



UNIVERSITI PUTRA MALAYSIA

***COMPARING RESTAURANT SERVICE FAILURE AND RECOVERY
BETWEEN ONLINE AND OFFLINE COMPLAINT CHANNELS***

CHAN WEI LEONG

FSTM 2013 4



**COMPARING RESTAURANT SERVICE FAILURE AND RECOVERY
BETWEEN ONLINE AND OFFLINE COMPLAINT CHANNELS**

By
CHAN WEI LEONG

**Thesis Submitted to the School of Graduate Studies, Universiti Putra
Malaysia, in Fulfilment of the Requirements for the Degree of Master of Science**

May 2013

COPYRIGHT

All material contained within the thesis, including without limitation text, logos, icons, photographs and all other artwork, is copyright material of Universiti Putra Malaysia unless otherwise stated. Use may be made of any material contained within the thesis for non-commercial purposes from the copyright holder. Commercial use of material may only be made with the express, prior, written permission of Universiti Putra Malaysia.

Copyright © Universiti Putra Malaysia



Abstract of thesis presented to the Senate of Universiti Putra Malaysia
in fulfilment of the requirement for the degree of Master of Science

**COMPARING RESTAURANT SERVICE FAILURE AND RECOVERY
BETWEEN ONLINE AND OFFLINE COMPLAINT CHANNELS**

By

CHAN WEI LEONG

May 2013

Chair: Boo Huey Chern, PhD

Faculty: Food Science and Technology

Customer complaint behavior has been an important issue to both consumer researchers and marketers. Foodservice organizations have developed a number of channels to facilitate customer complaint solicitation. These channels range from the conventional means such as phone, fax, and face-to-face to the innovative ways like e-mail, Facebook, and website. With the advancement in the computer technology, the ease and real time information management, as well as the increasing number of technological savvy consumers, sourcing service problems from the online channels is the future direction. However, it remains a research question to what extent that the customer complaints sourced from the online channels are representative. This research was undertaken to validate the online complaint with the information collected from the offline situation. The validation was executed by qualitatively (to assess the coverage) and quantitatively (to assess the pattern) analyzing the data on service failures and recovery expectations. In addition, the research proposed a new scheme of service failure categorization based on the services marketing mix.

The online complaint data were obtained from two locally-established restaurants and categorized through content analysis. On the other hand, interviews were carried out with approximately 400 respondents from the two restaurants. Respondents described their dissatisfactory dining experience, may lodge face-to-face complaint yet no complaint was filed online (is termed offline complaint). The analyses achieved inter-judge reliability values of 0.91 (failure incidents) and 0.93 (recovery expectations) for the online condition and 0.89 (failure incidents) and 0.86 (recovery expectations) for the offline situation.

The findings of the study revealed seven and six main categories of service failures and recovery expectation, respectively. The new service failure categorization schemes appeared to be appropriate. Process-, people-, and product-related were the three main categories of service failures but in different sequence for online and offline channels. This study also highlighted the distinctions between upon-failure and after-failure recovery expectations. Corrective and empathetic actions upon service failure were equally important for online complainers. However, empathetic was more critical to offline complainers. Compensatory actions were not as important, especially among the online complainers, as the attention paid by researchers. As for the context of after-failure, management actions were highly expected.

Overall, the results of quantitative analysis yielded somewhat different patterns between the online and offline complaints in terms of service failures and recovery expectations. However, the qualitative analysis revealed that online complaints are more extensive and comprehensive than the offline complaints in both the types of

service failure and recovery expectations. Hence, online channel could be useful and as the future means for companies to understand service failures and recovery expectations of customers.



Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia
sebagai memenuhi keperluan untuk ijazah Master Sains

**MEMBANDING KEGAGALAN PERKHIDMATAN RESTORAN DAN
PEMULIHAN ANTARA SALURAN ATAS TALIAN DAN BAWAH TALIAN**

Oleh

CHAN WEI LEONG

Mei 2013

Pengerusi: Boo Huey Chern, PhD

Fakulti: Sains dan Teknologi Makanan

Tingkah laku aduan pelanggan merupakan satu isu yang penting untuk kedua-dua penyelidik pengguna dan pemasar sejak dekad yang lalu. Organisasi perkhidmatan makanan telah membangunkan pelbagai saluran, dari cara-cara konvensional seperti telefon, faks, dan muka-ke-muka ke cara-cara inovatif seperti e-mel, Facebook, dan laman web, untuk memudahkan aduan pelanggan. Dengan kemajuan teknologi komputer, kemudahan pengurusan maklumat semasa, serta peningkatan dalam bilangan pengguna teknologi celik, mengenali masalah perkhidmatan dari sumber Internet, terutamanya laman web rasmi syarikat dan e-mel, merupakan hala tuju masa depan. Walau bagaimanapun, setakat manakah aduan pelanggan atas talian dapat mewakili keseluruhan aduan kekal merupakan persoalan penyelidikan. Kajian ini telah dijalankan untuk menangani persoalan penyelidikan tersebut melalui perbandingan dengan sumber aduan bawah talian. Validasi dilaksanakan melalui penganalisaan data kegagalan perkhidmatan dan jangkaan pemulihan secara kualitatif (demi menentukan liputan/perwakilan) dan kuantitatif (demi menentukan corak). Di samping itu, penyelidikan ini membentangkan satu skema pengelasan

kegagalan perkhidmatan yang baru berdasarkan elemen-elemen pemasaran perkhidmatan.

Data aduan atas talian diperolehi dari dua restoran tempatan dan dikategorikan melalui analisis kandungan. Manakala, temu bual telah dijalankan dengan kira-kira 400 responden dari kedua-dua restoran tersebut di atas. Responden menghuraikan pengalaman mereka yang tidak memuaskan, mungkin telah mengadu secara bersemuka, namun tiada aduan difailkan atas talian (dinamakan aduan bawah talian). Analisis kajian mencapai nilai *kebolehppercayaan antara-penilai* 0.91 (kegagalan perkhidmatan) dan 0.93 (jangkaan pemulihan) bagi aduan atas talian serta 0.89 (kegagalan perkhidmatan) dan 0.86 (jangkaan pemulihan) bagi aduan bawah talian.

Keputusan penyelidikan ini mengenalpasti tujuh kategori utama kegagalan perkhidmatan dan enam kategori utama jangkaan pemulihan. Skema baru pengelasan kegagalan perkhidmatan adalah bersesuaian. Kegagalan perkhidmatan berkaitan dengan proses, manusia, dan produk merupakan tiga kategori utama bagi saluran atas talian dan bawah talian, tetapi dalam order kepentingan yang berlainan. Kajian ini juga menyerlahkan perbezaan jangkaan pemulihan antara sebaik-kegagalan dan selepas-kegagalan. Kepentingan tindakan pembetulan dan empathetic sebaik-kegagalan adalah setara bagi pengadu atas talian. Manakala, empathetic adalah lebih kritikal kepada pengadu bawah talian. Tindakan pampasan, terutamanya bagi pengadu atas talian, tidak sepenting sebagaimana penekanan yang diberi para penyelidik. Untuk konteks selepas-kegagalan, jangkaan tindakan daripada pengurusan adalah yang amat tinggi.

Secara keseluruhan, keputusan daripada analisis kuantitatif menunjukkan corak yang agak berbeza dari segi kegagalan perkhidmatan dan jangkaan pemulihan antara pengadu atas talian dan bawah talian. Namun, analisis kualitatif mendedahkan bahawa aduan atas talian adalah lebih menyeluruh daripada aduan bawah talian bagi kedua-dua aspek kegagalan perkhidmatan dan jangkaan pemulihan. Maka, saluran atas talian akan mendatangkan manfaat dan berfungsi sebagai sumber saluran masa depan kepada syarikat-syarikat untuk memahami kegagalan perkhidmatan dan jangkaan pemulihan pelanggan.

ACKNOWLEDGEMENTS

I started my M.Sc. program in September 2011. The journey of thesis completion was indeed taking a toll on my life. This thesis would not have been completed without the support and guidance of many people. Hence, I would like to take this opportunity to thank all those people who made this thesis possible and an unforgettable experience for me.

First of all, I would like to express my deepest sense of gratitude to my supervisor, Associate Professor Dr. Boo Huey Chern, who never failed to offer her continuous advice and encouragement throughout the course of this thesis, even though she was in the United States for sabbatical. I thank her for the systematic guidance and great effort she put into training me in the field. I will definitely miss the time, especially the squabbles, between us. Also, I thank her for granting me the absolute access to her office. I can say that nothing good could have been yielded without such a comfortable environment.

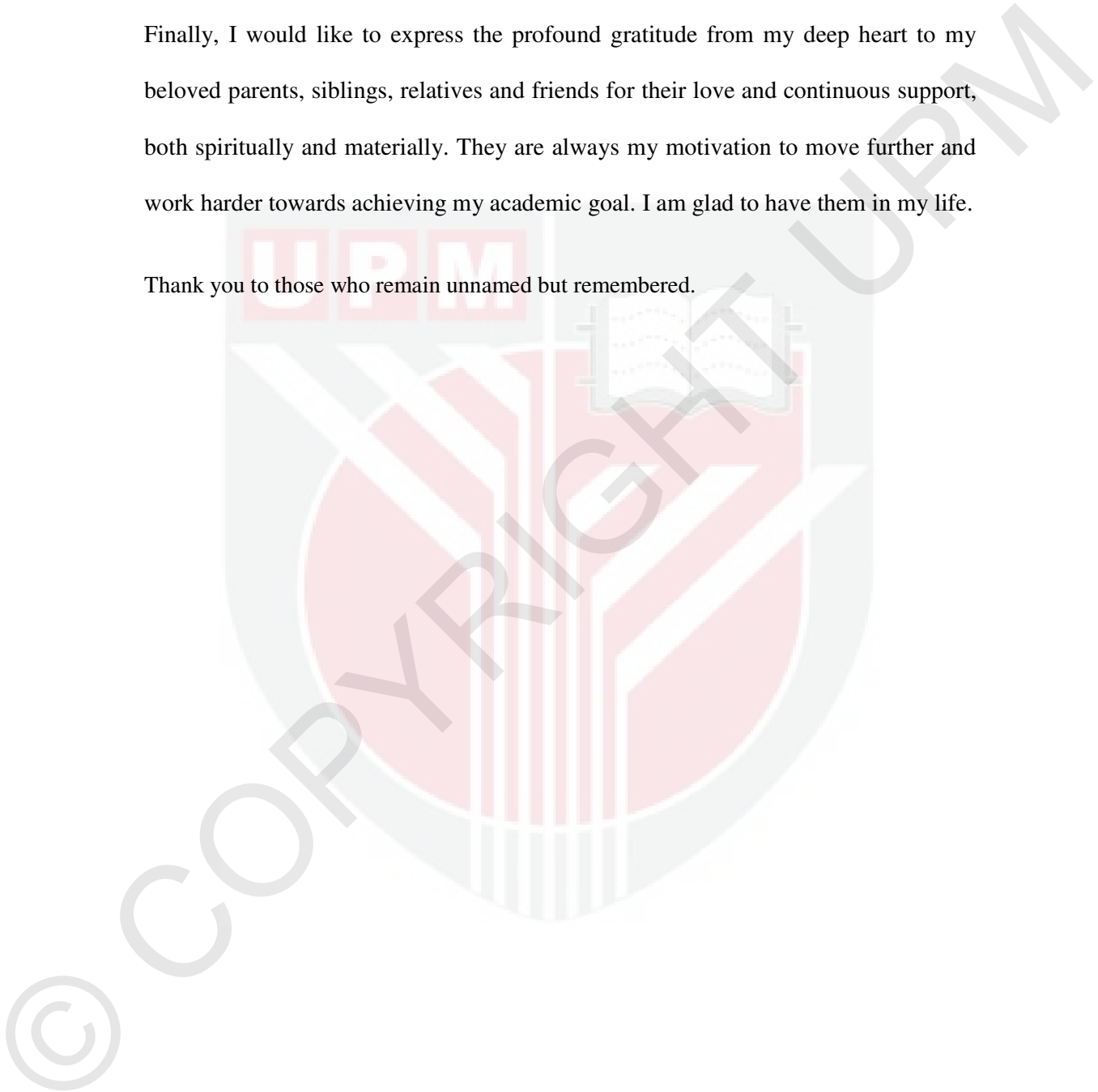
I owe a huge debt of gratitude to my co-supervisor, Dr. Wan Melissa, for the guidance and support to make this thesis a success. Her inspiration and enlightening comments have helped me to feel more at ease throughout my graduate studies. I greatly appreciate her dedication and readiness to help me in any way, despite her tight schedule.

I am extremely appreciative to the Higher Education Ministry of Malaysia for the MyMaster scholarship. The scholarship has ultimately relieved the financial burden

of my family for this academic pursuit. I hope more people could be benefited from this government's initiative of promoting higher education.

Finally, I would like to express the profound gratitude from my deep heart to my beloved parents, siblings, relatives and friends for their love and continuous support, both spiritually and materially. They are always my motivation to move further and work harder towards achieving my academic goal. I am glad to have them in my life.

Thank you to those who remain unnamed but remembered.



I certify that a Thesis Examination Committee has met on 17 May 2013 to conduct the final examination of Chan Wei Leong on his thesis entitled "Comparing Restaurant Service Failure and Recovery between Online and Offline Complaint Channels" in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the Master of Science.

Members of the Thesis Examination Committee were as follows:

Muhammad Shahrim bin Abdul Karim, PhD

Associate Professor
Faculty of Food Science and Technology
Universiti Putra Malaysia
(Chairman)

Zainal Abidin bin Mohamed, PhD

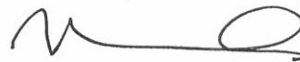
Professor
Faculty of Agriculture
Universiti Putra Malaysia
(Internal Examiner)

Yuhanis binti Abdul Aziz, PhD

Associate Professor
Faculty of Economics and Management
Universiti Putra Malaysia
(Internal Examiner)

Clayton W. Barrows, PhD

Professor
University of New Hampshire
United States
(External Examiner)



NORITAH OMAR, PhD

Assoc. Professor and Deputy Dean
School of Graduate Studies
Universiti Putra Malaysia

Date: 2 August 2013

This thesis was submitted to the Senate of Universiti Putra Malaysia and has been accepted as fulfilment of the requirement for the degree of Master of Science. The members of the Supervisory Committee were as follows:

Boo Huey Chern, PhD

Associate Professor
Faculty of Food Science and Technology
Universiti Putra Malaysia
(Chairman)

Wan Melissa Wan Hassan, PhD

Senior Lecturer
Faculty of Food Science and Technology
Universiti Putra Malaysia
(Member)

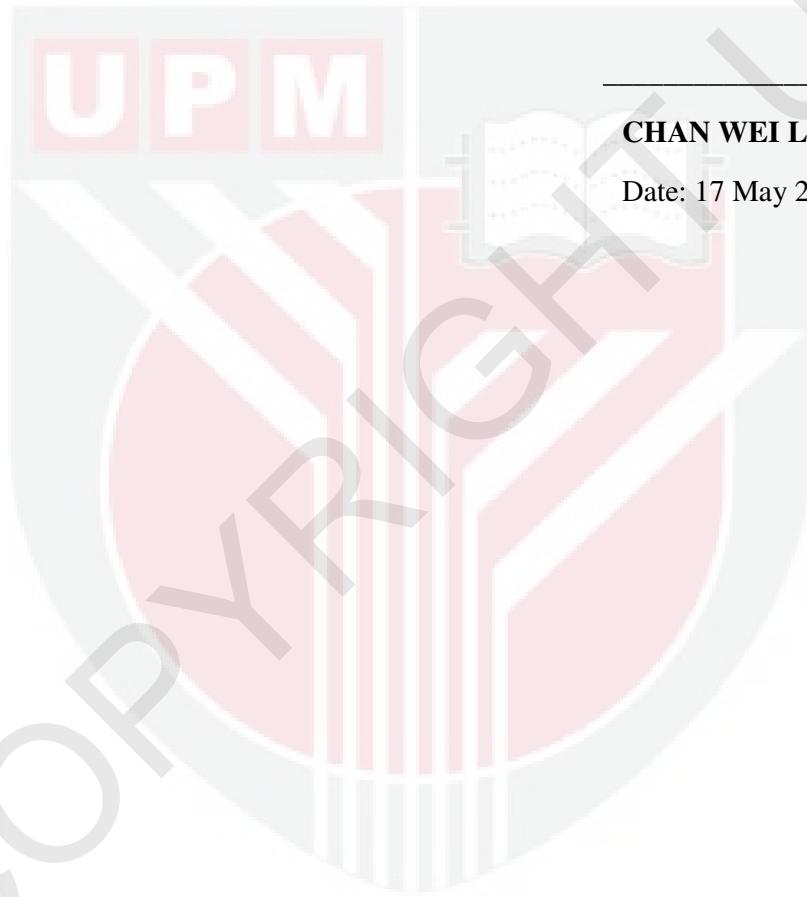
BUJANG BIN KIM HUAT, PhD

Professor and Dean
School of Graduate Studies
Universiti Putra Malaysia

Date:

DECLARATION

I declare that the thesis is my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously, and is not concurrently, submitted for any other degree at Universiti Putra Malaysia or at any other institution.



CHAN WEI LEONG

Date: 17 May 2013



TABLE OF CONTENTS

	Page
ABSTRACT	ii
ABSTRAK	v
ACKNOWLEDGEMENTS	viii
APPROVAL	x
DECLARATION	xii
LIST OF TABLES	xvi
LIST OF FIGURES	xviii
LIST OF ABBREVIATIONS	xviii
CHAPTER	
1 INTRODUCTION	
1.1 Background of Study	1
1.2 Problem Statement	5
1.3 Purpose of Study	7
1.4 Significance of the Study	8
1.5 Delimitations of the Study	10
1.6 Operational Definition of Terms	11
1.7 Summary	14
2 LITERATURE REVIEW	
2.1 Customer Complaint	15
2.1.1 Customer Complaint Behavior	17
2.1.2 Types of Complainers and Actions	19
2.1.3 Factors Affecting Consumer Complaining Behavior	20
2.1.3.1 Outcome of Complaint Perspective	20
2.1.3.2 Personal Factors	22
2.1.3.3 Socio-Demographic Factors	23
2.1.3.4 Openness of Organizations to Complaint	25
2.2 Complaint Channel	26
2.2.1 Types of Complaint Channels	27
2.2.2 Characteristics of Complaint Channels	27
2.2.3 Factors Affecting Complaint Channel Selection	28
2.3 Service Failure	30
2.3.1 Importance of Managing Service Failures	31
2.3.2 Categorization of Service Failures	32
2.3.2.1 Interpersonal Aspect of Service Failures	33
2.3.2.2 Non-Interpersonal Aspect of Service Failures	37
2.3.2.3 Integration of Interpersonal and Non-Interpersonal Service Failures – Marketing Mix	40
2.4 Service Recovery	43
2.4.1 Effects of Service Recovery	43
2.4.2 Categorization of Service Recovery Expectations	44

2.5	Theories and Conceptual Framework	48
2.5.1	Role and Script Theories	48
2.5.2	Cognitive-Affective Appraisal Theory	49
2.5.3	Justice Theory	51
2.5.4	Conceptual Framework Overview	52
2.6	Summary	55
3	METHODOLOGY	
3.1	Design of Study	56
3.2	Sampling	58
3.2.1	Sampling Frame	58
3.2.2	Sampling Size	59
3.2.3	Sampling Strategy for Offline Complaint Channel	60
3.3	Data Collection Procedure	61
3.3.1	Online Complaint Data	61
3.3.2	Offline Complaint Data	61
3.3.2.1	Critical Incident Technique (CIT)	61
3.3.2.2	Instrumentation	62
3.3.2.3	Question Development	64
3.4	Quality of Data	65
3.5	Analysis of Data	65
3.5.1	Transcription of Data	67
3.5.2	Content Analysis	67
3.5.2.1	Unit of Analysis	68
3.5.2.2	Category Development	69
3.5.2.3	Category Confirmation	70
3.5.3	Reliability of Categorization Schemes	70
3.5.4	Content Validity	71
3.5.5	Statistical Analysis	71
3.6	Summary	72
4	RESULTS AND DISCUSSION	
4.1	Background of Samples	73
4.2	Qualitative Analysis	76
4.2.1	Service Failure Categorization	76
4.2.1.1	Product	77
4.2.1.2	Price	81
4.2.1.3	Place	82
4.2.1.4	Promotion	83
4.2.1.5	Physical Evidence	85
4.2.1.6	Process	90
4.2.1.7	People	101
4.2.2	Recovery Expectations Categorization	112
4.2.2.1	Compensatory Responses	113
4.2.2.2	Corrective Responses	116
4.2.2.3	Empathetic Responses	118
4.2.2.4	Management Actions	121
4.2.2.5	Ambiguous	127

4.2.2.6	No Action	128
4.3	Quantitative Analysis	129
4.3.1	Overall Comparison of Service Failures	129
4.3.2	Service Failure Analysis by Category	131
4.3.3	Overall Comparison of Service Recovery Expectations	136
4.3.3.1	Comparison of Upon-Failure Recovery	137
4.3.3.2	Comparison of After-Failure Recovery	139
4.3.4	Analysis of Service Recovery Expectation by Categories	141
4.3.4.1	Upon-Failure Recovery Expectations	141
4.3.4.2	After-Failure Recovery Expectations	144
4.4	General Discussion	148
4.5	Summary	156
5	SUMMARY, CONCLUSION AND RECOMMENDATIONS	
5.1	Summary	157
5.1.1	Background	157
5.1.2	Summary of Findings on Types of Service Failure	158
5.1.3	Summary of Findings on Types of Recovery Expectation	160
5.2	Theoretical Implications and Managerial Applications	162
5.2.1	Theoretical Implications	162
5.2.2	Managerial Applications	163
5.3	Limitations and Recommendations	167
5.3.1	Limitations	167
5.3.2	Recommendations for Future Research	168
	REFERENCES	171
	APPENDICES	194
	BIODATA OF STUDENT	207
	LIST OF PUBLICATIONS	208