Misery loves company: evaluation of negative e-WOM effects at the post-service recovery stage

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Abstract

Purpose – The authors’ research examines how negative electronic word-of-mouth (e-WOM) alters focal customers’ post-recovery justice perceptions and attitudes to determine their future behavior with the service provider. Specifically, this paper develops and tests a conceptual model to investigate how negative e-WOM alters focal customers’ perceptual and attitudinal outcomes after the service recovery experience. It also examines the post-recovery effect of negative e-WOM on focal customers’ willingness to patronize the service after their recovery experience.

Design/methodology/approach – To test the hypotheses, two pretests and two experimental studies with created scenarios in the retail context were conducted.

Findings – The authors’ findings reveal that services are judged during and well beyond failure and recovery occurrences. To maintain a loyal customer base, service managers should develop processes that address service complaints both within and beyond the service consumption stage. The authors also find that despite a favorable recovery, focal customers gravitate toward the failure experience and develop unfavorable attitudes toward the service provider, leading to likely defections.

Originality/value – The authors’ research demonstrates the persuasive power of negative e-WOM at the post-service recovery stage, making a unique contribution to the service recovery literature. This research also contributes to the persuasive effect of negative e-WOM, demonstrating message context as a boundary condition of negative e-WOM effects. In general, the authors’ work highlights the importance of understanding the psychological processes involved in eliciting the persuasive influence of negative e-WOM in the post-service recovery stage that may lead to the defection of “so-called” successfully recovered customers.

Keywords Justice perceptions, Negative electronic word-of-mouth, Confirmation bias, Failed service, Post-recovery

Paper type Research paper

1. Introduction

The adage “misery loves company” suggests that people who are unhappy or distressed may find some comfort or relief in knowing that others are going through similar experiences based on a sense of solidarity and understanding (Farrow et al., 2022). The Internet compounds this by affording a stage for collective grievances to be aired and validated—a phenomenon that has profoundly transformed the customer landscape. Indeed, electronic word-of-mouth (e-WOM) is a significant force shaping consumer perceptions, influencing company success (Javornik et al., 2020) and creating online communities where individuals can connect and commiserate over shared misfortunes. Consequently, the question arises about how the collective experience of others, through negative e-WOM, affects focal consumers perceptions of service recovery and subsequently, their repurchase intentions (RPIs).

The service recovery literature has long been concerned with how organizations respond to service failures and injustices, seeking to understand the dynamics of
complaint resolution and its impact on customer satisfaction and loyalty (Mattila, 2001). However, existing literature on service recovery focuses on the pre-recovery (Adil et al., 2022) or recovery stages (Singh and Crisafulli, 2016; Edström et al., 2022), with very few studies investigating the post-recovery stage (Anwar and Ozuem, 2022). Early work (Oliver and Burke, 1999) demonstrated that customers revise their overall evaluation of an organization following a service recovery, and while expectations exert an immediate impact on satisfaction, they gradually diminish over time. Decades later, van Vaerenbergh et al. (2019) explored how customers update their expectations following service recovery and questioned how customers become sensitive to signals indicating potential service failures at the post-recovery stage; this is pivotal for predicting customer loyalty with the service provider.

In contrast, the negative e-WOM literature investigates the damaging impact of online complaints on brand reputation and purchasing decisions and how rapidly they disseminate across social networks (Javornik et al., 2020; Watson et al., 2018). This form of e-WOM influences customers strongly because of its perceived credibility and diagnostic value (Qahri-Saremi and Montazemi, 2022; Filieri, 2016), shaping both customer attitudes and behaviors (Javornik et al., 2020). However, the influence of negative e-WOM on post-recovery perceptions, crucial for today’s businesses, remains an unexplored area. Service providers’ challenge in predicting and understanding customer behavior post-recovery is rooted in their limited control over touchpoints beyond direct interactions or those “moments of truth” not within their immediate scope.

For example, consider the case of a disgruntled airline passenger who experiences a service mishap, such as lost luggage. In the past, she may have stewed silently or complained to a few friends. Today, social media allows her to easily and quickly air and validate her grievances with a vast audience; this also enables her to discover fellow travelers who faced similar issues. The passenger is no longer just an isolated voice of complaint; she is part of a chorus of dissatisfaction. How does this experience affect the passenger’s perception of the airline’s response to her complaints along with the justice she feels she deserves?

This research seeks to bridge the gap between the service recovery and negative e-WOM literature streams by exploring how customers update their justice perceptions following service recovery when they witness similar sufferings of others online. This goes beyond the binary understanding of service recovery success or failure and the damaging effects of negative e-WOM to investigate the nuanced and interactive relationship between these two factors. We seek to uncover the mechanisms by which customers’ justice perceptions are recalibrated when exposed to others’ shared misfortunes and, in turn, how these recalibrated perceptions influence their attitude and RPIs toward the service provider.

This research also offers practical insights for businesses navigating the challenging landscape of negative e-WOM and service remediation. We direct service managers’ attention to post-recovery perceptions among “so-called” recovered customers and underscore the need to establish strategies for predicting and averting customer defection post-service recovery. Our findings reveal that services are judged during and well beyond the failure and recovery occurrence. To maintain a loyal customer base, service managers should develop processes that address service complaints both within and beyond the servicescape.

The rest of this article is structured as follows. We provide an overview of the literature on justice perceptions post-service recovery and negative e-WOM. We develop our conceptual model and hypotheses and then present our research method, including two pretests and two main studies in a retail context. Following analysis and results from the experiments, we discuss the contribution of this research to the service recovery and negative e-WOM literature. The paper concludes by identifying theoretical and managerial implications, limitations and future research directions.
2. Theoretical background

2.1 Service recovery and justice perceptions

The existing service recovery literature emphasizes the use of justice theory as the primary framework for assessing fairness in complaint handling during service recovery (van Vaerenbergh et al., 2019). Justice perception plays a key role in shaping a wide array of customer responses (Javornik et al., 2020) and significantly influences subsequent attitudes toward the service provider post-recovery (Tax and Brown, 2000). Further, these justice perceptions positively impact the satisfaction derived from the service recovery process by fostering trust and commitment (Río-Lanza et al., 2009), ultimately influencing subsequent customer behaviors (Siu et al., 2013).

The dimensions of justice – distributive, procedural and interactional – comprise the foundation on which customers assess the fairness of the service recovery process (Javornik et al., 2020; La and Choi, 2019). Distributive justice relates to the tangible outcomes of the recovery process, procedural justice concerns the methods employed during recovery attempts and interactional justice refers to the treatment customers receive throughout the recovery process. Collectively, customers form their overall justice perceptions through the comprehensive evaluation of these justice dimensions (Migacz et al., 2018; Blodgett et al., 1997; Tax et al., 1998), resulting in a holistic construct of justice perception (DeWitt et al., 2008).

However, the existing literature primarily uses justice perceptions to evaluate the fairness of service recovery efforts in isolated transactional events. The current body of research lacks an understanding about how these cumulative justice perceptions might alter the post-recovery experience. Notably, van Vaerenbergh et al. (2019) introduced the concept of the service recovery journey, which views service recovery as an outcome of a service failure and encompasses three distinct phases: pre-recovery, recovery and post-recovery.

Recognizing this critical gap in the literature, our research focuses on customer perceptions specifically during the post-recovery stage. By exploring the uncharted territory of how cumulative justice perceptions impact the post-recovery experience, our study contributes to a more comprehensive understanding of service recovery dynamics, moving beyond singular transactional assessments to a more holistic view of customer experiences throughout the entire service recovery journey.

2.2 Negative e-WOM

About two billion Internet users worldwide (Coppola, 2021) use e-WOM to obtain valuable information about the shopping experience (Singh and Söderlund, 2020) and reduce risks associated with purchase-related decision-making (Bond et al., 2019; Zhang et al., 2014; Voyer and Ranaweera, 2015). The persuasiveness of negative e-WOM on product evaluation is well established (Sen and Lerman, 2007; Lee et al., 2008). Customers share negative information with many people over an extended duration and in a more detailed and absorbed manner compared to positive information (Hornik et al., 2015). Negative e-WOM is perceived as more useful (Casaló et al., 2015; Filieri et al., 2021a) and trustworthy (Filieri, 2016) than positive e-WOM. The in-depth elaboration of negative experiences makes negative e-WOM more diagnostic (Qahri-Saremi and Montazemi, 2022; Filieri et al., 2019; Filieri, 2016) and helpful (Filieri et al., 2021b, 2019). In fact, extremely negative reviews about a highly rated service are judged as more helpful than a moderately rated service (Filieri et al., 2021b). However, the persuasiveness of negative reviews differs based on the consumption goals. For example, Zhang et al. (2010) found that negative e-WOM is more persuasive than positive e-WOM only when customers evaluate a service or product with preventive goals. The usefulness of negative reviews is also contingent upon the product type, where negative e-WOM of a product with high environmental impact is perceived as more useful, leading to a more
negative product attitude (Filieri et al., 2021a). While studies have focused primarily on the persuasive impact of negative e-WOM on customers with no experience with the product or service, few studies have assessed the effects of prior experience in customers’ processing of negative e-WOM (Qahri-Saremi and Montazemi, 2022; Chatterjee et al., 2021; Su et al., 2022).

Although the literature has examined the persuasive impact of negative e-WOM on prospective customers who have not yet engaged with the product or service, there is a significant dearth of research exploring the ramifications of negative e-WOM on customers who have experienced service recovery. This unexplored terrain is particularly vital because negative e-WOM is detailed, absorbed and perceived as more useful and trustworthy compared to positive e-WOM. The persuasive impact may differ significantly when targeted at customers in the post-recovery stage. As such, this pivotal gap in the literature prompts the need for a more comprehensive understanding of how negative e-WOM influences the change in perceptions of customers in the post-recovery stage. This study builds on this gap, emphasizing that gauging customers’ post-recovery perceptions is vital for predicting and preventing customer defection, through appropriate intervention strategies before customers exit.

3. Hypotheses development and conceptual model

3.1 Moderating effects of negative e-WOM on post-recovery justice perceptions and attitudes

Others’ opinions are important when making a purchase decision, but how much do they matter to focal customers after a personal service recovery? Even if focal customers are recovered successfully, knowledge of others’ negative experiences may still harm perceptions of justice and attitude toward the service provider. Studies show that prior reviews influence an Internet user’s own reviews (Schlosser, 2005; Sridhar and Srinivasan, 2012). Customers decrease their public ratings after reading a negative review despite having had a good personal experience with the product or service (Schlosser, 2005). Similarly, customers perceive their personal negative experience more strongly upon seeing prior positive reviews (Sridhar and Srinivasan, 2012).

Yet in the case of critical services such as doctors, customers improve their ratings when prior reviews are highly positive (Kordzadeh, 2019). Thus, a customer’s perception of a service is a function of personal experience and others’ online opinions (Chatterjee et al., 2021). However, if a customer’s perception of the service quality is high, the detrimental effect of negative e-WOM can be negated significantly (Su et al., 2022). Evidence from the service recovery literature suggests customers lower their justice perception and the likelihood of repatronizing the service when they observe other customers being treated unfairly (Mattila et al., 2014). Focal customers’ satisfaction with service recovery increases upon observing other customers being compensated equally as themselves, but satisfaction decreases if other customers are comparably overcompensated (Morrison and Huppertz, 2010). These results corroborate the findings that knowledge of other customers’ better experience reduces focal customers’ fairness perception (Collie et al., 2002).

Given that focal customers will likely compare their experience with those of other customers and alter their judgment about service recovery, we seek to understand why and how focal customers process others’ negative experiences (i.e. the negative e-WOM) in their future decision-making process, after their own service recovery experience. Integrating confirmation bias theory (Knobloch-Westerwick and Silvia, 2015) and negativity bias theory (Filieri et al., 2021b), we explain the relationship between focal customers’ service recovery and negative e-WOM and their effect on focal customers’ attitudinal behavioral responses. Confirmation bias theory, which states that individuals always seek information that aligns with pre-existing beliefs (Festinger, 1957), finds support in several studies concerning the influence of social media on the perception of political communication (Knobloch-Westerwick JSTP
and Silvia, 2015; Knobloch-Westerwick and Kleinman, 2012; Knobloch-Westerwick et al., 2020) and sentiments toward online opinion (Workman, 2018). These studies show that customers’ previously held views are strengthened by social media conversations regardless of valence (Workman, 2018). In fact, confirmation bias is greater if individuals have more attitude-consistent messages to choose from than attitude-inconsistent messages (Knobloch-Westerwick et al., 2020).

Thus, we argue that why focal customers are likely to compare their service recovery experience with those of other customers is to validate their opinion about the service provider. Despite having a satisfactory recovery and forming positive judgments about the recovery process, focal customers are likely to confirm and validate their opinions with others. Exposure to negative e-WOM would then imply they are deliberately seeking opinion to reinforce or challenge their own opinion (Garrett, 2009).

Negativity bias theory suggests that negative stimuli produce more significant psychological effects than positive stimuli because individuals assign greater weight to negative entities than positive information (Rozin and Royzman, 2001). After experiencing service recovery, focal customers will likely perceive the negative e-WOM with prevention consumption goals (Zhang et al., 2010). Customers tend to respond more actively to negative information compared to positive information, because they tend to process and absorb negative details to a greater extent than positive ones (Hornik et al., 2015). Therefore, even when the service failure is recovered successfully, the failure experience will weigh more heavily on the focal customers’ psyche when exposed to negative e-WOM. Consequentially, negative e-WOM will have a larger impact on focal customers’ attitude (Purnawirawan et al., 2015). However, the persuasiveness of the negative e-WOM also depends on the context of the message (Qahri-Saremi and Montazemi, 2022; Tormala and Clarkson, 2007). Diagnosis of subjective information will depend on the context of the information (Ketelaar et al., 2015), because contextual cues significantly affect customers’ abilities to process and retrieve information from messages (Tormala and Clarkson, 2007).

Thus, in terms of how negative e-WOM is processed, focal customers’ prior experience with the context of the negative e-WOM will increase their ability to process the content of the message (Qahri-Saremi and Montazemi, 2022). If the context of the message is similar to the focal customer’s personal experience, it will help customers scrutinize the message (Qahri-Saremi and Montazemi, 2022; Peracchio and Tybout, 1996; Filieri et al., 2021a) and hence, be more persuasive. Contrarily, negative e-WOM, which is not perceived as contextually similar, is likely to be less persuasive in shaping focal customers’ subsequent justice perception and attitude.

We predict that – regardless of the recovery valence – focal customers will likely perceive negative e-WOM with a bias that confirms their negative experience with the service provider. However, processing negative e-WOM is contingent on the perceived contextual similarity of their personal service failure experience and the service failure described in the negative e-WOM. Focal customers’ personal service failure experience, coupled with the contextually similar negative e-WOM, will trigger negativity bias. Thus, focal customers’ overall justice perceptions toward the service provider will be reduced to a level lower than they had perceived prior to exposure to the negative e-WOM. The greater weight of negative information will induce focal customers’ bias toward their personal service failure experiences and shift their post-recovery judgment in the direction congruent to negative experiences regardless of satisfactory or unsatisfactory recovery.

In sum, we predict the effect of negativity bias is so strong that focal customers both with and without a good recovery experience will be detrimentally affected by the negative e-WOM. Irrespective of their recovery valence, customers’ perceptions of justice toward the service provider after reading negative e-WOM will be lower than before reading the negative e-WOM. Based on these arguments, we predict focal customers’ justice perceptions (after satisfactory or unsatisfactory recovery) will be lower after exposure to contextually similar negative e-WOM.
than before exposure. However, post-recovery justice perceptions will remain the same before and after being exposed to contextually dissimilar negative e-WOM. Hence, as shown in the conceptual model presented in Figure 1, we propose the following hypotheses:

**H1a.** Focal customers’ post-service recovery justice perceptions will change negatively (remain unchanged) for satisfactorily recovered customers when exposed to negative e-WOM in a similar (dissimilar) service failure context.

**H1b.** Focal customers’ post-service recovery justice perceptions will change negatively (remain unchanged) for unsatisfactorily recovered customers when exposed to negative e-WOM in a similar (dissimilar) service failure context.

The service recovery and organizational behavioral literature supports post-recovery justice perceptions’ effect on attitude (Hopkins and Weathington, 2006; van Vaerenbergh and Orsingher, 2016; Ambrose et al., 2007). Generally, customers’ attitude toward the service provider after service recovery will depend on the severity of the failure (Liu et al., 2019). Perceived fairness of the service recovery improves customers’ perceptions of service quality, eventually enhancing relationship quality (Chi et al., 2020). Online service recovery can restore customer satisfaction, lower switching costs and enhance positive WOM (Singh and Crisafulli, 2016). Drawing on the arguments of both confirmation bias and negativity bias theory, we predict focal customers’ attitudes (after satisfactory or unsatisfactory recovery) will be lower after exposure to contextually similar negative e-WOM than before exposure. However, post-recovery attitudes will remain the same before and after being exposed to contextually dissimilar negative e-WOM. As depicted in Figure 1, we propose the following:

**H2a.** Focal customers’ post-service recovery attitude toward the service provider will change negatively (remain unchanged) for satisfactorily recovered (i.e. high justice perception) customers when exposed to negative e-WOM in a similar (dissimilar) service failure context.

**H2b.** Focal customers’ post-service recovery attitude toward the service provider will change negatively (remain unchanged) for unsatisfactorily recovered customers (high justice perception) when exposed to negative e-WOM in a similar (dissimilar) service failure context.

### 3.2 Mediation of post-recovery attitudes on the relationship between negative e-WOM and service recovery on future behaviors

Negative stimuli influence customer’s response behavior through cognitive and affective pathways (Sharma et al., 2023). The effect of perceived justice on post-service failure attitudes

**Figure 1.** Conceptual model

**Note(s):** JP: Justice perception; ATT: Attitude

**Source(s):** Figure created by author
and behaviors is a well-established relationship (Smith et al., 1999; Tax et al., 1998). Further, justice perceptions affect not only event-related attitudes but also the overall attitude toward the service provider. Justice perceptions influence overall attitudes through the event-related attitudes of customers (Ambrose et al., 2007). Similarly, the influence of negative e-WOM on product attitude also confirms that negative information influences product attitude negatively (Filieri et al., 2021a). Studies on the effects of justice perceptions on customers’ behavioral outcomes show how perceptions of unfairness can lead to negative WOM and reduced intentions of repurchase (Gelbrich et al., 2015). Further, responses to negative reviews as well as positive recovery of the service failure affect future WOM behaviors and repeat purchase intentions (Liu et al., 2019; Su et al., 2022).

Moreover, research indicates attitudes toward the object and attitudes overall predict future behavior (Schoefer and Diamantopoulos, 2008). Studies show attitudinal loyalty mediates the relationship between post-recovery justice perception and behavioral loyalty (Liu et al., 2021; Mohd-Any et al., 2019). These findings indicate behavioral intentions are an outcome of the attitudinal process. Hence, we predict attitude toward the service provider formed after exposure to the negative e-WOM would mediate the effect of negative e-WOM on service recovery perception on future behavioral intentions (intentions to spread negative WOM and RPIs). In short, we predict the attitude formed after reading the negative e-WOM will mediate the moderating effect of service recovery valence and negative e-WOM and focal customers’ behavioral intentions. Thus, we hypothesize the following (see Figure 1):

**H3.** Post-service recovery attitudes (i.e. final attitude) toward the service provider formed by exposure to negative e-WOM will mediate the moderating effect of negative e-WOM on the relationship between service recovery perception and RPI.

**H4.** Post-service recovery attitudes (i.e. final attitude) toward the service provider formed by exposure to negative e-WOM will mediate the moderating effect of negative e-WOM on the relationship between service recovery perception and intentions to spread negative WOM in the future.

### 4. Pretests

To test the hypotheses, two pretests and two experimental studies were conducted.

#### 4.1 Pretest 1 - manipulation checks of the scenarios

Pretest 1 assessed (1) manipulated scenarios of focal customer’s own service recovery experience and (2) manipulated scenarios of negative e-WOM (other customers’ online complaints) about e-retail failures in similar and dissimilar contexts to determine whether manipulation of service recovery experience was achieved as intended. We first manipulated the service failure experience of the focal customer followed by recovery valence (satisfactory versus unsatisfactory recovery). Participants role-played as a focal customer who had a service failure with a fictitious online retailer, easyshop.com, followed by a satisfactory or unsatisfactory recovery. The core scenario described the e-retail service failure where the delivery promise was broken (manipulated scenarios are included in Appendix 1). Participants were then exposed to a stimulus with either a satisfactory or an unsatisfactory recovery experience and evaluated the service recovery performance on a two-item, 7-point Likert scale (all manipulation check items are included in Appendix 2).

A second stimulus manipulated other customers’ negative e-WOM, reporting service failures with contexts either similar or dissimilar to that of focal customers. Three negative reviews were used based on previous studies (Bambauer-Sachse and Mangold, 2011). In a similar context, these negative e-WOM dealt with issues related to “products not received”, in
the dissimilar context, the negative e-WOM reported issues such as, “erroneous information regarding shipping charges, overcharging beyond MRPs, and hidden charges.” The manipulation check included a two-item, seven-point semantic differential scale (see Appendix 2).

The service failure types used in the manipulation were based on severe failures listed in Forbes et al. (2005). Respondents rated the severity of failure in negative e-WOM to assess perceived severity on a 10-point semantic differential scale (See Appendix 2).

An independent sample t-test revealed a significant main effect of service recovery condition (independent fixed factor) on mean scores of service recovery evaluation ($F(1, 55) = 14.89, p < 0.001$). Participants in the satisfactory recovery condition ($M = 4.70$) reported higher recovery perceptions than those in the unsatisfactory recovery condition ($M = 3.04$).

A separate independent sample t-test found a significant main effect of similar and dissimilar service failure contexts on mean scores of similarity perception ($F(1, 55) = 49.3, p < 0.001$). The similar service failure context was perceived as more similar ($M = 5.50$) than the dissimilar service failure context ($M = 3.60$). Focal customers perceived the negative e-WOM as severe failures ($M_{\text{severity}} = 7.78$). Hence, all manipulations were deemed acceptable. Manipulation check items are presented in Appendix 2.

4.2 Pretest 2

4.2.1 Design. Pretest 2 was a 2 (service recovery valence: satisfactory vs. unsatisfactory) x 2 (negative e-WOM: present vs. absent) between-subjects experiment, designed to test the effect of negative e-WOM on customers’ justice perceptions with satisfactory versus unsatisfactory recovery experiences. Here, absence of negative e-WOM is a control condition where participants were not exposed to any negative e-WOM. The pretested service failure and recovery scenarios were used as stimuli for pretest 2.

4.2.2 Method. Sixty masters’ students from an Indian university participated in this experiment in a classroom setting. The majority of the student sample was 21 to 35 years of age (60% male; 75% between 21 and 35 years old). Such customers regularly use e-retail services online reviews for making informed decisions (Filieri, 2016). Further, this age range is consistent with other samples from e-WOM studies (Filieri et al., 2021a). Students were briefed about the research at a very generic level. The questionnaire began with a consent form; it was followed by a set of instructions. Each student was randomly assigned to one of the four conditions. Participants were exposed to the service failure scenario and then asked questions about the scenario realism. Half the participants were then provided with the stimulus of satisfactory recovery and the other half with unsatisfactory recovery. Subsequently, half were given a lag task of reading a small paragraph about easyshop’s background, followed by three negative reviews. The other half read about the background story of easyshop but saw no negative reviews. Finally, all participants responded to questions about justice perceptions, measured by DeWitt et al.,’s (2008) six-item, seven-point Likert scale ($\alpha = 0.97$, AVE = 0.88).

4.2.3 Pretest 2 results. ANOVA revealed a significant interaction effect ($F(1, 59) = 8.89, p < 0.05, \eta^2_p = 0.14$) between focal customers’ own recovery valence and the presence of negative e-WOM on focal customers’ justice perceptions. Participants exposed to negative e-WOM post-satisfactory recovery reported lower justice perceptions ($M = 3.53$) than participants not exposed to negative e-WOM ($M = 4.76$). However, in the no recovery condition, respondents reported similar justice perceptions when exposed to negative e-WOM ($M = 2.14$) and when not exposed to negative e-WOM ($M = 2.11$).

4.2.4 Discussion. Results show negative e-WOM affects focal customers’ judgment of their service recovery, thus influencing their justice perceptions. Based on confirmation bias, others’ negative experiences confirm the negative perception of the focal customers, lowering...
their justice perceptions. This indicates that others’ negative comments affect focal customers’ justice perceptions. However, to understand the process of the moderating impact of negative e-WOM on focal customers’ justice perception, we evaluate other confounding factors. These potential confounders include perceived severity of own service failure, personal involvement with the service, perceived helpfulness of the negative e-WOM and individual disposition toward seeking opinions online. Hence, these were included in the main studies as control variables.

4.2.5 Control variables. First, failure severity is the magnitude or intensity of the service failure. Customers who experience severe failure will likely perceive greater loss, have lower perceptions of justice (Mattila, 2001), avert relationships and indulge in negative word-of-mouth (NWOM) toward the service provider (Ríolanza et al., 2009; Kalamas et al., 2002). Hence, the perceived severity of the failure may impact the appraisal of negative e-WOM. Second, focal customers’ involvement with the service may form the customers’ service expectations (Kalamas et al., 2002). Third, the helpfulness of an online review indicates its quality (Chen et al., 2008). Moreover, focal customers’ dispositions toward online opinion-seeking (Sun et al., 2006) could also determine the extent of the hypothesized effects.

5. Study 1
5.1 Study design and method
Study 1 was designed to test H1a and H1b (i.e. the moderating effect of negative e-WOM on post-service recovery justice perceptions) with a 2 (service recovery valence: satisfactory vs. unsatisfactory) x 2 (context of negative e-WOM: similar vs. dissimilar) between-subjects experiment. The scenarios from pretest 1 were used as the manipulations in the study. For Study 1, 130 post-graduate students (66% male; 79.2% between 21 and 35 years old) completed the experiment in a classroom setting. After providing consent, participants were randomly assigned to one of the four conditions (cell sizes 29 to 34). Participants completed measures for the control variables and were then exposed to the service failure scenarios; they also responded to questions about the realism and perceived severity of the failure. Subsequently, half of the respondents received the satisfactory recovery stimulus and the other half unsatisfactory recovery. Questions on justice perceptions with the recovery (initial justice perceptions) followed the stimuli. We created a lag before the next stimuli by providing one paragraph about easyshop’s background. Participants then received either negative e-WOM, similar or dissimilar to their own service failure context, followed by questions regarding the helpfulness of the negative reviews. Finally, they answered questions about final justice perceptions. Five students did not complete the questionnaire, resulting in 125 useable responses.

5.2 Measures
All variables were measured using seven-point Likert scales (see Appendix 3). Confirmatory factor analysis revealed satisfactory levels of convergent validity. Initial justice perceptions (α = 0.91, AVE = 0.62) and final justice perceptions (α = 0.92, AVE = 0.71) were based on (DeWitt et al., 2008). The dependent variable, change in justice perception was operationalized as the difference between initial and final justice perceptions. Perceived severity of failure experienced by focal customers was measured using a single-item scale. Focal customers’ involvement with the service (affective, α = 0.92, AVE = 0.75; cognitive: α = 0.90, AVE = 0.66) was adopted from Bienstock and Stafford (2006). Online opinion-seeking predisposition (α = 0.77, AVE = 0.54) was adapted from (Sun et al., 2006). Review helpfulness was measured using a single-item scale adopted from (Chen et al., 2008). Discriminant validity
requirements were met (Fornell and Larcker, 1981), as each scale’s AVE exceeded multiple squared correlations (range 0.01–0.54).

5.3 Study 1 results
We used ANCOVA to examine the interactive effect between focal customers’ service recovery experience and negative e-WOM on focal customers’ changes in justice perceptions. As shown in Table 1, the control variables had no significant influence on focal customers’ changes in justice perceptions; therefore, they were dropped from subsequent analyses. A subsequent ANOVA revealed the main effect of service recovery on justice perception is $F = 7.25, p < 0.01, \eta^2_p = 0.06$. The interaction between service recovery and others’ negative e-WOM on focal customers’ changes in justice perceptions is significant ($F = 3.11, p < 0.10, \eta^2_p = 0.02$).

As shown in Figure 2, contrast effects on justice perceptions indicate significant differences between the mean change in justice perceptions in satisfactory and unsatisfactory recovery experiences when exposed to negative e-WOM in similar contexts (Mean difference in change = $-0.80, p < 0.01$). Consistent with H1a, focal customers’ justice perceptions in similar contexts changed negatively in the satisfactory recovery condition ($\Delta$ change in justice perceptions/satisfactory/similar = $-0.37$). However, in the unsatisfactory recovery condition, the justice perceptions changed positively ($\Delta$ change in justice perceptions/unsatisfactory/similar = $0.43$), failing to support H1b.

5.4 Study 1 discussion
Study 1 investigated how negative e-WOM affects customers’ evaluations of service recovery. In partial support of confirmation bias theory, planned contrasts show negative e-WOM decreases customers’ favorable perceptions of satisfactory service recovery but improves the unfavorable perceptions of unsatisfactory recovery, if the context of service failure is similar for one’s own and others. Improved justice perceptions for unfavorably recovered customers is possibly due to the perception of increased subjective well-being of a wronged customer (Morrison and Huppertz, 2010). Hence, our results suggest there may be other factors affecting negativity bias or there are boundary conditions where negativity bias may differ. These findings also emphasize the importance of focusing on the post-recovery variables.

<table>
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<th>p-value</th>
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<td>N e-WOM</td>
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<tr>
<td>SR x N e-WOM</td>
<td>2.71*** (3.11***)</td>
<td>0.10 (0.08)</td>
<td>0.020 (0.02)</td>
<td></td>
</tr>
</tbody>
</table>

Note(s): a: online opinion-seeking predisposition
*F-values are significant at the 0.01 level, **F-values are significant at the 0.05 level, and ***F-values are significant at the 0.10 level. The values in the parentheses indicate the effects without control variables.

Source(s): Table created by author.
stage in the services literature, because such findings related to bias may be stronger in certain stages of the process. Results also strengthen our assumption that customers assign greater weight to negative information while processing two oppositely valenced pieces of information, offering further support for factors affecting negativity bias and potential boundary conditions. The bias toward negative information, despite having a positive personal experience, can be assessed by analyzing the attitude change of customers due to exposure to negative e-WOM. We investigate this phenomenon in Study 2.

6. Study 2
Study 2 was designed to test H2a and H2b (i.e. the moderating effect of negative e-WOM on post-service recovery attitude and subsequently behavioral intentions), as well as H3 and H4 to investigate the underlying process how negative e-WOM moderates changes in customers’ post-service recovery attitudes and how this change in attitude mediates the effects of customers’ justice perceptions on their future behavioral intentions.

6.1 Design and method
Study 2 is a 2 (justice perceptions: high vs. low) x 2 (context of negative e-WOM: similar vs. dissimilar), between-subjects paper-and-pencil experiment. As in Study 1, the context was e-retailers.

The experimental factor, justice perception in Study 2, is similar to the service recovery valence factor in Study 1. Drawing from justice theory (Colquitt et al., 2005), the service recovery literature suggests satisfactory recovery influences customers’ justice perceptions positively (Maxham and Netemeyer, 2002). Successful recovery of a service failure is often based on perceived fairness of the procedures used for recovery, the interaction with the customers for resolution and the outcome of the recovery process (Javornik et al., 2020). A recovery episode perceived as satisfactory will likely have high overall justice perceptions. Therefore, we tested the same service recovery scenario for justice perception manipulations.

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Figure 2.
Mean difference in change in justice perceptions

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![Figure 2](image-url)
To test the justice perception manipulation for Study 2, an independent sample t-test ($n = 38$) was conducted with service recovery conditions as independent fixed factors and levels of justice perceptions (DeWitt et al., 2008) as the dependent variable. Results showed a significant main effect of service recovery conditions (independent fixed factors) on mean scores of justice perception ($F(1, 38) = 35.73, p < 0.001$). Participants in the satisfactory recovery (or high justice condition) perceived the recovery efforts of the service provider as more just ($M = 5.72$) than those in unsatisfactory recovery condition ($M = 3.52$).

For Study 2, 234 post-graduate students (67% male; 74% aged 21 to 35) participated in a classroom setting. After providing consent, participants were randomly assigned to one of the four conditions (cell sizes 54 to 58). As in Study 1, participants responded to measures of the control variables and then exposed to the service failure scenarios, questions about the realism of the scenario and the perceived severity of the failure. Subsequently, half of the respondents received the high justice perception (i.e., satisfactory recovery) and the other half received the low justice perception (i.e., unsatisfactory recovery) stimulus. They then answered questions about (initial) attitudes toward the service provider. The lag task included a paragraph about easyshop’s background. In the next stimulus, half of the respondents received negative e-WOM from other customers regarding contextually similar failures and the other half received negative e-WOM about failures contextually dissimilar to their own contexts. Participants responded to the helpfulness of the negative reviews. Finally, they answered questions about their final attitudes and behavioral intentions (RPI and intentions to spread negative WOM). Nine respondents did not complete the questionnaire, resulting in 225 useable responses.

6.2 Measures
All measures used a seven-point Likert scale except for attitudes toward the service provider, which was measured on a semantic differential scale ranging from −3 to +3 (see Appendix 3). Because this experiment intended to capture the degree to which attitudes are changed and in which direction, we used a semantic differential scale that measures the directionality and intensity of a reaction (Dwyer, 1993). A confirmatory factor analysis revealed satisfactory levels of convergent validity. Initial attitude ($\alpha = 0.88$, AVE = 0.66) and final attitude ($\alpha = 0.93$, AVE = 0.77) were based on Sirdeshmukh et al. (2002). The dependent variable, change in attitude was operationalized as the difference between initial and final attitude. All other measures used were the same as Study 1. Again, discriminant validity requirements were met (Fornell and Larcker, 1981), as each scale’s AVE exceeded multiple squared correlations (range 0.01–0.59).

6.3 Study 2 results
Separate ANCOVAs examined the interactive effects between focal customers’ justice perceptions and negative e-WOM on focal customers’ final attitudes ($F = 5.24, p < 0.05$, $\eta_p^2 = 0.03$), changes in attitude ($F = 5.52, p < 0.05$, $\eta_p^2 = 0.03$), intentions to spread NWOM ($F = 2.72, p < 0.10$, $\eta_p^2 = 0.02$) and RPI ($F = 4.80, p < 0.10$, $\eta_p^2 = 0.02$). The main effects of justice perception on final attitude ($F = 14.50, p < 0.10$), change in attitude ($F = 2.05$, $p < 0.01$), on intentions to spread NWOM ($F = 8.50, p < 0.05$) and RPI ($F = 14.31, p < 0.10$) are all significant. Table 2 indicates the control variables had differential influence on each of the dependent variables. Perceived helpfulness influenced focal customers’ final attitudes and intentions to spread negative WOM but did not affect changes in attitude or RPI. The perceived severity of focal customers’ service failure had a significant influence on behavioral intentions. Figures 3–6 graphically represent the interaction effects levels of justice perceptions and negative e-WOM contexts on attitude measures and behavioral intentions.
A contrast analysis revealed significant differences between the mean change in attitude in high and low justice perceptions when exposed to failure experiences in similar contexts (mean difference = 0.73, \( p < 0.01 \)). Attitude changes post–high-justice-perception were negative (\( \Delta M_{\text{high justice}} = -1.01 \)), as were attitude changes post–low-justice-perception (\( \Delta M_{\text{low justice}} = -0.27 \)). However, when the context of comparison was dissimilar, no significant difference was found in mean attitude change across high and low justice perceptions conditions (\( M_{\text{high justice}} = -0.68, M_{\text{low justice}} = -0.75, p > 0.10 \)), providing support for \( \text{H2a} \) and \( \text{H2b} \).
6.4 Mediated moderation analysis
To test the mediating effects of focal customer’s attitude on the interaction effect of justice perception and negative e-WOM on focal customer’s behavioral outcomes, a mediated moderation analysis was conducted. This analysis was consistent with the procedure of (Muller et al., 2005).
Table 3 shows the interaction of a focal customer’s justice perception and other customers’ failure experience has a significant effect on RPI ($\beta = -0.16, t = -2.52, p = 0.01$) and final attitude ($\beta = -0.16, t = -2.52, p = 0.01$). However, the interaction effect on RPI becomes non-significant ($\beta = -0.04, t = -0.7, p = 0.49$) after controlling for the effect of final attitude on RPI, but final attitude continues to have a significant effect on RPI ($\beta = 0.62, t = 10.89, p < 0.001$). This full mediation of final attitude on a focal customer’s RPI provides support for H3.

As shown in Table 4, we conclude the interaction of a focal customers’ justice perception and negative e-WOM on intentions to spread NWOM ($\beta_4 = 0.13, t = 1.99, p = 0.05$) and final attitude ($\beta = -0.165, t = -2.52, p = 0.01$) is significant. However, when controlling for the effect of final attitude, the interaction effect on intentions to spread NWOM becomes non-significant ($\beta = 0.04, t = -0.60, p = 0.55$), while influence of final attitude on intentions to spread NWOM remains significant ($\beta = -0.48, t = -7.54, p < 0.001$), providing evidence of full mediation of the focal customer’s final attitude on the impact of interaction between focal customer’s justice perception and negative e-WOM on focal customer’s intentions to spread NWOM.

<table>
<thead>
<tr>
<th></th>
<th>Model 1 (DV: RPI)</th>
<th>Model 2 (DV: FATT)</th>
<th>Model 3 (DV: RPI with FATT as covariate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice Perception (JP)</td>
<td>0.30***</td>
<td>0.28***</td>
<td></td>
</tr>
<tr>
<td>N e-WOM</td>
<td>-0.08</td>
<td>-0.003</td>
<td></td>
</tr>
<tr>
<td>JP x N e-WOM</td>
<td>-0.16**</td>
<td>-0.16**</td>
<td>-0.04</td>
</tr>
<tr>
<td>Covariate</td>
<td></td>
<td></td>
<td>0.62**</td>
</tr>
</tbody>
</table>

**Note(s):** RPI: repurchase intention; DV: dependent variable and FATT: final attitude

*$p < 0.01$, **$p < 0.05$ and ***$p < 0.10$

**Source(s):** Table created by authors
NWOM. Thus, H4 is supported. An examination of selected contrast tests revealed participants in both high and low justice perceptions rate their final attitudes negatively in similar negative e-WOM contexts (Final Attitude High justice/Similar = −0.34, Final Attitude Low justice/Similar = −0.70; p = 0.20), producing a negative change of attitude in both cases (ΔHigh justice/Similar = −1.01, ΔLow justice/similar = −0.27, p = 0.004).

6.5 Study 2 discussion
Results support our prediction that opinion-challenging and opinion-consistent information lead to further negative attitude polarization toward negative experience. However, this effect is limited to the perception of similarity between the contexts of comparison. Negative change in attitude supports the notion of both confirmation and negativity bias based on response to others’ negative reviews, leading to extreme suspicions (Main et al., 2007). Consequently, our findings suggest that negativity bias may potentially override the positive effects of favorable justice perceptions. At the same time, these messages produce a confirmation bias among customers with low justice perception, reducing the perception level even further. Our results also indicate negative attitudes developed by vicariously experiencing others’ negative experiences and resulting from negativity bias mediates focal customers’ intentions to patronize the service in the future by lowering their RPI and increasing their intentions to spread negative WOM.

In sum, Studies 1 and 2 investigate the contextual impact of negative e-WOM on customers’ perceptions and attitudes, based on confirmation and negativity bias. Comparing one’s own unfavorable service experience to others in similar circumstances improves focal customers’ justice perceptions, supporting the use of confirmation bias – that individuals seek out others’ similar experiences to confirm their own biases. However, one’s favorable justice perception may not be improved with knowledge about others’ negative experiences; in fact, our results support the adage “misery loves company,” and the power of negativity bias in the post-service consumption stage. That is, in the presence of negative information, focal customers are more likely to have an adverse change in attitude. This negative attitude mediates the moderating effect of negative e-WOM to determine the behavioral intentions of the focal customers.

7. General discussion
7.1 Theoretical contributions
This research enhances the service recovery literature by demonstrating the power of confirmation and negativity bias as well as the relationship between service recovery and justice perceptions, at a later stage of the service process. Although studies have shown that unfair treatment of fellow customers lowers focal customers’ evaluations of the service (Mattila et al., 2014), they assume customers are simultaneously present at the service facility.

<table>
<thead>
<tr>
<th></th>
<th>Model 1 (DV: NWOM)</th>
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<td>0.04</td>
</tr>
<tr>
<td>Covariate</td>
<td></td>
<td></td>
<td>−0.50*</td>
</tr>
<tr>
<td>Final Attitude (FATT)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Mediated moderation analysis of final attitude on NWOM

Note(s): NWOM: intentions to spread negative word of mouth; DV: dependent variable and FATT: final attitude
*p < 0.01, **p < 0.05 and ***p < 0.10
Source(s): Table created by authors
Hence, our first contribution extends this effect beyond the service facility at a later point in time, showing that biases (1) may be stronger at the post-recovery stage and (2) can occur through various channels and not just when other customers are present. Thus, our work empirically contributes to the concept of the service recovery journey suggested by van Vaerenbergh et al. (2019). That is, we find that perceptions of service recovery vary over time with availability of broader information about others’ negative experiences. Our research demonstrates the power of both confirmation (Festinger, 1957) and negativity bias (Rozin and Royzman, 2001) at this later stage of the process, which has not yet been established in the literature to date.

Because of these potential biases, oppositely valenced experiences – a service failure followed by a favorable recovery – do not necessarily ensure a fair perception and better attitude. Rather, information about others’ negative experiences appear to generate this negativity bias, creating negative perceptions from the information seeker. That is, our findings indicate that unfavorably recovered focal customers want to believe they are not suffering alone, per the “misery loves company” adage (Gray et al., 2011).

Further, the marginal improvement in perceptions revealed in our study does not reflect the customers’ attitude toward the service provider because it is still negatively polarized. Therefore, our findings predominantly support confirmation bias theory (Festinger, 1957). Negative e-WOM further erodes the unfavorable attitudes by signaling persistent biases in judgment, leading to “over-attributions of hostile intentions” of service providers (Main et al., 2007), again demonstrating the power of negativity bias (Rozin and Royzman, 2001).

Moreover, this study contributes to the e-WOM literature by focusing specifically on negative e-WOM’s effect at the post-service consumption stage. Research mainly investigates the influence of e-WOM at the pre-purchase stage. However, customers seeking new information to form opinions differ from those validating existing opinions (Workman, 2018). In support of Workman (2018), we conclude that people are always seeking others’ opinions and generally do not change their minds based on social media commentary. In the current study, we found that despite favorable recovery, focal customers gravitated toward the failure experience and developed unfavorable attitudes towards the service provider. Eventually, this affects focal customers’ final attitude mediated through unfavorable justice perception and RPIs.

This research also contributes to the persuasive effect of negative e-WOM in the post-recovery stage, demonstrating one of the boundary conditions of negative e-WOM effects (i.e. message context). The conclusion that customers process negative e-WOM based on its perceived relevance highlights the importance of understanding the psychological processes involved in eliciting the persuasive influence of negative e-WOM, beyond simply the negativity bias. Our results support the previous work showing that persuasiveness of the negative e-WOM depends on the context of the message (Qahri-Saremi and Montazemi, 2022; Tormala and Clarkson, 2007). Hence, these findings contribute to persuasion theories in social media (O’Keefe, 2009), public relations (Pfau and Wan, 2006) and social psychology (Crano and Prislin, 2006).

7.2 Managerial implications
Because of the powerful impact of negative e-WOM on customers’ purchase decisions (Fox et al., 2018), this research holds critical implications for marketers in managing such inevitable content. While companies aim to address customer dissatisfaction and rebuild positive relationships through service recovery (Harrison-Walker, 2019), our study underscores the evolving nature of justice perceptions over time. Contrary to established beliefs about the negative impact of unsuccessful recovery on customer intentions, our research highlights the potential for customers to defect even after a successful recovery.
due to influences beyond the company’s control. This stresses the need to view service recovery as a journey, as we reveal the likelihood of exit among seemingly successfully recovered customers. Managers must recognize that successful recovery efforts may not guarantee repeat purchases from these recovered customers due to evolving customer dynamics.

To prevent and predict customer defection, strategic interventions at the post-recovery stage are vital. First, service providers should implement strategies that proactively engage both recovered and unrecovered customers to assess their perception and behavioral intentions post-recovery experience. As a first step, service providers should employ an agent to contact customers who faced a certain level of service recovery and gather data on their levels of satisfaction, perceptions, future needs and likelihood of exit over a certain period (e.g. one month). However, avoiding excessive feedback solicitation is crucial because this might negatively impact repeat purchase behavior (Flynn et al., 2017). In the second step, segmentation based on expected defections is essential, allowing customized measures to mitigate potential defections for each segment. Finally, segment prioritization and implementation of strategies such as discounts or extra services should focus on rebuilding relationships and counteracting external negative influences.

Second, service providers should not rely solely on recovery tactics to reclaim customers but must anticipate and prevent defections. Integrating a comprehensive infrastructure that tracks all customer touchpoints and utilizes Artificial Intelligence for exit prediction will enable proactive measures, ensuring long-term customer loyalty before potential defection. These measures and a positive customer journey can contribute to customers remaining loyal to the service provider in the long term.

Third, our findings highlight that negative e-WOM about other customers’ unjust recovery experiences can outweigh a focal customer’s positive recovery perception. Hence, consistent intervention strategies across customer segments and geographies are essential to mitigate the impact of negative e-WOM, preventing potential service boycotts because of shared frustrations and injustices experienced by customers.

8. Limitations and future research
Although our findings offer significant contributions to the service recovery literature, limitations of our research include the use of a convenience sample of university students. While students are regular customers of e-shopping and utilize several platforms to seek reviews and other customer experiences, this research would be enhanced with a more generalized sample. Second, our data was collected from one country (India). Future research should gather data from other countries to assess potential differences stemming from cultural variances. Third, our results are based on created scenarios that can be further generalized using field experiments. Such studies would establish external validity of the results. Future field experiments can alter the time lag between focal customers’ personal experience and vicarious experience by providing the negative e-WOM stimuli at different time periods. This would uncover potential differences on how negative e-WOM impacts focal customers justice perceptions at different time periods (short versus long time periods). Fourth, our research focused only on negative e-WOM; future investigation should explore additional moderating effects of both positive and neutral WOM. Fifth, this study uses the context of e-shopping. The use of other higher involvement services might suggest differences in the effects of negative e-WOM on customers’ justice perceptions. Finally, further research should analyze the effect of different exit prevention strategies aligned to the different customer segments and assess the most profitable strategy for the service provider. Field studies analyzing financial returns on holistically integrating an exit prediction and prevention tool can help ascertain the practical feasibility of such a tool.
9. Conclusions
This research demonstrates how contextually similar negative e-WOM pushes differentially recovered customers toward developing negative perceptions and attitudes toward the service; in turn, this leads to reduced service interactions among the customers. Our findings suggest that one-time recovery of a service failure for a moderately involved service may not ensure a long-term relationship with the service provider. Rather, service failure and recovery should be viewed as a process throughout the customer journey and include the consideration of other customers' experiences described via e-WOM.

Our research demonstrates the importance of serving customers well beyond the service consumption stage. Results show that service recovery—though necessary to provide a just outcome for wronged customers—may be insufficient to create a loyal customer base. It is critical for marketing managers to address the detrimental effects of negative e-WOM through strategic interventions at the post-recovery stage. Our findings reinforce the importance of developing tailored and consistent post-recovery strategies across customer segments in a digitally connected world.

References


Appendix 1

Manipulated scenarios

Service failure with satisfactory recovery (and high justice perceptions) manipulation:

*Your experience of purchase with easyshop.com:*

You have ordered a smart phone on easyshop.com. It is to be delivered to you in 5 business days. However, it is not delivered after 5 business days and you are not able to track the status online.

*You inquire easyshop.com about the order status:*

On inquiring with easyshop, customer care personnel apologized for the delay and on tracking its status they said that the phone has been shipped already. Two days later the package gets delivered. Customer care personnel mails you to follow up the delivery and express their regret for the delay.
Service failure with unsatisfactory recovery (and low justice perceptions) manipulation:

Your experience of purchase with easyshop.com:

You have ordered a smart phone on easyshop.com. It is to be delivered to you in 5 business days. However, it is not delivered after 5 business days and you are not able to track the status online.

You inquire easyshop.com about the order status:

On inquiring with easyshop, customer care personnel said that the phone has been shipped. However, they are unable to track the order online. Customer care of easyshop is not able to provide any explanation for the delay, in spite of making repeated calls.

Similar failure context:

Product not delivered
I ordered a XXX phone from easyshop.com. I received an e-mail stating that the item has been shipped, yet I have not received it. I have tried to track the shipment but have not got any clue of the order status.

Never received my order
I ordered a YYY phone from easyshop but they have not delivered the product. On checking with easyshop they said, they were unable to track the order. I paid for a product that has not reached me.

No product!!!!
I ordered an AAA phone from easyshop. When I tried to track the shipment, I found that product was miss-routed. Though easyshop’s status says it is delivered, I have not got any product.

Dissimilar failure context:

Sale product above MRP
I ordered one Nova Hair Dryer via online through credit card payment. Easyshop sold me this product at 263/- rupees without shipping charges. But the product I received have just 120/- rupees cost as per mentioned MRP on this product.

Collection of large payment/lesser invoice
Payment of Rs 150 + Rs 20 (shipping) has been made for this product. However, the cost of the item as per the invoice is Rs 40 + Rs 20 (shipping). Refund the balance Rs 110 immediately to avoid further escalation of the issue.

Wrong charging of shipping cost
Easyshop advertised free shipping within India but they charged me Rs 100 for shipping cost. The shipping cost was included in the total amount in last page which was over looked by me because I was assured for free shipping.

Appendix 2
Manipulation check items*

Perceived severity of own failure experience and perceived severity of failure in negative e-WOM:
Minor problem/major problem

Recovery experience
Unsatisfactory/Satisfactory
Unfavorable/Favorable
Justice perception manipulation: Strongly disagree to strongly agree
The outcome I received from easyshop.com was fair.
The policies and procedures of easyshop were adequate for addressing my concerns.
Easyshop communicated with me in polite and courteous manner.

Realism of scenario: Strongly disagree to strongly agree
The situation described in the study was realistic.

Degree of similarity
Very dissimilar/Very similar
Very unalike/Very alike

*7-point bipolar scales except perceived severity of own failure and the perceived severity of failure in negative e-WOM, which were measured on a 10-point bipolar and realism of scenario that was a 7-point Likert scale.

Appendix 3
Scales used in study 1 and study 2*

(1) Involvement: Strongly disagree to strongly agree
Important to me
   Valuable to me
   Relevant to me
   Means a lot to me
   Needed a lot by me
   Involving
   Fascinating
   Exciting
   Appealing
   Interesting

(2) Online opinion-seeking behavior: Strongly disagree to strongly agree
I tend to seek out or search for others' opinions or comments online regarding which product/service to buy.
I tend to search for the latest online information on product/service before I buy or avail it.
Over the Internet, I tend to seek the advice of my friends regarding which product/service I should get.
When I consider choosing any product/service, I seek other people for advice via e-mails, chat rooms or web reviews.
I feel more comfortable buying product/service when I have gotten other people's opinions on it over the Internet.
I tend to consult other people over the Internet to help me choose the product/service I buy.
I like to seek out negative reviews about some product/services on web sites before I make a decision.
I like to seek out positive reviews about some product/services on web sites before I make a decision.

(3) Overall justice perceptions (initial and final): Strongly disagree to strongly agree
The outcome I received from easyshop.com was fair.
In resolving the problem, easyshop gave me what I needed.
Easyshop responded quickly and fairly to my needs.
The policies and procedures of easyshop had in place were adequate for addressing my concerns.
Easyshop was appropriately concerned about my problem.
Easyshop’s communications with me were appropriate.
(4) Helpfulness of review:
Very unhelpful/very helpful
(5) Attitude toward the service provider (Study 2):
Bad/Good
   Harmful/Beneficial
   Undesirable/Desirable
   Awful/Nice
(6) Behavioral intentions: Strongly disagree to strongly agree (Study 2)
Two items for repurchase intentions:
(1) Use easysop.com in future.
(2) Would buy products from easysop.com in future.
Two items for intentions to spread negative WOM
(1) Warn your friends and relatives not to shop at this online retail store?
(2) Would complain to your friends and relatives about this online store
*7-point Likert scale except for helpfulness of review and attitude toward the service provider that were 10-point bipolar scales.

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