

Initiate it – Proactivity as a means to overcome unwanted effects of customer participation in service recovery?

Nicola Bilstein
Bielefeld University
Jens Hogreve
Katholische Universität Eichstätt-Ingolstadt

Acknowledgements:

Nicola Bilstein thanks the German Research Foundation (DFG) for financial support (grant BI 1763/1-1) on this project.

Cite as:

Bilstein Nicola, Hogreve Jens (2019), Initiate it – Proactivity as a means to overcome unwanted effects of customer participation in service recovery?. *Proceedings of the European Marketing Academy*, 48th, (9170)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



Initiate it – Proactivity as a means to overcome unwanted effects of customer participation in service recovery?

Abstract

While customer participation in service recovery (CPSR) has been frequently discussed as a meaningful service recovery strategy, we alert to its unwanted effects on both monetary and non-monetary outcomes in situations in which the recovery result is generic. We explain these unintended effects with equity theory and apply two scenario-based experiments to test them. Our results reveal decreasing satisfaction levels as well as increasing compensation expectations of customers for higher levels of CPSR. To overcome these unwanted effects, proactivity as a further service recovery strategy appears as a suitable means. Particularly, we show that service providers can counteract increasing compensation expectations deriving from higher levels of CPSR by proactively initiating the service recovery process. In doing so, our findings link two important recovery strategies, i.e. CPSR and proactivity, and thus enable managers designing better recovery processes.

Keywords: *customer participation in service recovery; proactivity; compensation expectations*

Track: Services Marketing