

Why you should say 'thank you' and not 'sorry' after most service failures

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Researchers from New Mexico State University, University of South Carolina, Zhejiang University (China), and The Ohio State University published a new paper in the *Journal of Marketing*, which examines strategies for restoring customer satisfication.



The study forthcoming in the March issue of the *Journal of Marketing* is titled "When and Why Saying 'Thank You' Is Better Than Saying "Sorry" in Redressing Service Failures: The Role of Self-Esteem" and is authored by Yanfen You, Xiaojing Yang, Lili Wang, and Xiaoyan Deng.

Business leaders worldwide report that <u>consumers</u>' expectations of <u>service</u> quality are higher than ever. It is therefore not surprising that consumers report interactions with service providers as often rife with service failures. Consider restaurant service. A high proportion of U.S. consumers are dissatisfied with various aspects of their dining experience, with 60.8% complaining about slow services, 29.4% about inadequate food and beverage quality, and 21.6% about inefficient staff. In general, service failure consequences to businesses include considerable financial loss and negative word of mouth (WOM). For example, U.S. companies lost \$1.6 trillion in 2016 from customer switching caused by poor service with 44% of unsatisfied customers venting their frustrations on social media.

In their initial recovery efforts after a service failure, service providers need to decide what to communicate to consumers to restore their satisfaction. A new study in the *Journal of Marketing* focuses on two symbolic recovery communications commonly utilized by service providers—appreciation (saying "thank you") versus apology (saying "sorry"). For example, when there is a service delay (e.g., a plumber shows up later than the scheduled time), the <u>service provider</u> could either say, "Thank you for your patience," or "I am sorry for the wait."

This research suggests that appreciation (saying "thank you") is often a more effective strategy than apology (saying "sorry") at restoring consumer satisfaction. That is, in the case of service failures, when service providers redress such failures with the appreciation (vs. apology) recovery communication strategy, consumers are more satisfied with the way service providers redress the failure, report higher overall



satisfaction, form higher repatronage intentions, are more likely to recommend the service provider to other consumers, and are less likely to complain.

The researchers reason that a shift of focus in the interaction between service provider and consumer—from emphasizing the service provider's fault and accountability (apology) to spotlighting the consumer's merits and contributions (appreciation)—can increase consumer self-esteem and, in turn, enhance post recovery satisfaction.

The study also identifies situations in which the superiority effect of appreciation (vs. apology) holds or disappears. For example, the superiority of appreciation over apology is more likely to be observed among consumers who are narcissistic and when recovery communications are communicated after (vs. before) the service failure. The appreciation strategy is as effective as recovery messages that combine appreciation and apology, too. The appreciation strategy's superiority over apology also holds when material recovery needs to be provided in severe failures (e.g., a server provides a free drink in addition to expressing appreciation or apology).

These findings have substantial implications for service providers about how to effectively recover from service failures. As an initial step, service providers need to decide what to say to consumers to redress the failure and restore satisfaction. Despite abundant guidance on whether and when to redress a service failure, researchers have offered little advice on what service providers should say, except for recommending that they apologize for the service failure. This study suggests that saying "thank you" is more effective at restoring consumer satisfaction than saying "sorry."

What service providers ultimately say—"thank you" or "sorry"—should be tailored to certain situational factors (i.e., timing of the recovery,



severity of failure, and presence of utilitarian recovery) and individual traits (e.g., consumers' narcissism). For example, the superior effect of appreciation disappears if service providers redress potential failures in advance. Furthermore, when the service failure is severe, utilitarian recovery or material compensation is a prerequisite for the superior effect of appreciation. Service providers should use appreciation in their service recovery for consumers with a higher narcissistic tendency (e.g., those who use social networks more, are younger), but should be aware that appreciation is not necessarily better than apology for those low in narcissism.

More information: Yanfen You et al, When and Why Saying "Thank You" Is Better Than Saying "Sorry" in Redressing Service Failures: The Role of Self-Esteem, *Journal of Marketing* (2019). DOI: 10.1177/0022242919889894

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