

# Fairness Crucial to Service Failure Recovery for Airline Alliances

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The fairness with which individual customers are treated by airline alliances recovering from service failures heavily influences their subsequent evaluations and behaviour argue the SHTM's Dr Karin Weber and a co-author in a recently published research paper. The researchers show that a customer's prior mood and how other customers are treated in the same situation matter less than the sense of interpersonal fairness generated by recovery efforts. This reaction, they write, has implications for how individual airlines should deal with customer dissatisfaction when in strategic alliances.

## Service Failure and Recovery

How and why services fail to satisfy customers are the centre of much attention in many industries around the world. Various service recovery methods have been devised, but they are mostly applicable to single failures. Even when multiple service failures are considered, write the researchers, attention still tends to focus on single organisations. Yet, crucially, control over service quality is much more difficult to maintain in a strategic alliance.

The travel industry, note the researchers, is a "classic example of the trend to form alliances", and in the process is exposing single customers to multiple organisations on the same international trip. With a home carrier, at least one partner airline and the alliance itself involved, there is increased potential for service problems. The researchers wanted to know how a customer's mood before an alliance service failure and the efforts to recover from that failure affect customer satisfaction and the intention to purchase from the alliance again.

## Prior Mood and Recovery Strategies

Although service failure has gained the attention it deserves, what happens before a service fails has not. The researchers speculated that a customer's mood before

a service encounter might affect the post-encounter assessment of any difficulties encountered. They defined mood as a general mental state, less intense than an emotion but longer lasting. A customer in a bad mood would be likely to pay attention to the inappropriate behaviour of service personnel, and a customer in a good mood might wish to maintain it by focusing on the positives of the encounter.

The overall effect of a particular mood, reasoned the researchers, would be the result of how recovery strategies are enacted. In particular, customers are likely to respond to the type of justice they see delivered during service recovery. Three types of justice are likely.

Distributive justice gives the individual customer a sense that the recovery process is fair to all customers involved. Procedural justice occurs when fair means are used to rectify the problem. Interactional justice leaves the customer with a sense that, personally, he or she has received fair treatment. Given that interactional justice usually deals with "friendliness, empathy and respect", the researchers considered it most likely to have the greatest effect.

## Service Failure Simulated

To determine whether a customer's mood before a service failure was limited or enhanced by the interactional justice of a recovery strategy, the researchers devised eight failure scenarios. The general situation was that the home carrier of an airline alliance failed to tell its partner that a customer had requested an upgrade because the partner's flight had been overbooked.

Depending on the scenario, the customer's mood when arriving at the airport unaware of the problem could be positive or negative. There could be a high or low level of interactional justice in the service recovery effort, and

distributive justice could deliver a better result for others with the same predicament or the outcome could be unknown. Reactions to the way in which the partner airline recovered from the service failure, including anger, satisfaction and the intention to purchase from the alliance again, were also measured.

The researchers submitted the scenarios to a group of undergraduate students in the United States and received 241 usable responses. Approximately the same amount of men and women responded, and 40% of them had flown within the United States “between two and six times in the previous year”. Around 25% of the students had flown internationally within the same period.

### Customer Reactions

Not surprisingly, the simulated ‘customer’ was more satisfied when receiving personal fair treatment from the partner airline through interactional justice than when he or she either knew or did not know that others fared better through distributive justice. The customer was also understandably more satisfied with the partner airline than with the home carrier that made the mistake.

This satisfaction has an important implication for airline alliances. When a carrier deals with a customer disgruntled by a partner airline it “has an opportunity to strengthen its position relative to the partner airline by handling the service recovery in a satisfactory manner”. The carrier will then “feature more prominently in the customer’s choice of an airline to patronise in the future”.

Less in line with the researchers’ expectations was that neither the customer’s prior mood nor the behaviour of the staff member dealing with the problem influenced post-recovery satisfaction. They suggest that this situation probably reflects the customer’s unwillingness to apportion blame to the airline that did not create the problem.

Interestingly, however, when the customer was in a good mood on arrival at the airport, “the greatest anger was directed towards the alliance”, followed by the

partner airline and home carrier. “It appears”, write the researchers, that these people deflected their anger “toward distant entities”.

### Improving Recovery from Service Failure

Given the potential hazards faced by member airlines when a service failure occurs within a strategic alliance, the researchers suggest that individual airlines seek partners with similar service philosophies. This, unfortunately, is not yet the case in the airline industry.

As an interim measure, airlines could use customer surveys asking about service across the alliance to assess whether any corrective action is necessary. An even more substantial remedy to service quality disparities would be the establishment of joint customer service centres.

#### Points to Note

- Insufficient attention is paid to service failure involving multiple organisations.
- Airline strategic alliances have greater potential for service failure than single carriers.
- Alliance customers are satisfied with failure recovery if it is fair to them personally.
- Airlines should seek alliances that share their customer service philosophies.

Weber, Karin and Sparks, Beverly (2009). The effect of preconsumption mood and service recovery measures on customer evaluations and behaviour in a strategic alliance setting. *Journal of Hospitality and Tourism Research*, Vol. 33, No. 1, pp. 106-125.