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## DECIPHERING THE SERVICE RECOVERY PARADOX: INVESTIGATING THE INFLUENCE OF SERVICE ENCOUNTER AND CONTEXT

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**ABSTRACT:** The service recovery paradox, a phenomenon wherein customers' satisfaction increases after experiencing a service failure followed by effective recovery, has garnered significant attention in service management research. This study delves into the intricacies of the paradox by investigating the influence of service encounter and context on its occurrence. Through an in-depth analysis of customer perceptions, responses, and behavior in diverse service settings, this research unveils the complex interplay between service failure, recovery efforts, and the specific circumstances surrounding the encounter. By shedding light on the contextual factors that shape the emergence of the service recovery paradox, this study contributes to a deeper understanding of customer psychology and informs strategies for effective service management.

**KEYWORDS:** Service recovery paradox, service encounter, context, customer satisfaction, service failure, recovery efforts, customer behavior, service management, customer perceptions, effective recovery.

### INTRODUCTION

In the realm of service management, the enigmatic concept of the service recovery paradox has intrigued researchers and practitioners alike. This paradox refers to the counterintuitive phenomenon wherein customers' satisfaction levels surpass their initial pre-service failure levels after a service failure is effectively rectified. While the service recovery paradox has been recognized as a crucial area in understanding customer behavior and service excellence, the intricate mechanisms underlying its occurrence remain shrouded in complexity. This study aims to delve into the heart of this paradox by examining the role of service encounter and contextual factors in shaping its emergence. Through a meticulous investigation of the interactions between service failure, recovery efforts, and the situational context, this research seeks to decipher the service recovery paradox and contribute to the development of strategies for effective service management.

### METHOD

Research Design:

To explore the nuances of the service recovery paradox and its interaction with service encounter and context, a mixed-methods research approach was adopted. This approach combined qualitative insights from customer interviews and focus groups with quantitative data collected through surveys.

## **Participants:**

Participants were drawn from diverse service sectors to capture a broad spectrum of service encounters and contexts. The sample included customers who had experienced service failures and subsequent recovery efforts.

## **Data Collection:**

**Qualitative Data:** In-depth interviews and focus groups were conducted to collect qualitative data on customer perceptions, emotions, and reactions during service failures and recovery processes. Participants were encouraged to share their personal experiences and perspectives.

**Quantitative Data:** Surveys were administered to a larger sample of customers to quantify perceptions and behaviors related to the service recovery paradox. Participants rated their satisfaction levels before and after recovery efforts and provided insights into the context of the service encounter.

## **Data Analysis:**

**Qualitative Analysis:** Qualitative data from interviews and focus groups were analyzed using thematic analysis. Common themes related to customer emotions, perceptions, and the role of context in service recovery were identified.

**Quantitative Analysis:** Quantitative data from surveys were analyzed statistically to assess changes in customer satisfaction levels before and after recovery efforts. The relationship between service encounter, context, and the occurrence of the service recovery paradox was explored through regression analysis.

## **Ethical Considerations:**

Ethical guidelines were adhered to throughout the research process, ensuring the privacy and informed consent of the participants.

By employing a mixed-methods approach, this study aimed to unravel the complex interactions between service encounter, contextual factors, and the emergence of the service recovery paradox. The integration of qualitative insights and quantitative data aimed to provide a comprehensive understanding of the phenomenon and contribute to effective service management strategies.

## **RESULTS**

### **Qualitative Insights:**

The qualitative analysis of customer interviews and focus groups revealed a range of emotions and perceptions associated with service failures and subsequent recovery efforts. Participants expressed initial dissatisfaction with service failures but reported an elevated sense of satisfaction following effective recovery. The context of the service encounter played a crucial role in shaping these emotional responses and influencing the occurrence of the service recovery paradox.

### **Quantitative Findings:**

The quantitative analysis of survey data corroborated the qualitative insights. The majority of respondents indicated an increase in satisfaction levels after successful service recovery. However, this effect was not uniform across all service encounters and contexts, highlighting the nuanced nature of the service recovery paradox.

### **Contextual Influence:**

The study identified several contextual factors that influenced the occurrence of the service recovery paradox. These included the severity of the initial service failure, the responsiveness of the service provider, the customer's relationship with the brand, and the overall context in which the service encounter occurred.

## **DISCUSSION**

The results of this study shed light on the multifaceted nature of the service recovery paradox and its interaction with service encounter and context. The qualitative insights revealed that customers experience a complex interplay of emotions during service failures and recovery efforts. Effective recovery efforts led to positive emotional shifts, influencing customers to perceive the service encounter more favorably than before the failure occurred.

The quantitative findings supported the occurrence of the paradox, with a majority of respondents reporting increased satisfaction levels post-recovery. However, the study also emphasized that the presence of the paradox is contingent upon various contextual factors. The severity of the initial failure, the responsiveness of the service provider, and the customer's prior relationship with the brand all contributed to the likelihood of experiencing the paradox.

## **CONCLUSION**

This research delved into the intriguing world of the service recovery paradox, uncovering its nuances and revealing the intricate interplay between service encounter, context, and the occurrence of the paradox. The findings underscore that successful service recovery has the potential to not only rectify dissatisfaction but also propel customers to higher levels of satisfaction than they initially held. However, the contextual factors that frame the service encounter cannot be overlooked, as they significantly influence the dynamics of the paradox.

As service providers strive to enhance customer satisfaction and loyalty, an understanding of the service recovery paradox becomes imperative. The study's insights inform strategies for effective service management by emphasizing the importance of context-sensitive approaches to service recovery. By considering the unique circumstances of each service encounter, organizations can harness the potential of the service recovery paradox to their advantage, fostering stronger customer relationships and bolstering their reputation in the competitive service landscape.

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