

RELATIONSHIP BETWEEN SERVICE RECOVERY AND BRAND LOYALTY

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ABSTRACT

This abstract provides a concise summary of the relationship between service recovery and brand loyalty. Service recovery refers to the actions taken by a company to rectify service failures, while brand loyalty represents customer commitment and repeat purchases. Key findings indicate that service failures can negatively impact brand loyalty, but effective service recovery can restore customer satisfaction and enhance loyalty. Factors such as speed, personalization, empathy, and compensation influence customer perceptions of service recovery efforts. Service recovery provides an opportunity for companies to turn negatives into positives, foster customer loyalty, and enhance their brand reputation. Overall, service recovery plays a crucial role in shaping brand loyalty by addressing customer issues, exceeding expectations, and building stronger customer relationships.

Keywords: Brand loyalty, service recovery efforts, customer perception, satisfaction.

Findings: This table displays the frequency count and percentage of replies to a question with response options of 3, 4, or 5 about how far consumers feel the company's service recovery efforts fixed their issue. According to the table, 46 customers (42.20%) chose option 5, while 53 customers (48.62%) chose answer option 4, and 10 customers (9.17%) chose response option

A chi-square goodness of fit test, which examines whether the proportions in the sample match a particular distribution (in this example, a uniform distribution across the three response options), is also shown in the table. Highly significant ($p .001$) is the chi-square test value of 29.3 with 2 degrees of freedom.

SCOPE FOR FUTURE WORK:

The extent of the connection between service recovery and brand loyalty includes a variety of customers, including existing and prospective customers as well as loyal and disgruntled customers. A brand's commitment to customer satisfaction can wow potential consumers, turn unsatisfied customers into loyal ones, keep existing loyal customers, and attract new ones.

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INTRODUCTION:

When a customer has a bad service experience, service recovery is the process of getting in touch with them to make things right. The goal of service recovery is to maintain the customer's loyalty while regaining the customer's trust and satisfaction in the business. This might entail a number of tactics, including expressing regret for the problem, paying restitution or compensation, adding new services or products, and taking action to stop the problem from occurring again in the future. Good service recovery can help transform a bad experience into a good one and, in the end, can enhance the bond between the consumer and the company. The degree of attachment, commitment, and devotion a consumer has for a specific brand is referred to as brand loyalty. It refers to the extent to which a customer continues to buy goods or services from a certain brand notwithstanding the availability of substitutes. Customers who are loyal to the brand are frequently pleased with the caliber, standing, and entire experience of a certain brand, and they are more likely to continue with that brand even if rivals have better deals or special offers. The brand's client base and market share may grow as a result of its referrals to others. The degree of attachment, commitment, and devotion a consumer has for a specific brand is referred to as brand loyalty. It refers to the extent to which a customer continues to buy goods or services from a certain brand notwithstanding the availability of substitutes.

Relationship Between Service Recovery and Brand Loyalty: Brand loyalty and service recovery have a close relationship.

Brand loyalty may increase when a business responds quickly and effectively to a customer's complaint or dissatisfaction with their service. Service recovery can increase brand loyalty in the following ways:

Builds Trust: A business can gain the customer's trust by responding to the issue immediately and effectively. Customer loyalty to the brand may rise when they feel appreciated, listened to, and heard out. **Focuses on the Customer:** A business is customer-focused if it prioritizes the wants and concerns of its clients through service recovery. This may increase client satisfaction and foster brand loyalty.

STATEMENT OF THE PROBLEM:

The purpose of the study is to find out if customers who have experienced a service breakdown can become more brand loyal as a result of good service recovery measures. Additionally, it seeks to pinpoint the elements that go into a successful service recovery and analyze how they affect customer loyalty. The problem statement suggests investigating how brand loyalty may be impacted by service recovery.

OBJECTIVES OF THE STUDY:

1. To determine the relationship between service recovery and brand loyalty
2. To determine the relationship between service recovery and perceived service quality
3. To identify the link between an organization's service recovery efforts and a customer's satisfaction level.

SCOPE OF THE STUDY:

The extent of the connection between service recovery and brand loyalty includes a variety of customers, including existing and prospective customers as well as loyal and disgruntled customers. A brand's commitment to customer satisfaction can wow potential consumers, turn unsatisfied customers into loyal ones, keep existing loyal customers, and attract new ones.

LITERATURE REVIEW:

YS Wang, SC Wu, HH Lin, YY Wang 2011(The relationship of service failure severity, service recovery justice, and perceived switching costs with customer loyalty in the context of e-tailing)- In this essay, the findings of an empirical investigation on the relationship between customer satisfaction, loyalty, and service recovery quality in Vietnamese online retail are presented. From November 2018 to March 2019, data from seasoned Vietnamese online shoppers were gathered and analyzed using structural equation modelling (SEM)..

.M Sciarelli – 2017(Mediating service recovery satisfaction in the relationship between internet service recovery and customer loyalty):This study provides information on the direct and indirect effects of seven service recovery strategies on customer loyalty, including its attitudinal and behavioral dimensions. The current study uses the partial least squares (PLS-SEM) method on a sample of 430 internet users in Egypt to determine the correlations between service recovery tactics, service recovery satisfaction, and both aspects of customer loyalty with reference to Internet providers.

T DeWitt, DT Nguyen-2018(Exploring customer loyalty following service recovery: The mediating effects of trust and emotions): Current research demonstrates that customer perceptions of trust after service recovery are a function of loyalty. The authors suggest a cognitive appraisal model in which trust and feelings are portrayed as significant mediators in the connection between perceived justice and patron loyalty.

Simon Hazée a Yves Van Vaerenbergh -MAY 2017(Co-creating service recovery after service failure: The role of brand equity).: This paper adds to prior research by showing the mediating role of outcome favorability in the relationship between co-created service recovery and customer outcomes and by examining whether organizations with different levels of brand equity benefit equally from co-creating service recovery with their customers. According to the findings of two research, involving customers in the service recovery process helps them feel as though they were given the best possible remedy for the service breakdown.

AA Kamble, S Walvekar 2019(Relationship between customer loyalty and service failure, service recovery and switching costs in online retailing) This study looks at how perceived switching costs, the severity of service failures, and the justice of service recovery relate to consumer loyalty.

Additionally, it investigates how perceived switching costs and service recovery justice interact moderately. Data gathered from 306 respondents and tested against the study model used in earlier studies indicate the severity of service failure.

RESEARCH METHODOLOGY:

Research Design: Descriptive research is the type of research used for the study. Descriptive research is a sort of study used to outline a population's characteristics. It gathers information that is used to respond to a variety of what, when, and how inquiries regarding a certain population or group.

Source of Data: Both primary and secondary data are collected for the research. Primary data was collected through surveys through questionnaires among the employees. Secondary data was collected from the company through various sources like journals and the company website.

Sample size: The number of individuals or observations included in a study is referred to as the sample size. The sample size for analyzing the data is 109 respondents which helps to develop the skills.

The sampling technique used for the research: The sampling technique used for the research is convenience sampling.

The statistical tool used for the research: Correlation, and Chi-square are the tools used for the research.

Hypothesis of research:

H0: There is a significant relationship between service recovery and brand loyalty

H1: There is no significant relationship between service recovery and brand loyalty

H0: There is significant relationship between organisation's service recovery efforts and customer's satisfaction level.

H1: There is no significant relationship between organisation's service recovery efforts and customer's satisfaction level.

Data analysis and interpretation:

Chi-square test (goodness of fitness test)

H0: There is a significant relationship between an organization's service recovery efforts and a customer's level of satisfaction.

H1: There is no significant relationship between an organization's service recovery efforts and a Customer's level of satisfaction.

Proportions - In your opinion, to what extent did the company's service recovery TABLE 4.61

	Level	Count	Proportion
	3	10	0.0917
	4	53	0.4862
	5	46	0.4220

χ^2 Goodness of Fit TABLE 4.62

χ^2	df	p
29.3	2	< .001

Interpretation

This table displays the frequency count and percentage of replies to a question with response options of 3, 4, or 5 about how far consumers feel the company's service recovery efforts fixed their issue. According to the table, 46 customers (42.20%) chose option 5, while 53 customers (48.62%) chose answer option 4, and 10 customers (9.17%) chose response option. A chi-square goodness of fit test, which examines whether the proportions in the sample match a particular distribution (in this example, a uniform distribution across the three response options), is also shown in the table. Highly significant (p .001) is the chi-square test value of 29.3 with 2 degrees of freedom.

Findings:

This table displays the frequency count and percentage of replies to a question with response options of 3, 4, or 5 about how far consumers feel the company's service recovery efforts fixed their issue. According to the table, 46 customers (42.20%) chose option 5, while 53 customers (48.62%) chose answer option 4, and 10 customers (9.17%) chose response option. A chi-square goodness of fit test, which examines whether the proportions in the sample match a particular distribution (in this example, a uniform distribution across the three response options), is also shown in the table. Highly significant ($p .001$) is the chi-square test value of 29.3 with 2 degrees of freedom.

SUGGESTIONS:

Prioritize quick and aggressive service failure resolution to show your dedication to client pleasure and loyalty. Give frontline staff the knowledge and expertise they need to manage service recovery efficiently while enhancing the customer experience. Enhance the emotional bond between the client and the brand by personalizing the service recovery process to recognize and respond to specific customer problems.

Rebuild trust by being open and honest when discussing service issues, remedies, and rewards. This will reinforce your company's dedication to ensuring client pleasure. To demonstrate commitment to continuous improvement, learn from service failures, pinpoint the underlying reasons, and make necessary modifications. After recovery, gauge and track client satisfaction to determine effectiveness and make any necessary modifications.

CONCLUSIONS:

A company's service recovery is important in determining customer loyalty because how a company responds to a service failure and fixes the problem has a big impact on how people feel about the brand and how loyal they become as a result. Effective service recovery can improve a bad situation, strengthening the relationship between clients and the brand.

Compared to service quality, service recovery has a bigger impact on brand loyalty: While offering excellent customer service is crucial, service recovery has a bigger impact on brand loyalty. When a company acknowledges and immediately fixes service issues, it shows its dedication to customer pleasure and may even increase loyalty above and above what would have been possible with flawless service alone.

Customers are more likely to forgive a brand and stick with it if they are satisfied with the recovery efforts after a service breakdown. Service recovery enables businesses to correct errors, offer appropriate compensation or resolution, and restore customer happiness, maintaining and enhancing the customer-brand connection.

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