Managing Consumer Anger and Consumer Forgiveness through Service Recovery Strategy in Transportation Sector

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The aim of current study was to explore how service failure severity and consumer anger impact on consumer forgiveness. Additionally, this study also empirically investigates the correlation of the consumer forgiveness, recovery strategy and their outcomes. Data figures was composed from 250 commuters of organized bus services. A survey technique was employed for data gathering from the travellers of organized bus services. AMOS (SPSS) 21 was used to statistically analyze the data. The results of this study reveal that service failure severity and consumer anger have significantly negative related to consumer forgiveness and apology as effective recovery strategy was led more to consumer forgiveness. This research solely emphases on one company as one of the limitations of this research that may influence the results presented in this study. This study is limited to empirically test the direct relationship with consumer forgiveness. The current study used non-probability sampling techniques, which cannot describe all the population in Lahore. Service failure severity decreases the willingness of forgiveness and the service providers should verify all factors towards the severity of services. Most importantly, this study revealed the recovery strategy towards consumer forgiveness.
1. Introduction

The transportation sector is the most growing sector that connects different people from different cultures and also connects different businesses in the world (Olowogbon et al., 2024). As an increase in the number of passengers, the world road transport organization aims to provide a high quality of services to passengers especially in the rural area (Katamadze & Katamadze, 2023). Competition in the transportation sector is increased as the demand for public transportation is increased but it can lead to more complexity than make it difficult to overcome the worse situation (Hamzah et al., 2023). Customers are more interested to establish a relationship with those service providers that best meet their expectations (Kim et al., 2023).

Service failure is not acceptable (Harrison-Walker, 2019a). Customers are not interested in service failure severity from service providers because the severity of service failure generates negative emotions (Qiu et al., 2023). However, the severity of service failure has not the same effect on consumer forgiveness and why customer forgives are not clear (Filho et al., 2023). Previous studies have been found that service failure severity has linked with consumer forgiveness (Özdemir, 2023). Studies also emphasizing the importance of the critical role of consumer forgiveness in the domain of marketing (Filho et al., 2023; Riaz & Khan, 2016a). The service recovery strategy is an action taken by service providers after the severity of service failure to reestablish and restore the relationship with customers (Çelik, Özkan Tektaş, & Kavak, 2024). To retain the customers, effective recovery strategies made a positive effect on the perceptions of customers and their switching intentions might be reduced (Harrison-Walker, 2019a).

The objective of the current study is to investigate those factors which minimize the dissatisfaction from the service provider and increase the chance of consumer forgiveness by adopting different effective service recovery strategies. In a service organization, the satisfaction of customers is a very important consideration. Pakistan's transportation sector is facing comfort ability, cleanliness, service quality, and delay timing problems. Paying intention to service recovery strategies will fix the problems. This research will examine the relationship of service failure severity and consume forgiveness in-service failure context.

2. Literature Review

2.1 Service Failure Severity

Sivakumar explains service failure severity as when the service delivery does not meet the expectation of customers then the occurrence of service failure (Abdo et al., 2024; de Mesquita et al., 2023). Hess gives another definition of service failure severity and referred to it as the intensity of loss that customers bear after service delivery (Tan et al., 2024). Singhal et al. (2013) discussed that customer perception towards loss will greater when service failure more severe hence there are high possibilities of different responses of customers in the situation when they faced similar failures, for example, a person ready to attend a business meeting but the flight is delayed; the
consumer missed his/her important meeting, it will be a severe failure than those consumers whose flight delay and they do not go to attending a meeting (Riaz & Khan, 2016a; Wardley, 2022).

Due to the service failure a customer may act in three different actions i.e publicly act, private action or forgive means no action so publicly act means a customer involve any legal party or institution, private action referred as a customer have no desire to stay with the service provider and will spread negative word of the mouth whereas the no action means a customer forgive the service provider and will not willing to do ant action against the service provider (Bakar et al., 2019; Sengupta et al., 2024).

2.2 Consumer Anger

He and Harris (2014) define anger as the common emotional reaction of service failure severity (Antonetti & Baghi, 2024). Funches define it as an emotional reaction from the customer’s loss due to the harm and unfair experiences of any services products by customers (Funches, 2016; Septianto et al., 2020). Although the concept of anger has been considered more in psychology as compared to in the field of marketing whereas the researchers related to the academics contradict that how this negative emotion can affect the relationship between customer and service provider (Antonetti, 2016; Antonetti & Baghi, 2024).

Anger has two components: it is considered that failure is serious and the customer wants that service provider should suffer, consider these two components anger has three function – i.e firstly it can a signal of wrongdoing, secondly against the service failure it can become a reason to take some actions and finally it is signal for others to prevent the service failure in future (Degerman, 2020). The reason that cause of anger is the dissatisfaction towards to accomplished goal that related to the service or product which show the complaint and feelings of dislike and customer switch to another brand and it forces the service provider to take action regarding the complaint of the customer (Antonetti et al., 2020; Sung & Yih, 2019).

2.3 Service Recovery Strategies

Gronroos suggested that service providers take some action after service failure as consumer’s expectation related to the services does not match the delivered (Grönroos, 2007; Harrison-Walker, 2019a). The paradox of service recovery has importance with the condition that the customer becomes more satisfied after service recovery than those who have not such failure experience (Soares & Proença, 2015; Yunus, 2023). Previous studies suggested that after service failure, customers have feelings of injustice and they expect to restore the feelings of justice (Suri et al., 2019). The service failure which may cause cost or material damage to the customer might increase the need for recovery strategies like empathy and continuous concern whereas for the customer who responds to emotions like anger immediate correction and apologies recovery strategies can be adopted (Bakar et al., 2019).

Kenny (1988) identified the recovery strategies into two types i.e Physical and psychological recovery strategy and Smith et al. (1999) review these and suggested two categories
of compensation that are physical compensation and psychological compensation (Tsai et al., 2014; Wang et al., 2023). Additionally, numerous researchers suggested three types of recovery strategies like compensation, apology, and hybrid (both apology and compensation) adopted by service providers (Bakar et al., 2019).

2.4 Apology

Tedeschi, Norman, and Schlenker (1985) define apology as the way to handle the complaints of customers as service providers take responsibility for wrongdoing and having feelings of regret. Scher and Darley (1997) identified that apology has four components; regret, take responsibility, acknowledge the service failure, and promise for self-control and tolerance (Radu et al., 2019). Historically, the apology has been considered as a dichotomous phenomenon, either it is absent or present while it is considered to be clear that an effective statement by the service provider has a positive influence on the reputation of the service provider but it is less clear which type of apology will effect on the customer after service failure (Kennedy & Guzmán, 2021; Tsarenko & Tojib, 2015). Hearit (2006) suggested that for an effective apology, the following five components are very important; sincerity, seek for forgiveness, truthfulness, all stakeholders should be considered, accept the wrongdoing (Youk & Park, 2023).

2.5 Brand Switching Intention

Many researchers defined brand switching intention in different ways. For instance, brand switching intention is defined as customers have the choice to choose alternative service providers by replacing the earlier service providers (Banik et al., 2022; Bansal & Taylor, 1999). Kim viewed differently the switching intention of customers and referred to it as the contrast of consumer loyalty because customers transfer their current transactions to the competitors of particular service providers (Kim, 2019). In the context of the service industry the earliest work of brand switching intention accomplished by Keaveney (1995), she indicated 800 observations that were critical and caused for switching intention then categorized them into eight factors and these are “pricing”, “inconvenience”, “core service failure”, “response to service failure”, “competition”, “ethical problem” and “involuntary switching” “core service failure” and “service encounter” is considered as the important reasons (Riaz & Khan, 2016b).

A consumer quit a particular brand or service due to some reason and doesn’t want to establish a further relationship with the service provider and consumers may prefer their competitors because his experience for the previous service provider was not good for example, a consumer does not want to repurchase or to avail services from those service providers that were not able to fulfill their expectation so second time a customer switch to competitors (Shimul et al., 2024; Wu & Cheng, 2018).

2.6 Consumer Forgiveness

In the literature of marketing, (Grégoire et al., 2019) defined it as someone's internal action that reduced the negative feelings and generates positive emotions towards the offender who
hurts (Tsarenko et al., 2019). Gray et al. (2007) also defined consumer forgiveness as negative feelings of someone decreased through the action of forgiveness (Hur & Jang, 2019).

The original concept of forgiveness linked with humankind and religion, many studies like Harrison-Walker (2019a) discussed that it transforms negative feelings into positive. In addition, forgiveness motivates positive feelings, when customers forgive the service provider then customers minimize they are harmful feelings towards the service provider so the customer wants to restore their relationship with the service provider and have less willingness to switch (Rashid et al., 2023; Jaroenwanit & Chueabunko, 2015). Shih and Heng-Chiang (2020) also suggested that forgiveness is a psychological process in which customers relate themselves to the service providers as it is a coping mechanism that can help to decrease the negative emotions towards service providers and also help to restore the relationship with service providers and customer intention to switch might be less. Service failure severity is a stressful situation and an individual engage in a coping mechanism to reduce the stress. Consumer forgiveness is considered a coping mechanism that reduced stress and customers become satisfied (Tsarenko et al., 2019).

2.7 Research Model and Hypotheses

2.8 Research Model

This research includes independent variables which are service failure severity, anger, apology, compensation, and voice. The brand switching intention is the dependent variable. This study is also focused on the relationship of service recovery strategies and consumer forgiveness which will apply to the entire model in the form of three recovery strategies.

Figure-No 1: Conceptual Framework
2.9 Hypotheses

2.10 Relationship Between Service Failure Severity and Consumer Forgiveness

Customers who perceived that service failure is more severe, are less willing to forgive their service providers as their expectations cannot meet (Hassey, 2019). Due to the severity of service failure, the customer thinks that the service provider is very malicious so the customer becomes angry and a customer believe that the service provider should take responsibility for the service failure hence the customer is less willing to forgive the service provider and switch to another service provider (Grégoire et al., 2019). So it is proposed that

\[ H1: \text{There will be a negative relationship between service failure severity and consumer forgiveness.}\]

2.11 Relationship Between Consumer Anger and Consumer Forgiveness

Researchers Sakulsinlapakorn and Zhang (2019) suggested that anger is the basic emotion of human beings that resulted from the imbalance external environment as service failure severity cause of major inconvenience for customers and they have emotional reactions of service failure so customers negative reaction such as anger expose that customer refuse the service provider. when customers identified the service failure severity, they feel negative emotions anger is high towards the transgression (J.-H. Kim, 2019).

\[ H2: \text{Consumer anger is negatively related to consumer forgiveness.}\]

2.12 Relationship Between Apology and Consumer Forgiveness

Apology compensates the customer psychology and helps to reduce the negative feelings of anger and it has an effect on the consumer behavior towards the service providers and it is an immediate recovery strategy to facilitate the angry person and dissatisfaction converted into satisfaction so the consumer is willing to forgive the service providers (Bakar et al., 2019).

\[ H3: \text{Apology will positively affect consumer forgiveness.}\]

2.13 Relationship Between Consumer Forgiveness and Brand Switching Intention

Customers will respond to service failure by showing negative emotions or avoid the offenders as customers have high expectations from the service providers and when these expectations are not fulfilled customers become disturbed so customers do not forgive the offenders hence the customers will not willing to maintain the relationships with service providers and switch the services (Nordgren, Pärson, & Hyllstam, 2017; Shimul et al., 2024).

Therefore we hypothesized that

\[ H4: \text{There will be a negative relationship between consumer forgiveness and brand switching intention.}\]
3. Research Methodology

The primary objective of this research to explore the rich concept of consumer forgiveness about service failure severity, negative emotion, and effective service recovery strategies in organized bus transport. To fulfill this objective, the existing study is supposed to investigate the relationships between service failure severities, brand switching intention, and consumer forgiveness.

3.1 Survey Instrument

Based on the past studies, we selected all items that we considered appropriate for this present study. For measurement brand, switching intention and service failure severity were adapted (Tsarenko & Tojib, 2012). For consumer forgiveness, fourteen items scales were adapted to measure three dimensions of consumer forgiveness (Harrison-Walker, 2019a; Tsarenko & Tojib, 2012). For measurement of consumer anger, the three items scale was adapted from (Bonifield & Cole, 2007). Eighteen items scale was adapted to measure service recovery strategies, a multidimensional construct from the study of (Harrison-Walker, 2019a). All items were measured using a Likert-type scale ranging from 1=Strongly Disagree to 5=Strongly Agree.

3.2 Population and Data Collection

The target population of this current study is the customers of the road transportation of Pakistan that are using the bus services which are operating in the country. Data (n=250) was collected from the individual customer who is using the bus services. Passengers of the bus services were selected for the survey. The majority of the sample was the 55.2 percent master's degree holders female, with a mean age of 22 years. The service failure includes comfortability, cleanliness, service quality, and delay timing in the transportation sector of Pakistan.

3.3 Sampling Technique and Data Collection Strategies

The current study will consider the convenience sampling technique which is non-probability sampling. The survey technique was used for data collection from the commuters which are primary data. This study was used also an online survey and invite respondents through Whatsapp and Messenger so they can participate in this survey through Google Doc Form.

4. Data Analysis

The validity of the instrument refers to the relevance of all measurements (Hair Jr, Matthews, Matthews, & Sarstedt, 2017). First of all face validity of the instrument was checked. To accomplish this criterion the instrument of this study was checked by experts including the supervisor. After incorporating their recommendations, the final instrument was developed for this research. Measure the reliability and construct validity, evaluated the confirmatory factor analysis (CFA) using AMOS. Then structural equation analysis performed to exam the hypotheses empirically.
The model showed fit indices with data ($X^2/Df = 3.70$ Tucker-Lewis index (TLI) = .903; confirmatory fit index (CFI) = .909; root mean square error of approximation (RMSEA) = .104; incremental fit index (IFI) = .909). Results show that $X^2/Df$ is good and less than 5.0, similarly, RMSEA is also good and greater than 0.05. Regarding CFI, TLI, and IFI they have improved from our previous model and above the threshold of 0.90 hence attesting the model to be a good fit.

Using the (Fornell & Larcker, 1981) method, discriminant validity has been tested. The bold values in the table shown in diagonal are representing the convergent validities i.e. AVEs. The values in the columns are representing the inter-item correlations that are called discriminant validities when compared to AVE”s. The bold values in the last column represent the internal consistency reliability. The seven constructs show high internal consistency and all are above the suggested value of 0.7 (Lahdenperä, Wrig & Kyngäs, 2003). The AVE values for all variables are higher as compared to discriminant validities. The AVE values for all variables are more than 0.50.

The correlation values between the constructs of service failure severity, consumer anger, brand switching intention, apology, compensation, and voice were within the acceptable limit, hence supporting the discriminant validity of the variables (Kline, 2011). The values for AVE for each variable were more than the correlation values between the given variables; hence it supports the convergent and discriminant validity (Fornell & Larcker, 1981).

<table>
<thead>
<tr>
<th>Variables</th>
<th>SF</th>
<th>Anger</th>
<th>CF</th>
<th>SWI</th>
<th>Apology</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.764</td>
</tr>
<tr>
<td>Consumer Anger</td>
<td>0.412</td>
<td>0.65</td>
<td></td>
<td></td>
<td></td>
<td>0.709</td>
</tr>
<tr>
<td>CF</td>
<td>0.234</td>
<td>0.363</td>
<td>0.94</td>
<td></td>
<td></td>
<td>0.749</td>
</tr>
<tr>
<td>Brand SWI</td>
<td>0.344</td>
<td>0.467</td>
<td>0.587</td>
<td>0.92</td>
<td></td>
<td>0.816</td>
</tr>
<tr>
<td>Apology</td>
<td>0.409</td>
<td>0.357</td>
<td>0.379</td>
<td>0.342</td>
<td>0.96</td>
<td>0.764</td>
</tr>
</tbody>
</table>

### 4.1 Path Model

The model showed fit indices with data ($X^2/Df = 3.70$ Tucker-Lewis index (TLI) = .903; confirmatory fit index (CFI) = .909; root mean square error of approximation (RMSEA) = .104; incremental fit index (IFI) = .909). Results show that $X^2/Df$ is good and less than 5.0, similarly, RMSEA is also good and greater than 0.05. Regarding CFI, TLI, and IFI they have improved from our previous model and above the threshold of 0.90 hence attesting the model to be a good fit. Next, we assessed the paths of the model. These results are summarized in Table 4.
Table No 4: Path Model Results

<table>
<thead>
<tr>
<th>H No.</th>
<th>Hypothesis</th>
<th>P</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Service failure severity → Consumer forgiveness</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Consumer anger → consumer forgiveness</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Apology → consumer forgiveness</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Consumer forgiveness → Brand switching intention</td>
<td>0.002</td>
<td>Supported</td>
</tr>
</tbody>
</table>

The above table shows that service failure severity has a significant and negative impact on consumer forgiveness with a p-value less than 0.05 i.e. .002, hence hypothesis H1 is supported. The results also show that consumer anger has also a significant and negative effect on brand attitude with a p-value of 0.001; hence hypothesis H2 is also supported. Apology as recovery strategy has a significant and positive effect on consumer forgiveness with p-value 0.002 hence hypothesis H3 is also supported. Consumer forgiveness has a significant and negative impact on brand switching intention with p-value 0.002, hence supporting hypothesis H4.

Results show that all proposed hypothesis in this research is supported as the p values for all relationships is below the standard 0.05.

4.2 Discussion

The purpose of this study was to examine the effect of service failure severity and consumer anger towards consumer forgiveness in the organized bus transportation sector in Lahore. This study represents the first attempt to examine the relationship of service recovery strategies service failure severity and consumer anger with consumer forgiveness. One key contribution of this research is that our findings enrich the knowledge of consumer forgiveness and brand switching intention by incorporating an effective recovery strategy. Theoretically, this research is supported the service failure severity leads to less consumer forgiveness. The switching intention of customers is when the customers switch to other brands that are caused by the dissatisfaction of service failure (Lin & Chou, 2022). It can be serious for the relationship of the service provider with the customer because intention leads to action (Riaz & Khan, 2016c). Researchers also discussed that effective recovery strategies are a very important task to retain the customers for a service provider (Harrison-Walker, 2019b).

Ultimately, the goal of the recovery strategies is to restore the relationship with customers by the service provider such that the consumer will not engage in the brand switching intention. Understand the recovery mechanism with service failure severity and consumer anger, recovery strategies leads to a positive outcome.
Once the service providers acknowledge the importance of forgiveness to attain their desired outcomes, the next step is to recognize the best way to earn consumer forgiveness. The current study suggested that Apology is important recovery strategies.

The current study suggests that the observed sector manages and handles the complaints in the correct terms. The recovery strategy process after a service failure is very important to the business. The organized bus transportation sector also can improve its service system by verifying set the standard of service quality to prevent service failure.

5. Conclusion

Although organizational researchers have conducted an extensive study on consumer forgiveness and recovery strategies in recent decades, limited literature exists to explain the more critical role of consumer forgiveness with service recovery strategies. This study is an attempt to develop an integrated framework that explore the relationship of service failure severity, negative emotions recovery strategy and consumer forgiveness. The research intends to significantly contribution in the existing literature in this field. Specifically, this research develops the understanding of consumer forgiveness by investigate its relationships with service failure severity, consumer anger, recovery strategy, and commuters’ switching intention to competitors.

5.1 Limitations

Overall hypothesized and a theoretical model was tested for transportation sectors altogether having 250 respondent’s data and the results were significant. It has found that consumer anger also significantly negative related to consumer forgiveness. The most important effective recovery strategy requires the right strategy which is implemented in the organizational setting. All businesses want customers to let go of negative emotions and feelings and make them able to restore their relationships. So the implementation of right and effective recovery strategies is important to overcome the loss of business.

The current study has a variety of limitations. This research only focuses on one company as one of the limitations of this research that may influence the results presented in this study. The current study limited to empirically test the direct relationship with consumer forgiveness. This research used non-probability sampling techniques, which cannot describe all the population in Lahore.

5.2 Future Research

Future research is needed to check the mediating effect of consumer forgiveness between service recovery strategies and brand switching intention. It is also can use a probability sampling technique to ensure that the sampling is referred to all populations in Lahore and increased the number of respondents with diverse areas. Although the current study also investigates the apology the common service recovery strategies, in the future need to explore more recovery strategies to promote consumer forgiveness.
6. References


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