

THE RELATIONSHIP AMONG THE SERVICE RECOVERY, SELF-ESTEEM AND SATISFACTION AFTER SERVICE RECOVERY IN ONLINE SHOPPING ENVIRONMENT

*A Relação entre a Recuperação o Serviço, Auto-estima e
Satisfação após a Recuperação do Serviço no Ambiente de compras on-line*

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Abstract: Due to the physical separation of buyer and seller, the physical separation of buyer and merchandise, and the perceived insecurity of the Internet in online shopping environment, different service recovery types may lead to different satisfaction especially facing different individuals. This proposed research wants to discuss the relationship among service recovery, individual's self-esteem and satisfaction after service recovery in online shopping environment.

Key words: Service recovery; Self-esteem; Satisfaction; Online shopping

Resumo : Devido à separação física do comprador e do vendedor, a separação física do comprador e da mercadoria, e a insegurança percebida na Internet no ambiente de compras on-line, diferentes tipos de recuperação de serviços podem levar a diferentes graus de satisfação, especialmente tratando-se de indivíduos diferentes. A proposta desta pesquisa é analisar a relação entre a recuperação de serviços, autoestima individual e satisfação após a recuperação do serviço no ambiente de compras on-line.

Palavras-chave: Recuperação de serviços; Autoestima; Satisfação; Compras online

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INTRODUCTION

When different people purchase a product on the biggest shopping website “TAOBAO” in China, confronting the same product, the same service failure such as forgot to send a part and the same service recovery strategy, people’s response is so different to believe. Even though someone has got the compensation, he still felt cheated and didn’t trust the merchant anymore. But someone received the product’s flaw and compensation pleasantly, and he still choose to trust the merchant based on his own knowledge and experience. So what factor causes this difference? The online shopping environment is different from the traditional face-to-face shopping, maybe it is more real or maybe it is more mendacious. Some scholar contributes the difference to the individual’s emotion, some scholar contributes the difference to perceptions of procedural and interactional fairness, this proposal wants to discuss if the individual’s self-esteem influence the satisfaction after service recovery and how?

Although the enterprise tries it’s best to provide high quality service in the service delivery, it’s difficult to avoid the service failure completely (Goodwin and Ross, 1992; Aurier and Siadou-Martin, 2007). According to service failure, western scholars put forward the conception “service recovery” and it becomes an important research area in service management. Actually when confronting the service failure, most of the customers won’t go away easily and on the contrary they are looking forward to get compensation from the merchant (Berry and Parasuraman, 1991; Goodwin and Ross, 1992; Blodgett et al., 1997; Holloway and Beatty, 2003).

Although service failure and recovery issues have received considerable attention in the literature, these topics have received only limited attention in the context of online retailing. Specifically, we lack an understanding of the types of online service failures occurring, the success with which firms are recovering from these failures, and consumer reactions to the service failure/recovery encounters they are experiencing (Holloway and Beatty,2003).

The existing research on the relationship between the service recovery and satisfaction mainly study from the perspective of perception, few from emotion, seldom from the self- esteem. Del Río Lanza (2009) put forward that distributive justice, procedural justice and interactional justice all affect satisfaction, with procedural justice showing the strongest relative influence, as well as being the only dimension affecting the emotions. Negative emotions mediate the effects of justice on satisfaction with service recovery.

THE THEORETICAL DEVELOPMENT

1. Service recovery and online service recovery

Scholars have two opinions about the service recovery: on the one hand, service recovery is the response and the reaction after service failure (Bell and Zemke,1987);on the other hand, service recovery is the response and the reaction when service failure happens(Johnston,1995; Jinglun and FuXiang, 2001) ZhongWei Chen(2005) made the definition including the two aspects above: service recovery means the correction to possible failure or existed fault in service system and the compensation to the customer with the efforts of all the members in the organization in order to maintain the long term relationship with the customers and promote the service system.

Since the adoption of the Internet, we have witnessed an impressive stream of research addressing online consumer attitudes and behaviors and how the online service encounter may differ from the traditional offline encounter (Betsy, 2003). Preliminary research emphasizes that trust is especially crucial to establishing customer relationships in the online environment (Hoffman, et al., 1999; Milne and Boza, 1999; Urban, et al., 2000). In fact, some argue that trust may be even more important online due to the physical separation of buyer and seller, the physical separation of buyer and merchandise, and the perceived insecurity of the Internet (Warrington, et al., 2000).

The recovery activities undertaken during the immediate and follow-up recovery phases take two forms: psychological and tangible (Miller, et al., 2000). Psychological recovery efforts make a direct attempt to ameliorate the situation by showing concern for the customer's needs. Two psychological techniques are recommended in every instance of service recovery: empathizing and apologizing. Tangible recovery efforts offer compensation for real and perceived damages. The primary intent is to provide fair restitution for the costs and inconveniences caused by the service failure such as the product for free, refund, discounts, coupons and so on.

2. Satisfaction after service recovery

Kotler (2010) suggest that customer's satisfaction means a satisfied or disappoint feeling status when the customer compare the perceptual performance with the expectations. The most widely used model within the consumer satisfaction/dissatisfaction (CS/D) literature is the disconfirmation paradigm. Disconfirmation also has been advanced as a model for understanding customers' reaction to recovery. The disconfirmation paradigm holds that customers compare perceived product performance to expectations. Michael A. McCollough (2000) holds that satisfaction is a function of initial disconfirmation and recovery disconfirmation. Recovery disconfirmation is defined as the discrepancy between recovery expectations (expectations by the consumer regarding what the service provider will do given failure) and recovery performance (perceptions regarding steps taken by the service provider in response to failure). So the satisfaction after service recovery could be defined as the whole degree on satisfaction after the failure service and the enterprise's compensation. This satisfaction is different from the first time satisfaction when the customer receives the service firstly, and was called "the second time satisfaction" (Smith et al., 1999; McCollough et al., 2000; Harris et al., 2006)

According to Goodwin and Ross (1992), the satisfaction after service recovery is measured by three aspects: (1) the customer give a positive evaluation on the website's response to the service failure as a whole (2) the customer was satisfied with the method the website uses to the service failure (3) the customer was satisfied with the compensation the website provides to the service failure.

3. Service recovery and satisfaction after service recovery

Previous studies have investigated the impact of a proper service recovery on customer satisfaction (Blodgett et al., 1997, Smith et al., 1999 and Tax et al., 1998). Research suggests that satisfaction with complaint handling is strongly associated with both trust and commitment (Kelley and Davis, 1994) and can serve as an important mediator linking perceptions of fairness to post complaint behaviors and attitudes. Moreover, satisfaction with complaint handling can improve the evaluation of a service experience and increase customer retention (Technical Assistance Research Program, 1986). Effective management of customer problems and relationship marketing are interrelated in terms of their focus on customer satisfaction, trust, and commitment (Achrol, 1991; Morgan and Hunt, 1994). Thus we put forward the hypotheses as follows:

H1a. Service recovery positively affects the customer's satisfaction after service recovery;

H1b. Tangible recovery efforts positively affect the customer's satisfaction after service recovery;

H1c. Psychological recovery efforts positively affect the customer's satisfaction after service recovery.

4. Self-esteem as a moderator between service recovery and recovery satisfaction

The existing research on the relationship between the service recovery and satisfaction mainly study from the perspective of perception, few from emotion. Del Río Lanza (2009) put forward that distributive justice, procedural justice and interactional justice all affect satisfaction, with procedural justice being the only dimension affecting the emotions. Negative emotions mediate the effects of justice on satisfaction with service recovery (Del Río Lanza, 2009).

Seldom scholars study the relationship from the perspective of self-esteem. Xiting and Xiong (1998) put forward that self-esteem also means self-worth. It is a term used in psychology to reflect a person's overall emotional evaluation of his or her own worth. It is a judgment of oneself as well as an attitude toward the self. Self-esteem is also known as the evaluative dimension of the self that includes feelings of worthiness, prides and discouragement. Nathaniel Branden (1971) defined self-esteem as "the experience of being competent to cope with the basic challenges of life and being worthy of happiness." According to Branden (1971), self-esteem is the sum of self-confidence (a feeling of personal capacity) and self-respect (a feeling of personal worth).

By Orth (2012) suggested that self-esteem has medium-sized effects on life-span trajectories of affect and depression, small to medium-sized effects on trajectories of relationship and job satisfaction, a very small effect on the trajectory of health, and no effect on the trajectory of occupational status. He also suggested that self-esteem has a significant prospective impact on real-world life experiences and that high and low self-esteem is not mere epiphenomena of success and failure in important life domains.

Most scholars agree with this classification: High self-esteem and Low self-esteem.

People with high self-esteem believe "I am me. In all the world, there is no one else like me. There are persons who have some parts like me, but no one adds up exactly like me" (Satir and Watson, 1975). People with high self-esteem believe "Are able to act according to what they think to be the best choice, trusting their own judgment, and not feeling guilty when others do not like their choice" and "Consider themselves equal in dignity to others, rather than inferior or superior, while accepting differences in certain talents, personal prestige or financial standing" (José-Vicente Bonet, 1997)

A person with low self-esteem may show some of the following characteristics: “Heavy self-criticism and dissatisfaction” and “Hypersensitivity to criticism with resentment against critics and feelings of being attacked” (José-Vicente Bonet,1997). When given negative feedback, individuals with low self-esteem often take it personally, and can be devastated by it (Baldwin, M. W,1996).

Self-esteem is typically assessed using a self-report inventory yielding a score on a continuous scale from low to high self-esteem. Among the most widely used instruments, self-esteem scale (SES) scores each item on a ten- field’s response system that requires participants to indicate their level of agreement with a series of statements about themselves(Rosenberg,1965). This study will adopt SES to measure participants’ self-esteem. Based on above we put forward the hypotheses as follows:

H2a.If the customer has high self-esteem, tangible recovery efforts positively affect the customer’s satisfaction after service recovery;

H2b. If the customer has high self-esteem, psychological recovery efforts negatively affect the customer’s satisfaction after service recovery;

H3a.If the customer has low self-esteem, tangible recovery efforts negatively affect the customer’s satisfaction after service recovery;

H3b. If the customer has low self-esteem, psychological recovery efforts positively affect the customer’s satisfaction after service recovery.

The whole research model as figure 1.

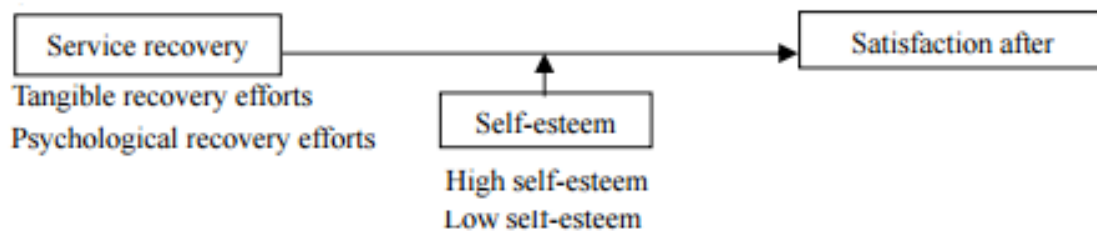


Figure 1 Research Model

RESEARCH DESIGN

1. Measurement of variables

Trough related literature at home and abroad, we found out the most widely-used instruments to measure the moderator variable and the independent variable. What’s more we will translate the scale into Chinese and modify it in keeping with Chinese language habit and the online shopping environment.

Service recovery strategy contains tangible recovery efforts and psychological recovery efforts, we will design it according to actual experiment and test in advance to justify.

The moderator variable “self-esteem” was measured as follow based on SES. It is a widely used 10-item self-report questionnaire assessing feelings and judgments about the self-rated on a 4-point scale.

If you strongly agree, circle SA. If you agree with the statement, circle A. If you disagree, circle D. If you strongly disagree, circle SD.

Scoring: SA=3, A=2, D=1, SD=0. Items with an asterisk are reverse scored, that is, SA=0, A=1, D=2, SD=3. Sum the scores for the 10 items. The higher the score, the higher the self-esteem.

Table 1 Measurement Scale

1	On the whole, I am satisfied with myself.	SA	A	D	SD
2 *	At times, I think I am no good at all.	SA	A	D	SD
3	I feel that I have a number of good qualities.	SA	A	D	SD
4	I am able to do things as well as most other people.	SA	A	D	SD
5*	I feel I do not have much to be proud of.	SA	A	D	SD
6*	I certainly feel useless at times.	SA	A	D	SD
7	I feel that I'm a person of worth, at least on an equal plane with others.	SA	A	D	SD
8 *	I wish I could have more respect for myself.	SA	A	D	SD
9*	All in all, I am inclined to feel that I am a failure.	SA	A	D	SD
10	I take a positive attitude toward myself.	SA	A	D	SD

The independent variable “satisfaction after service recovery” was measured as follow according to Goodwin and Ross (1992): 1) the customer give a positive evaluation on the website’s response to the service failure as a whole; 2) the customer was satisfied with the method the website uses to the service failure; 3) the customer was satisfied with the compensation the website provides to the service failure.

2. Experimental design

2.1 Experiment 1

We select a merchant on TAOBAO website which supplies the e-books for kindle or other electronic reading tools. The reason for this chooses lies on two points: one is the merchant on TAOBAO website has the lowest operating costs and it is relatively easy to do experiment on the consumer and won’t bring great influence to the business. The other is that the e-books have the lowest cost in China and the product’s cost won’t change with sales.

We will provide a famous e-book which its cover is perfect but its content is short intentionally. We will choose 100 consumers to do the experiment. After the consumer has got the e-book from the internet, we select 1/3 consumers randomly to give him a tangible recovery or psychological recovery or no respond. Tangible recovery contains the perfect e-book with its cover and content, what’s more a coupons or refund. Psychological recovery refers to apologize for his mistake and sorry for the consumer’s inconvenience taken by his error. No respond stands for nothing, neither answer the consumer nor give compensation. When all the recovery has been done, we give the satisfaction scale to the consumer to fill in and pay the consumer for coupons. We tell the consumers we just want to do a satisfaction survey, find out the problem and improve the service level. This experiment is to test the hypotheses H1a, H1b and H1c.

2.2 Experiment 2

We also select a merchant on TAOBAO website which supplies the e-books for kindle or other electronic reading tools. The reason for this chooses lies on two points: one is the merchant on TAOBAO website has the lowest operating costs and it is relatively easy to do experiment on the consumer and won't bring great influence to the business. The other is that the e-books have the lowest cost in China and the product's cost won't change with sales.

We will provide a famous e-book which its cover is perfect but its content is short intentionally. We will choose 200 consumers to do the experiment. After the consumer has got the e-book from the internet, we select 1/2 consumers randomly to give him a tangible recovery or psychological recovery. Tangible recovery contains the perfect e-book with its cover and content, what's more a coupons or refund. Psychological recovery refers to apologize for his mistake and sorry for the consumer's inconvenience taken by his error. When all the recovery has been done, we give them a questionnaire containing the satisfaction scale and the SES to fill in and pay them for coupons. The SES is just on the questionnaires' behind. We tell the consumers we just want to do a satisfaction survey, find out the problem and improve the service level. This experiment is to test the hypotheses H2a, H2b and H3a, H3b.

ANALYSIS PLAN

After we get the consumer's feedback, we would check the data's effectiveness and clean the unqualified questionnaires such as short of answer, or the answer is inconsistent and so on.

1) The reliability analysis, validity analysis and factor analysis. We will conduct the reliability analysis, validity analysis and factor analysis using the data from the two experiments. From the value of Cronbach's α , we could conclude the scale's internal consistency. Before the factor analysis, we would conduct the test of Bartlett and KMO. We use factor analysis to test convergent validity.

2) The descriptive analysis. We will conduct the descriptive analysis based on experiment1's data and divide the data into three groups: the tangible recovery group, the psychological recovery group and the no respond group. We compare the three group's percentile values, central tendency and distribution.

3) The correlation analysis. We will conduct the correlation analysis based on experiment2's data. We would conclude the correlation between different variables according to the value of Pearson and N.

4) The regression analysis. We will conduct the regression analysis based on experiment2's data. We would conclude the regression effect according to the value of T and P.

CONCLUSIONS

This research aims to discuss the relationship among service recovery, individual's self-esteem and satisfaction after service recovery in online shopping environment. We develop the theoretical model, put forward the hypotheses, design 2 experiments to test the hypotheses, and put forward the data statistics and analysis plan. The likely contributions of the research lie on two points: one is that we research the relationship between the service recovery and satisfaction after service recovery in online shopping environment, not the offline shopping environment; another is that self-esteem as a moderator between the service recovery and satisfaction after service recovery.

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