

Mitigating customers' dissatisfaction with service failures: A case study on air travellers at the time of Covid-19

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Abstract

Cultivating relationships with customers is paramount in the service industries. Yet, service failures are inevitable over the lifetime of customer relationships. Handling failures to retain customer satisfaction is far more challenging when the cause is uncontrollable, i.e., beyond the provider's control, such as for unexpected restrictions obliging an airline to cancel its flights. In this study, we examine one such situation, i.e., the cancellation of flights due to COVID-19 pandemic outbreak and customer satisfaction with the offered recoveries. 360 flyers from New York state who experienced at least one cancelled flight at the beginning of the local lockdown participated in a survey. Customers who got refunds were happier than those who could rebook their flight and those who got no recovery. These findings show that managers should not fasten clients in their relationship after a service failure. For enhanced satisfaction, clients should have recovery choices sans obligation.

Keywords: *Customer satisfaction; Service recovery; COVID-19*

Track: Tourism Marketing