

A Look at the Relationship between Service Failures, Guest Satisfaction, and Repeat-Patronage Intentions of Casual Dining Guests

Cornell Hospitality Quarterly
52(4) 438-444
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DOI: 10.1177/1938965511419844
http://cqx.sagepub.com


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Abstract

Service recovery is essential to maintaining guest satisfaction in the event of a service failure. However, restaurateurs must approach service recovery in the appropriate context, because guests give differential consideration to different types of problems. Without doubt, a restaurant's failure to serve food correctly is viewed as the most serious type of failure, and a food problem coupled with a servicet failure makes matters even worse. However, service failures by themselves are soon forgiven if the recovery is properly handled. Oddly, the least important type of failure, that of atmosphere (e.g., design, noise level), is most likely to cause a guest never to return, even if the restaurant makes a proper recovery. This study of more than eight hundred restaurant patrons found a positive and significant association between guests' reported satisfaction with the outcome of their complaint and their repeat patronage intentions. The study's findings highlight the importance of adequately resolving guests' complaints with the goal of increasing the possibility that the guest will return to a restaurant after a service (or food) failure.

Keywords

restaurant service recovery, guest satisfaction, repeat patronage

Most operators of service-based organizations recognize the importance of properly managing service failures as they arise in their operations (Liao 2007; Kim et al. 2003). Having an understanding of how service failures and service recovery influence guests' perceptions and attitudes of the products and services they consume is an important part of an operator's ability to deliver quality products and services to their guests. We use the term "service failure" broadly to describe the elements of a restaurant experience that act as a precursor to a complaint (in this case, food, service, and atmosphere or other). In many ways service failures offer operators the opportunity to gain insight into how well their operations perform and how to improve their performance based on their guests' reactions to service failures and service recovery (Tax, Brown, and Chandrashekar 1998; Wirtz and Mattila 2004; Kim et al. 2003).

Justice theory is often used to describe how guests evaluate service failures, and the subsequent service recovery process. Research on justice theory examines whether individuals believe the outcomes of the service recovery process were fair given the extent of the failure (DeWitt, Nguyen, and Marshall 2008; Ha and Jang 2009). Justice relating to satisfaction with complaint handling is commonly viewed as a three-dimensional construct that comprises distributive justice, interactional justice, and procedural justice (Tax,

Brown, and Chandrashekar 1998; Wirtz and Mattila 2004). Distributive justice involves a consideration of the tangible benefits and costs of a service recovery process; interactional justice involves the manner in which a guest is treated during the service process; and procedural justice involves the process by which a recovery attempt is conducted. A guest's perception of justice in the recovery process is positively related to repeat-purchase intentions (Liao 2007). Justice theory demonstrates the pivotal role that service recovery plays in building guest loyalty (DeWitt, Nguyen, and Marshall 2008; Liao 2007; Ha and Jang 2009; Kim et al. 2003; Kim, Leong, and Lee 2005).

In the context of the justice explanation for guests' reaction to restaurant service recovery, we present and test three main ideas in this article. First, we discuss the types of service failures commonly experienced in restaurants. Next, we define how the severity of service failures influences

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guests' perceptions and attitudes, and last we discuss how service remedies and guests' repeat-patronage intentions emerge from and are influenced by service failures and the complaint process.

Type of Complaint

While a restaurant experience can be considered a single event, it is composed of several interrelated components that can be evaluated both individually and collectively (Susskind 2005; Gupta, McLaughlin, and Gomez 2007; Kim, Leong, and Lee 2005). Needless to say, food and service are the two key factors influencing a restaurant's success (Susskind 2002). Several studies have shown that the root cause of service failures in restaurants has an influence on how guests communicate with others regarding their experience, and how guests view and respond to recovery actions (Susskind 2002, 2002; Spreng, Harrell, and Mackoy 1995). While the "servicescape" and other tangible elements of a restaurant experience influence guests' experiences in service environments, the physical characteristics of the establishment are likely to be less variable and more objectively evaluated than the product- and service-related elements. For example, the atmosphere of a sports bar is likely to be notably different from that of a luxury restaurant. The features of both the sports bar and the luxury restaurant should be consistent with their concept (e.g., noise, décor, lighting, music, entertainment), but each guest will individually evaluate those elements and determine whether they met their expectations. This is true regardless of how well you address a service failure related to the atmosphere (Bitner 1992).

Severity of the Service Failure

The severity of a service failure not only varies by episode but also according to the guest's perceptions and expectations, which determine his or her evaluation (Susskind 2000, 2005; Ha and Jang 2009; Kim, Leong, and Lee 2005). The severity of the service failure will likely influence what course of action, if any, the guest will take to address the service failure and should help both guests and service providers determine the remedy that is required to redress the problem (Hoffman, Kelley, and Rotalsky 1995; Liao 2007; Spreng, Harrell, and Mackoy 1995).

Service Remedies and Satisfaction with Outcomes

The nature of the remedy applied by service providers to correct dissatisfying elements of a service experience will also vary according to the specifics of the failure (Richins 1983). In two studies of restaurant guests' complaints about service experiences, a set of recovery actions was defined

by the degree of correction offered by the service provider. Actions such as offering free food, discounts, coupons, or managerial interventions were presented as corrections involving a high degree of effort, while actions such as making adjustments, offering apologies, or doing nothing to correct the problem were presented as low correction actions (Hoffman, Kelley, and Rotalsky 1995; Susskind 2005). These groupings of recovery actions appear to be representative of the range of offerings in service settings where the guest evaluates the service experience before rendering payment, such as in a restaurant or hotel (Hoffman and Chung 1999; Sundaram, Jurovski, and Webster 1997). The degree of correction that is negotiated or offered following a service failure is one key to a successful service recovery, and another is matching the recovery actions to the guests' expectations, since success relies on whether the guest believes the remedy was appropriate to the situation (Liao 2007).

Repeat-Patronage Intentions

As we have been discussing, a critical element in guests' desire to return to a restaurant following a service failure is whether they feel that they have received fair treatment following a service failure (Goodwin and Ross 1992; Maxham 2001). A growing body of research has shown this connection between satisfaction with a service experience or service recovery and repeat-patronage intentions (Davidow 2000; Davidow and Leigh 1998; Gupta, McLaughlin, and Gomez 2005; Smith, Bolton, and Wagner 1999; Spreng, Harrell, and Mackoy 1995; Ha and Jang 2009), not to mention favorable word of mouth (Lewis and McCann 2004; Maxham 2001; Yi 1990; Kim, Leong, and Lee 2005). We should also point out that it has been reported that the recovery time involved in redressing a service failure has a significant effect on repeat-purchase intent and word-of-mouth referrals. As one might expect, immediate recovery actions resulted in higher return intentions and lower negative word of mouth than a delayed or slower service recovery (Wirtz and Mattila 2004). These findings highlight the importance of correcting service failures as quickly as possible to build repeat-patronage intentions.

Guests' commitment to an organization is an important influence on their repeat-patronage intentions. In general, guests may be affectively committed, and they desire to continue their relationship as a guest, or they may be calculatively committed, meaning that they continue the relationship because of high switching costs (Mattila 2004). Restaurant switching costs are minuscule, so calculative commitment is not normally a factor for restaurants. Instead, restaurants may seek to improve affective commitment. Oddly, Mattila found that those who have low affective commitment are more forgiving of a service failure if the restaurant's recovery is well handled. However, she also

found that those who have high affective commitment are more likely to return to the establishment after a failure and recovery (Mattila 2004).

With those sometimes conflicting studies in mind, this investigation sets out to examine how guests react to service failures by considering four factors:

1. the nature of the complaint lodged (food vs. service vs. other),
2. the severity of the service failure,
3. the outcome of the resolution, and
4. how the service failure and remedy influenced subsequent patronage intentions.

To that end, the following three-part research question is presented and tested.

Research Question: How does the type of service failure (i.e., food, service, or atmosphere or other) experienced by a guest relate to the guests' (a) perception of the severity of the service failure experience, (b) satisfaction with how the service failure was handled by service provider, and (c) intent to return to the restaurant?

Participants and Procedure

To test the three research questions proposed above, 802 restaurant patrons were intercepted at airports, convention centers, and vacation destinations. We avoided collecting data at restaurants to avoid any recency effect. These data were collected over a six-month period as part of larger study investigating the consumer behavior of leisure and business travelers. Participants were asked to fill out the survey in exchange for a \$2.00 gift certificate at a national coffee house chain. Each guest was asked to recall a specific time when they had to make a complaint in a casual-dining restaurant. We then asked whether this complaint involved: (1) food, (2) service, (3) a combination of food and service, or (4) atmosphere or other elements. The participants were asked to rate the severity of the service failure on a 5-point scale, where 1 = very minor and 5 = very problematic.¹ Likewise, we asked respondents to rate how satisfied they were with the complaint remedy or outcome on a 5-point scale ranging from 1 = very dissatisfied to 5 = very satisfied. Last, the participants were asked to rate the probability of returning to the restaurant following their experience with the failure and remedy, again on a 5-point scale ranging from 1 = definitely will not return to 5 = definitely will return.

Although we had a wide age range among participants (eighteen to seventy years), our respondents skewed toward youth, with a median age of 28 (mean = 32.74, SD = 14.74), and 58 percent were female. To provide a context for the participants' perceptions of complaints while dining they

were asked to report how often they dine out each week for their lunch and dinner meals. The participants ate their lunchtime meals out between zero and seven times per week on average (mean = 3.07, SD = 2.15, median = 3) and their dinnertime meals out between zero and seven times per week (mean = 2.51, SD = 1.94, median = 2). To determine whether dining frequency had any influence in the model, dining frequency for lunch and dinner were added to the model as covariates. The results indicated that neither lunch nor dinner dining frequency had a significant effect in the model and were hence removed from further analyses.

Analyses. The analysis treated the mean values of severity of the complaint, satisfaction with the outcome, and repeat-patronage intentions as the dependent variables as relating to the four categories of complaints (i.e., food, service, combination of food and service, and atmosphere or other) using one-way analysis of variance. The main effects were examined to determine whether there was a notable difference in guests' reactions to the complaint and recovery process based on the nature of the complaint. The significance of the differences among the complaint types was examined using a post hoc Duncan's multiple-range test. This procedure examined the differences for one of the quantitative dependent variables (in this case severity of complaint, satisfaction with outcome, and repeat-patronage intentions) by a single-factor independent variable (in this case, the nature of the complaint). The post hoc tests show which means differ specifically to add in the interpretation of the data (using SPSS for Windows 14.0). A visualization of the relationships is presented in Exhibit 1 and the descriptive statistics and correlations among the dependent variables are presented as Exhibit 2

Summary and Discussion of the Findings

The study revealed that the majority of the guests' complaints stemmed from food-related concerns (42.7 percent). Complaints involving a combination of food- and service-related concerns ranked second at 26.4 percent, and service-related complaints ranked third at 25.2 percent. Complaints about the atmosphere or a topic not directly related to food or service accounted for 5.7 percent of the guests' complaints.

Severity of the Service Failure

In the examination of Research Question 1a, the reported severity of the service failures was highest for failures involving issues of food and service combined (mean = 4.39) and problems with food alone (mean = 4.30). Complaints relating to atmosphere or an issue not directly related to food or service were reported as moderately severe (mean = 3.96), while the reported severity of problems

Exhibit 1:
Results from the One-Way Analysis of Variance for Complaint Type



Note: Numbers on the charts are the mean responses for each variable by complaint type: F = food-related, S = service-related, A/O = atmosphere or other, and F/S = a combination of food and service.

Exhibit 2:
Descriptive Statistics and Correlations among the Dependent Variables

	Mean (SD)	1.	2.	3.
1. Severity	4.02 (1.18)	–		
2. Outcome	3.47 (1.38)	-.04	–	
3. Repatronage	2.99 (1.28)	-.05	.42**	–

Note: N = 803 using listwise deletion.
**p < .01.

with service alone was the lowest (mean = 3.16). These differences are significant (one-way ANOVA), $F(3, 799) = 59.75, p < .001$. Moreover, results from Duncan’s multiple-range tests indicated that the weight of food-related problems or a combination of food- and service-related complaints was significantly higher than a complaint relating to the atmosphere, which was in turn significantly higher than complaints relating to service alone at the $p < .05$ level. These findings suggest that errors in service delivery alone are viewed as less problematic to guests when compared to errors involving food or the atmosphere (Susskind 2002, 2002).

Satisfaction with the Complaint Outcome

The test of Research Question 1b showed the challenges involved in service recovery. Guests who experienced a

problem with food and service combined (mean = 3.33) or food alone (mean = 3.39) reported the lowest level of satisfaction with the outcome of the complaint. Satisfaction with the outcome of the complaint for service-related problems alone (mean = 3.70) or the atmosphere (mean = 3.72) were significantly higher. Again, food-related complaints or the combination of food- and service-related complaints appeared to be the most difficult to manage and recover from. Again, the differences in severity from one category to the next is significant (one-way ANOVA), $F(3, 799) = 59.75, p < .001$. As with the weight of the complaint, results from Duncan’s multiple-range tests indicated that recovery from food-related issues and a combination of food- and service-related complaints were significantly more challenging than a complaint relating to the atmosphere, which was significantly higher than service related complaints at the $p < .05$ level.

Repeat-Patronage Intentions

Last, the test of Research Question 1c showed that guests’ repeat-patronage intentions varied as a function of type of service failure they experienced. In this case, guests who reported a service-related failure were the most likely to return to the restaurant (mean = 3.32), followed by guests who reported a combination of food- and service-related problems (mean = 2.93) and only food-related problems (mean = 2.88). Oddly, guests who reported problems with the atmosphere or some other non-food- or service-related problem were the least likely to return (mean = 2.59).

Similar to the satisfaction with outcome variable noted above, the service-related failures were associated with a higher level of repeat-patronage intentions, when compared with complaints related to food, the combination of food and service or atmosphere. The one-way ANOVA results revealed significant differences among the means for the satisfaction with outcome variable, $F(3, 799) = 3.48, p = .02$. Results from Duncan's multiple-range tests indicated that food-related problems and a combination of food- and service-related complaints were significantly higher than a complaint relating to the atmosphere and a service-related complaint alone at the $p < .05$ level.

Correlations among the Dependent Variables

To further describe the relationships uncovered through the ANOVA presented above, we examined the correlations among the dependent variables. The correlations revealed that guests' satisfaction with the outcome of their complaint and their repeat-patronage intentions were negatively (but not significantly) related to the severity of the service failure (satisfaction, $r = -.04, p = .27$; repeat patronage, $r = -.05, p = .12$), suggesting that those guests who experienced more severe service failures reported a lower level of satisfaction with the outcome and a lower desire to return to the restaurant after the service failure. However, one should use caution in interpreting these relationships, because the correlations were small and not statistically significant. Taken together with the results of the one-way ANOVAs, the impact of food-related and food- and service-related complaints was greater to these guests.

Conversely, the association between guests' reported satisfaction with the outcome of their complaint and their repeat patronage intentions following the complaint were positively and significantly related ($r = .42, p < .01$). This finding highlights the importance of adequately resolving guests' complaints to increase the possibility that they will return to your restaurant after the service failure. We ran a MANOVA to further examine the interrelationships among complaint type and the dependent variables. The multivariate model fit the data quite well, indicating that the type of service failure (i.e., food-related and food- and service-related failures) was associated with higher levels of severity, lower levels of outcome satisfaction, and lower levels of repeat-patronage intentions. The Hotelling-Lawley Trace Statistic was significant ($.26, p < .001$), yielding the F statistic, $F(9, 2389) = 23.22, p < .001, \eta^2 = .08$.

Managerial Implications and Conclusion

When looking at what element of the guests' experience led to the service failure, the results showed that problems

regarding food alone and a combination of food and service were rated as more severe by the guests, closely followed by complaints regarding the atmosphere or other factors, with service-related complaints alone being viewed as the least severe. This set of findings demonstrates that mistakes made preparing the food and problems with food that are compounded by mistakes made with service are viewed the most critically by guests. On the other hand, while guests appear to be more forgiving of service-related mistakes, failures related to atmosphere were viewed to be nearly as critical as those with food. Problems with the atmosphere of a restaurant are difficult to manage. The results of Research Questions 1b and 1c show a conundrum regarding atmosphere and other non-food issues. Although guests who had problems with the atmosphere reported the highest level of satisfaction with the compliant remedy, they also were the least likely to return to the restaurant. This set of findings suggests that even though errors made in connection with food are the most critical, these problems can be repaired. In addition, it appears that guests in general are more forgiving (or at least less critical) of mistakes involving just service issues. None of these findings indicate that restaurateurs should disregard a failure in any of these categories. Regardless of the severity of the service failure, each one should be carefully addressed and managed to minimize further discomfort to the guest. That said, operators making mistakes with their food are at a greater risk of losing their guests.

An examination of guests' satisfaction with the outcome of the complaints they lodged showed that both service-related and atmosphere-related complaints when remedied lead to higher levels of satisfaction compared to complaints remedied involving problems with the food alone or a combination of food and service. As stated above, it is important to note the weight that food-related service failures carry for restaurant guests.

As supported by the discussions above of both complaint severity and outcome satisfaction, guests who experienced a service-related problem reported the highest level of repeat-patronage intentions (slightly above the midpoint of "not sure I will return"), followed by those who had problems with a combination of food and service and those with mistakes regarding food alone (slightly below the midpoint of "not sure I will return"). The lowest level of repeat-patronage intentions was reported by guests complaining about the atmosphere or other factors not connected with the food or service. We conclude that if elements of the atmosphere are not pleasing to the guest, they are not likely to return, regardless of the remedy.

Readers should keep in mind that this study was conducted among casual-dining restaurant guests. While we believe the ideas presented here probably apply to all segments of the food-service business, we recommend additional work to confirm these results in other types of service-based operations beyond casual dining.

Last, the correlational analysis revealed that in general guests who experienced more severe service failures were less satisfied with the outcome and were the least likely to return to the restaurant following the service failure. Likewise, guests who reported that they were satisfied with the outcome from the service failure reported that they were more likely to return to the restaurant. In conclusion, this study demonstrates that when experiencing service failures in restaurants, guests clearly assign different levels of importance to the type of failure and the remedy, and the type of failure and how it is handled influences guests' repeat-patronage intentions.

Authors' Note

This paper was reviewed and accepted by former CQ editor Linda Canina.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

Note

1. We used single-item measures to assess the guests' reactions to and processing of the service failures they reported, because the use of single-item measures has been shown to be effective, with strong test-retest reliabilities when the survey items gather information about more objective elements, such as the reporting of facts (see: Dollinger and Malmquist 2009).

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Bios

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