

THE ROLE OF PERCEIVED CONTROL AFTER SERVICE FAILURE

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Cite as:

Niederberger-Kern Maximilian, Frieß Maximilian, Schwaiger Manfred (2023), THE ROLE OF PERCEIVED CONTROL AFTER SERVICE FAILURE. *Proceedings of the European Marketing Academy*, 52nd, (114535)

Paper from the 52nd Annual EMAC Conference, Odense/Denmark, May 23-26, 2023



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Abstract

Service providers cannot entirely prevent service failures, which is why understanding consumer responses to failures has been a long-time priority for marketing academics and practitioners. While researchers have established consumers' perception of (un)fairness as key mechanism underlying negative responses to failures, the nonfinancial losses that lead to perceived unfairness remain ambiguous. Based on an online between-subjects experiment with 345 participants, we explore how service failures are associated with a loss in perceived control – consumers' perception of being able to influence a service provision into a preferred direction. Results show that both, process and outcome failures (vs. no failure exchanges) negatively relate to perceived control, which mediates the relationship between service failures and consumers' perceived (un-)fairness. Moreover, we show that the perceived loss of control is stronger when service importance is high (vs. low). Lastly, we find that the loss of control following failure is associated with a higher desire for control in future interactions with the service provider, linking and advancing research on unfairness perceptions and research on recoveries.

Subject Areas: *Consumer Behaviour, Service Marketing*

Track: Services Marketing