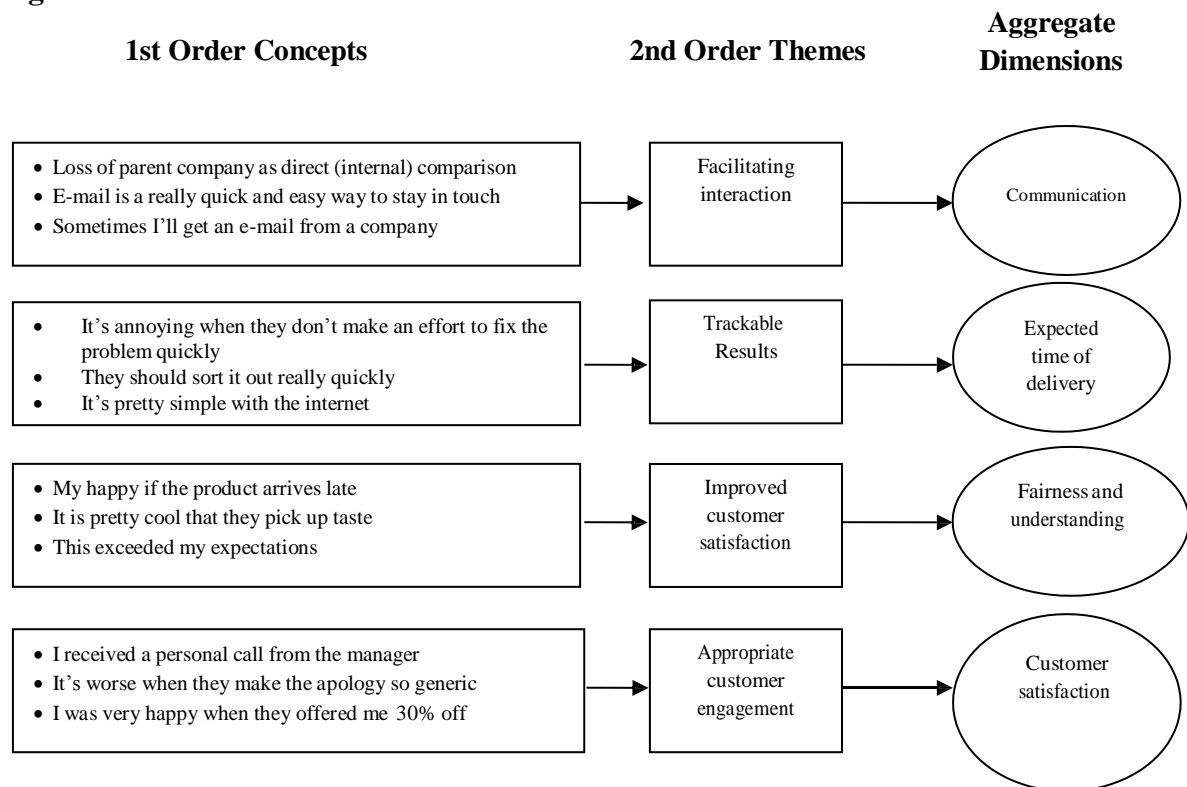
understand complex reality. Any given perspective is an incomplete abstraction that cannot describe all aspects of a phenomenon. Human existence is understood through phenomenological lived experience at the local level and involves 'thick description' and 'thick interpretation'. Gergen (2015; p.5) acknowledged that shared agreements are essentially captivating… the very agreements essential to moving forward with a research endeavour are, in effect, ontologically and culturally preserving. That is, they sustain existing traditions of indexing and understanding the world along with the forms of life in which they are embedded. In order to investigate the local understanding we have undertaken close interpretation regarding the practices of the participants and their constructed lived experiences.

Data collection proceeded in two major ways: through semi-structured interviews in late 2013 with participants drawn across occupational spectrums, twenty-three informants were interviewed on the nature of service failure and recovery they had experienced. Selection of participants was guided through carefully drawn purposive sampling based on preferences for online shopping. Recruitment of interviewees was carried out at a professional conference meeting in London and most participants were from fashion and merchandising related backgrounds. Participants provided different dates and times where they were available to be interviewed.

Gioia, Corley, and Hamilton, (2012) devised a qualitative approach that allows for a systematic presentation of both a first order analysis (i.e. an analysis using informant-centric terms and codes) and second order analysis (i.e. one using researcher-centric concepts, themes and dimensions). Rather than using qualitative software packages (e.g. Nvivo) analysis of data was traditionally conducted, using a traditional inductive qualitative approach (Corley and Gioia, 2011). Several informant terms, codes and categories were identified in the research process. As the research progressed, we started to identify similarities and differences among the many categories. This reduced the categories into more manageable numbers and

discounted some categories that were not useful to any of emerged themes. The third order, called 'aggregate dimension', configures the emerged data to manageable themes (see Figure 1, Data Structure). Thematic analysis has moved beyond counting explicit words or phrases and focuses on identifying and describing both implicit and explicit ideas within the data. In this research, empirical data were categorised into four major themes and synthesized both implicitly and explicitly to represent participants' ideas or words. Major themes have been categorised as explicit ideas and words expressed by respondents, while implicit ideas have been identified and developed from respondents' comments.

Figure 1 Data Structure

1st Order Concepts	**2nd Order Themes**	**Aggregate Dimensions**
• Loss of parent company as direct (internal) comparison • E-mail is a really quick and easy way to stay in touch • Sometimes I'll get an e-mail from a company	Facilitating interaction	Communication
• It's annoying when they don't make an effort to fix the problem quickly • They should sort it out really quickly • It's pretty simple with the internet	Trackable Results	Expected time of delivery
• My happy if the product arrives late • It is pretty cool that they pick up taste • This exceeded my expectations	Improved customer satisfaction	Fairness and understanding
• I received a personal call from the manager • It's worse when they make the apology so generic • I was very happy when they offered me 30% off	Appropriate customer engagement	Customer satisfaction

This study aimed to gain bona fide understandings of participants' 'lived experience'; that is, without imposing preordained understandings the research focuses on experiences that hinder or improve perspectives regarding online environments. Phenomenological research emphasises the context and importance of detailed analysis of what exactly happens in a study, and focus on what works, for whom and in what circumstances. Interviewing was based on a

researcher meeting interviewees at agreed designated locations and recording the meetings. Participants were asked questions regarding levels of online dissatisfaction related to purchases and sequences used by retailers to recover online service failure. Questions were free flowing and open-ended aimed at participants telling things from their point of view and experiences.

Ethnographic research is a situated activity that locates the observer in the research process, consisting of a set of interpretive, material practices that make the world visible. Phenomenological studies involve a structured understanding of experienced lives. In addition, as researchers examining the perceptions and experiences of 'others' we are unable to isolate our understanding and values from those researched. Therefore, our knowledge and understanding of the phenomenon are living forces that unconsciously and consciously condition the way we understand 'others' (Ozuem, Thomas, and Lancaster, 2015).

FIELDWORK

Understanding

Equity and fairness are abstract psychological process related to circumstances whereby one is able to think about and use concepts to deal adequately with it, involving a two way process that develops when two or more parties have mutual sharing and caring behaviour.

"I am happy even if the product arrives late or I get the wrong thing if they give me a promotional code for money off my next purchase. It's good because even though they've obviously messed up, it means you can get a good deal from them next time."

When describing her experiences, this twenty-five year old female fashion stylist, introduced value laden expectations and fairness in the recovery process. She went on to say:

"I remember once I shopped with a company and yeah it came a bit late and I got a voucher code. That was alright. But another time, I basically bought a playsuit online and it said it was in stock on the site, but they e-mailed me saying it wasn't and instead of cancelling it they sent me another one they thought I might like. I checked the price and it was a few pounds more

expensive and actually was even nicer than the one I chose! I was really happy about that, because I wanted something nice for my holiday and this exceeded my expectations."

Perceptions of such respondents confirm that resolute and fair recovery after service failure is important in maintaining loyal custom. The consumer expects to receive more than what they paid for because the company has ceased to deliver to their first expectation. In this case it is noted that promotional codes are a strategic tool to keep the consumer from switching loyalty to competitors. The urge to re-establish emotional bonds through promotional and other compensatory actions enhances value for money in the consumer's mind and alters the perception of mistreatment. Apologising converts these actions to loyalty. When respondents experience successful recovery, it improves not only the satisfaction level, but customer loyalty (Smith and Bolton, 1998). Indeed, notions of equity and fairness improve relationships between customer and provider as well as underpin satisfaction and loyalty. This is important when dealing with on-line providers because limited territorial proximities requires that notions of trust be explicitly developed. Correspondingly, a thirty-six old health care assistant noted:

I remember a while ago I ordered something out of stock online, and they said which store I could pick it up from closest to me, and also if I'd like something else which they recommended. It's pretty cool that they picked up on my taste. Although the order was delayed for a few days, the added compensation and support in recommending similar products was very helpful.

Personalisation can be seen as vital when implementing service recovery as the consumer feels like an individual. It gives the company competitive advantage by providing extra insight and knowledge of consumer tastes. Suggestion of alternatives if the consumer does not receive the product asked for shows the company is taking an extra initiative to satisfy them through compensation or superior substitute products.

Expectations

Building solid relationships in terms of equitable treatment and fairness in an effective and efficient manner is the key to successful service recovery. Results indicate that equity and trust

play a fundamental role in determining the long term orientation of both provider and customer (Krishna, et al, 2011). A theme from respondents can be summarised from one specific interviewee, a forty-two year old management consultant:

"If I am left with nothing after buying something online, and they don't try and fix it quickly it just isn't good enough. I've had experiences with bad customer service online when I've paid a lot for clothes; they send the wrong thing and don't respond or do anything about it for many days. It's annoying when they don't make an effort to fix the problem quickly."

From a service recovery position, treating people in an equitable manner this assists in convincing them that the organization/society is fair and appreciative. Identifying the right communication channels to rectify problems quickly could improve relational ruptures between companies and customers. Relationship building in terms of equity and fairness is a process intensive event requiring responsiveness, assurance and exceptional service over time (Maxham and Netemeyer, 2002). Similarly, a twenty-three year graduate noted:

"You don't want to be left hanging on for days after you've already had the money exit your account and they haven't even given you what you expected. That's just cheeky. They should sort it out really quickly."

Thus promptness of recovery after failure was expected to be as soon as possible to show reliability coupled with an apology from the company to the consumer. This makes the company seem fair and respectful towards the consumer. The swiftness of recovery actions could develop unique understanding between consumer and company, thus improving the relationship and interaction between them. Consistent with this assertion, a thirty-three old social worker expressed:

"I definitely wouldn't bother shopping with a company again if they hadn't apologised after messing me around, or done anything about it ASAP. Unless they were the only place that did a certain type of product of course, but nowadays there are so many fashion sites online and they all have good stuff. It's pretty simple with the internet."

This respondent highlights the competitive nature of the internet and the necessity for relationships built on fairness and equity. Without ensuring these fundamental underpinnings shoppers will not return and the long term prospects of the company damaged. Her response identified the need for the company to rectify trust in the company by apologising and compensating for service failure otherwise fairness is not perceived and loyalty taken to another company. Ease of accessibility to a wide variety of sites can be threatening for a company especially if it fails to employ service recovery and ensure customer perceptions of fairness and equity. Strategies for equitable considerations when dealing with customers as well the time of recovery after service failure are imperative for maintaining customer relationships.

Communication

Communication through personal contact, not automated emails, is a key driving force when reassuring customers an equitable level of services being provided. Choosing the right communication channels can facilitate a higher order of interaction between customers and companies. Yadav and Varadarajan (2005) noted that equity and fairness in the market can be perceived through each of the variables involved in communicating in the communication exchange process as: 1) bi-directional; 2) timely; 3) mutually controllable; 4) responsive. As noted by a twenty-six year old female Dentist:

"email is a really quick and easy way to stay in touch with customers. I find that if I order something and they keep me posted, I feel I can rely on them more. I don't appreciate spending money on a website before I get the product if they're not even going to tell me when I can expect my order, especially if it's already late. When you buy clothes and they know that they've made a mistake with your order, or if they stay in touch with you like a real person, you feel like you can rely on them in the future even if they've messed up this time."

For this respondent, companies should be more proactive in communicating with customers when products arrive late, or due to unforeseen circumstances an order is being delayed. Similarly, a twenty-six year old designer noted:

"It's good to know that the company has recognised where something has gone wrong because then you feel like a real person. An e-mail saying we know this is what you expected and we're doing all we can to get you what you want, means I won't blame them, because they've let me know."

For this respondent, companies realising that there is a breakdown in service should notify customers on time, rather than waiting for them to make enquiries about non-delivery before apologising. For her, recognition depends on communicating with customers explaining the nature of the failure and the recovery processes initiated by the company. Another respondent, a twenty-nine year old accountant, said:

"Sometimes I'll get an e-mail from a company telling me I've ordered this dress and that top, and when I can expect the delivery to come. I prefer if they text me the time of my delivery and they do that when I order for the next day. I've experienced some deliveries arriving too late for particular occasions like weddings or parties, so now I always order early and for the next day. It is five pounds extra, but it's worth it because they tell you it's going to happen and you believe it will if they've done it before."

This respondent felt that good communication was a means for companies to guarantee equity and ensuring consumers trust their services. It was understood that despite the encounter of service failure, this consumer was willing to pay extra to receive goods on time and be kept up to date with the purchase. The idea of texting the consumer to give the time of delivery shows value for the consumer. Email was seen to be rather generic and mobile communication a more solid, personal communication method.

"I do trust I'll receive whatever I've ordered, but it's not ideal when you're expecting it on the day, but never receive it. Some companies don't bother to apologise and say it might be late or something. If they do, at least you know they're trying to sort it."

This same respondent offers intriguing thoughts on online fashion retailers. Employing an equitable position toward consumers through apologies from retailers that orders are being delayed beyond what was originally expressed can pacify an expectation frame of mind. Consistent with this assertion, a thirty-three year old school teacher noted:

"I just like to be informed really; it's not a big deal if it is a day late, but if they tell me, it is fine. It's not the greatest because you have already paid, but by letting you know that they are still going to deliver to you it makes me feel better."

Satisfaction

The impact of service recovery is dependent on and equitable position underpinning the effectiveness of recovery strategies that can be achieved in e-service settings when companies address the quality of the recovery associated with the problem. If recovery effectiveness is transparent and equitable, satisfaction with recovery may also reach levels to have a significant impact on customer loyalty (Sousa and Voss, 2009). Commitment to equitable relationships is the desire to develop stability; a willingness to look beyond immediate benefits to maximise customer lifetime value. Fundamentally, treating consumers in a fair and equitable manner is paramount (Ganesan and Hess, 1997). The effectiveness of recovery strategies after service failure improves satisfaction and repurchase from the same company. As a comment from a thirty year old solicitor illustrates:

"I appreciate it if companies make an effort to redeem themselves regarding my dissatisfaction when I haven't received what I want. I don't think it could be called a 'recovery' if the customer wasn't satisfied with the compensation given. I usually buy my clothes from department stores, as I have had quite a few mishaps with delivery (of online orders) and as such I imagine they get this with many orders. One company gave me a pocket square three days late. I was very happy when they offered me 30% off and free delivery with my next purchase, because it made up for waiting."

Successful recovery strategy involve initiating fairness in the transaction which boosts morale, builds confidence and gains appreciation for the consumer's decision to positively interact with the service provider. Effective recovery strategy communicates equity, abates consumer anger and acts as switching barrier (De Witt and Brady, 2003). A thirty-two year old personal assistant illustrates this position:

"I think the company should always want to make it better if they've received a complaint or done something wrong. Bottom line is that the customer paid the money so they're always right! If I see they've made an effort with me to fix their mess, I don't mind. Sometimes it depends how big the mess is, so they have to take their mistakes seriously...I ordered some items to be used for my sister's wedding, but they arrived two days before the wedding. It was a nerve shattering moment, but turned out to be one of the best of my shopping life. I was highly compensated and even received a personal call from the manager".

The extent of customer satisfaction is dependent on notions of fairness and levels and swiftness of recovery actions. The likelihood of achieving outstanding recovery as perceived by customers is dependent on settings and strategies used to satisfy consumers; if consumers perceive they have been treated fairly then recovery is realisable. This respondent identified the personalised nature of interaction with senior staff that provided reassurance, improved satisfaction and a sense of fairness. Similarly, a twenty-nine teaching assistant exemplified this issue:

"Ultimately, if a company has failed to give me what I want or expected and don't make efforts to satisfy my needs, I won't shop there again. It's worse when they make the apology generic and don't take into account inconvenience. I obviously want to be happy with my purchase and feel like it is money well spent. That's the whole point of shopping isn't it?"

This respondent highlights that individual expectations should be considered when implementing effective service recovery. Once the customer has been treated fairly and returned to the satisfied state it is arguable that effective service recovery has been undertaken. Each failure possesses a different level of importance and must be recovered according to the knowledge of consumers' tastes in line with and equitable disposition (Holloway and Beatty, 2003; Craighead, *et al,* 2004).

TABLE 1 EQUITY AND FAIRNESS: SUB- CATEGORIES

Sub-category	Description	Key words

Understanding	Recovery must be equal or additional to the service failure to be perceived as fair to the consumer.	Promotional codes; Free gifts; Personalisation; Extra effort from the company.
Expectation	Time taken to recover after service failure can affect consumer repurchases. Time periods may differ and different variables affect strategies. However, the consumer must perceive they are treated fairly and all is being undertaken to rectify the situation.	Confidence in the company; Hopeful arrival of products; Compensation for being let down; Decreased waiting time for product.
Communication	Communication from the company acknowledging service failure and attempt at recovery as being extremely important. Clear conveyance and evidence of equitable solutions and fairness in ensuring satisfaction	Apologies by E-mail/Text; Personalised contact; Trust; Product whereabouts; Reliability through informing the consumer.
Satisfaction	Service failure recovery must seek to fulfil the consumer to a satisfied state in order to uphold relationships in terms of levels of equity and fairness of treatment.	Approval of recovery; Exceeding expectations; Endorsement; Customer value; Individualisation.

DISCUSSION

Consumption has long been a preoccupation in modern society. The growth and popularity of the internet has provided consumers with ease and accessibility to a vast number of websites. Fashion is one of the most popular forms of consumption in the UK. Businesses have

encompassed the advantages presented by the internet, as shown through the technological transition of marketing efforts. The number of online fashion companies recognising these advantages is growing, increasing competition online.

Divett, et al (2003) argue that satisfaction is the ultimate factor leading to strong probability of consumer loyalty. Satisfaction also requires sound communication channels underpinned by perceptions of equity and fairness. Service recovery must seek to fully satisfy consumers in terms of equity and fairness to influence loyalty levels by strengthening the relationship between company and consumer. Lin and Sun, (2009) emphasise that many factors influence consumer loyalty online, whilst highlighting the notion of social factors (equity and fairness) affects consumer expectations (Magnini and Ford, 2004; Komunda and Osarenkhoe, 2012) which must be resolved for companies to retain customers. The use of generic apologies and failure to remedy personal inconvenience can negatively influence a consumer's repurchase decision. Personalisation is currently lacking when receiving service and support in the fashion sector due to the volume of consumers that shop online. Personalised communication strengthens and affects all aspects of company to consumer relationships, allowing individuals to feel they are not merely one of many consumers, particularly when recovering from service failure (Ball, et al 2004). Through personalisation, notions regarding equity, fairness and satisfaction are intensified.

The perceived interactivity when shopping online should be used as a two way communication approach between company and consumer, to reduce the digital divide (Wu, 2005; Sillence, et al 2006). Communicating efforts and reducing the time of service recovery could improve notions of farness and consequent satisfaction levels. The rise of technological use by consumers changes expectations of customer management (Zineldin, 2006). The use of CRM can be complex, but useful in identifying groups of valuable consumers and frequent

website visitors to encourage loyalty. Companies should not, however, over-communicate to consumers. Customers who have been successfully satisfied after service failure are keen to demonstrate their experiences and share their stories with family and friends (Andreassen, 2000; Boshoff, 2005; Strauss and Schoeler, 2004). Service recovery is effective if justified by the consumer as an equal or exceeded form of compensation and fairness.

CONCLUDING COMMENTS AND LIMITATIONS

Technological service failure and recovery has been debated by marketers as a tool for businesses to improve their operational processes (Bitner, et al 1990; Walker, et al 2002). Marketing and consumption has migrated to the internet, yet customer service expectations remain high when shopping online. Maintaining loyalty through effective customer service must be embedded into practice for a customer focused approach (Johnston and Fern, 1999). Our findings suggest that service failure recovery, if implemented in a generic and impersonal manner, can adversely affect the loyalty of fashion consumers who remain loyal for reasons other than customer service. This plays a pivotal role in demonstrating a willingness to deliver value in an effective manner.

Rather than undertake a positivist methodological approach to discover a single comprehensible reality we recognised that in a complex world, (particularly computer-mediated marketing environments) multiple-frames of reference are needed to understand complex multiple realities. For this ethnographic study we recognised that researchers are caught up in contingent social, historical and cultural situations which are made meaningful in relation to theoretical frameworks and the actuality of the area under research. We are therefore able to use the theoretical perspectives regarding equity and fairness to identify practical implications of service recovery. Constructivist ethnography involves understanding people's experiences through the development social constructions (Howell, 2013).

The experiential or practical implications of this constructivist ethnographic study is that mechanisms of managing service failure and recovery should take into account social and economic conditions surrounding the interface between the service provider and receiver. These emphasize the importance of appropriate contextual recovery strategies not only for the interests of customers, but for companies. As this research has shown, equity theory and ideas of 'fairness' are relevant when any form of exchange occurs; that is, at any point in the exchange process service providers may perceive inequity. In a service failure context, equity theory and fairness provide a framework for assessing consumer perceptions of inequity following service failures that can have consequences in terms of understanding, expectations, communication and satisfaction. In a practical context, to ensure understanding service recovery must be equal or additional to the failure if it is to be perceived as fair by the consumer. Expectations are influenced by the amount of time taken to recover following service failure; time periods may differ and different variables affect strategies. Fundamentally, customers must perceive that they are being treated fairly and the situation rectified in an acceptable manner. Communication acknowledging service failure identifying attempts at recovery are extremely important. Communication should convey evidence of equitable solutions and fairness in ensuring satisfaction. Indeed to ensure continued relationships with the customer satisfaction service failure recovery should explicitly identify equity and fairness. By so doing, companies may enhance the successful implementation of retention programmes that can provide value and trust for customers.

Further research is needed to explicate linkages between service failure and the effectiveness of recovery strategies. This small sample study has concentrated on validity. Future research should be larger in scale and consider reliability. It would be useful to survey managers to examine the extent to which their service failure and recovery strategies are truly

effective to further validate customer perceptions, and analyse how recovery strategies link to a broader managerial praxis.

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