

Research Paper

Managing customers' undesirable responses towards hospitality service brands during service failure: The moderating role of other customer perception

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ABSTRACT

This research examines how perceived service failure severity (SFS) in an interactive multi-actor service context may lead to customer retaliation and revisit intention via sequential mediation of dissatisfaction and brand hate. The research also examines how other customer perception, reflected in appearance (OCP-A), similarity (OCP-S) and behaviour (OCP-B), conditions these relationships. In this attempt, the research employs two-experimental studies (Studies 1 & 2) and two self-reported surveys (Studies 3 & 4). Findings from Study 1 establish that service failure leads to retaliation via sequential mediation of dissatisfaction and brand hate. This study also supports that other customer perception can shape the adverse effect of service failure severity on dissatisfaction. Further, in Study 2 it is established that OCP-B is more influential (over OCP-S and OCP-A) in mitigating the adverse effect of SFS on dissatisfaction. Followed by this, Study 3 extends the findings into a different setting, and also confirms the external validity of Studies 1 and 2. Finally, Study 4 incorporates the transactional vs. relational orientation of customers, and the findings elucidate that OCP-B (over OCP-A and OCP-S) dominates in mitigating dissatisfaction for relational customers. However, no such dominance is observed for transactional customers. The findings from the research provide novel insights for managing service failure in hospitality sector.

1. Introduction

Prior research in the domain of service failure and recovery emphasizes that service failure is a major predictor of customer defection (Keaveney, 1995), and thus, effective service recovery is imperative for creating sustainable service ecosystems. As service failure is essentially a brand/firm-level transgression which is not completely avoidable (Wolter et al., 2019), it becomes imperative to understand customer's attitudes, emotions and behaviours resulting from such brand level transgressions (Khamitov et al., 2020). However, most of the extant research on service failure and recovery employs firm-centric approaches to understand recovery processes and rather neglects the impact of customer-to-customer interactions in such a multi-actor ecosystem (Nguyen et al., 2020). Indeed, Hanks et al. (2020) elucidate that in social servicescapes, focal customers' evaluations of perceived similarity with other customers is a more significant predictor of focal customers' brand responses, even over focal customers' perceived similarity with service brand employees (which they did not find to be a

significant predictor of focal customer's brand responses). This emphasises the fact that an understanding of focal customer's perceptions about other customers is perhaps more important than the focal customer's perceptions about firm's employees, in order to understand their responses towards the brand. Thus, the present research aims at furthering the understanding of focal customers' responses towards service failure caused by the service brand in a multi-actor ecosystem, with an emphasis on focal customers' perceptions about other customers simultaneously present in the service environment.

Kim and Baker (2017) highlight the importance of pro-active servicescape management and service recovery co-creation by engaging in dialogues with focal customers as well as other customers present in the service facility. Recently, Kim and Baker (2020) examine the role of other customer perception (OCP) in service recovery co-creation through enhancing positive customer responses such as customers' satisfaction with the recovery process, customer citizenship behaviour and revisit intention. However, in order to get even with the brand, dissatisfied consumers are inclined to express their sentiments with a

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greater degree of fervour as compared to satisfied consumers (Pascual et al., 2021), and if not timely and effectively addressed, this dissatisfaction may intensify into further detrimental responses such as brand hate (Kucuk, 2019), which may result in brand retaliation (Fetscherin, 2019). Thus, it becomes imperative to understand customers' negative responses in the face of service failure. In this line, the present research aims at developing an empirical understanding of an under-researched area, i.e. how service failure shapes focal customer's negative brand responses. Specifically, this research investigates the impact of service failure on customer's dissatisfaction, hate and retaliation, and outlines an understanding of alleviating these negative responses through effective recovery co-creation efforts, using OCP as a conditioning tool.

Sarkar et al. (2020) posit that unfavourable OCP appearance (OCP-A), behaviour (OCP-B) and similarity (OCP-C) serve as an effective ground for active customer segmentation, through denying service to the customers with unsuitable OCP. This research extends the notion to posit that while OCP related to appearance and similarity are visibly manifest characteristics and may serve as an active segmentation (ex-ante) strategy so as to avoid service failure, behavior is a less visibly discernible characteristic, which can predominantly serve as an effective service recovery (ex-post) strategy. In teasing out the differential impacts of OCP dimensions (OCP-A, OCP-B, OCP-S), this research extends the current stream of research, which mainly studies OCP as a global phenomenon having multiple dimensions (e.g., Nguyen et al., 2020; Sarkar et al., 2020) without focusing on the dimension specific differential nuances.

Further, customers' orientations (relational vs. transactional) are known to shape their responses towards service recovery (Dos Santos and Basso, 2012). Thus, an effective service recovery co-creation strategy would also benefit from an understanding of how the OCP dimensions shape recovery perceptions for relational vs. transactional customers, and the present research caters to this aspect.

Employing two between-subject experiments and two survey-based studies, the purpose of this research is to examine: 1) the adverse effect of perceived severity of service failure on brand retaliation through the creation of dissatisfaction and brand hate; 2) the role of OCP in mitigating the adverse effect of service failure severity on dissatisfaction; 3) the differential impacts of OCP types (OCP-A, OCP-S, OCP-B) as moderators for the relationship posited in point 2; and 4) the differential impacts of OCP types as moderators in mitigating the effect of service failure severity on dissatisfaction for relational vs. transactional customers.

The findings of this research have several theoretical and managerial contributions. First, extending the extant research on negative brand emotions to the domain of service recovery co-creation, this research posits that if dissatisfaction is triggered by a negative brand encounter such as service failure, brands may still save the customer-brand relationship through maintaining favourable OCP. Co-creating service recovery by suitably involving the focal customer as well as other customers can lessen customer's dissatisfaction. Second, extending the findings from prior research (Hegner et al., 2017) which posits that loyal brand customers turn into severe brand haters and further indulge in severe forms of brand retaliation, this research posits that managers must device priority-based service recovery strategies, where highly loyal customers must be catered to first, so as to reduce instances of brand hate and retaliation. Third, extending the findings of Sarkar et al. (2020) who posit OCP-A, OCP-B, OCP-S as ex-ante segmentation strategy and findings of Kim and Baker (2020) who posit that during service recovery co-creation, helping behaviours of other customers are a major predictor of customers' satisfaction, this research demonstrates that OCP-B (over OCP-S and OCP-A), is the most effective service recovery co-creation (ex-post) strategy. Fourth, OCP-B (over OCP-S and OCP-A) is found to be the most effective recovery strategy in mitigating dissatisfaction of relational customers, while no such difference is found for transactional customers.

2. Literature review and hypotheses formulation

2.1. Impact of Service Failure Severity on Customers' dissatisfaction, brand hate and brand retaliation

Service failure is defined as "situations in which customers are dissatisfied because their perception of the service they have received is worse than their expectation" (Bell and Zemke, 1987, p.32). Service failure falls under the domain of appraisal theory, which states that certain emotions are the outcomes of the cognitive evaluation of an occurrence. For example, cognitive perceptions of a service failure, based on the assessment of various service quality parameters may cause customer's anger towards the service provider (Bougie et al., 2003). Based on such cognitive assessment, the customer may also appraise the severity of service failure. Severity of service failure refers to consumer's assessment of the magnitude of tangible and intangible losses caused due to service failure, which critically impact customer's relational outcomes with the service provider (Hess et al., 2003).

Service failure may result in customer dissatisfaction, especially when the customer perceives service recovery efforts to be poorly undertaken by the firm (Lapr , 2011). Hence, encountering a severe service failure can cause significant dissatisfaction with the service provider (Hess et al., 2003), which could further lead to brand hate (Fan et al., 2020). Canter and Li (2019) demonstrate that service failure severity negatively impacts satisfaction, such that greater the perceived service failure severity, lesser would be the satisfaction of the customer. According to Hegner et al. (2017) "dissatisfaction with the product or service performance" is a determinant of brand hate.

According to the extant literature in psychology, moral violation may cause a negative emotion called hate (e.g., Sternberg, 2003). In the context of brand management, scholars have conceptualized brand hate as consumer's feelings of active opposition towards the brand as a result of any product or service-related critical failure incidence (e.g., Johnson et al., 2010; Zarantonello et al., 2016). In this line, Kucuk (2019, p. 432) defines brand hate as "consumers' detachment from a brand and its associations as a result of consumers' intense and deeply held negative emotions such as disgust, anger, contempt, devaluation and diminution." Negative service experiences, such as service failures may be perceived as a form of moral violation and may lead to brand hate, and such negative experiences may be related to the customers' "dissatisfaction with the offering" (Hegner et al., 2017, p. 14).

In case the customer perceives service failure to be of high severity, brand hate can motivate the customer to retaliate against the focal service brand. Brand retaliation is a behavioural manifestation of consumer's negative brand emotions such as hate (Fetscherin, 2019), and may involve active and direct actions against the brand, such as complaining behaviour, stealing from the brand and/or damaging the property of the brand (Zarantonello et al., 2016; Hegner et al., 2017). As per equity theory, the objective of retaliation against object of hatred (i.e. the focal brand) can be to cause harm to such a brand to get the feeling of being even (Bechwati and Morrin, 2003; Gr goire et al., 2009; Hegner et al., 2017).

Hence, it is anticipated that a customer feeling dissatisfied due to severe service failure may start hating the brand and subsequently retaliate against the brand. The above discussion shows that service failure severity (SFS) directs to form dissatisfaction (DIS), which then predicts brand hate (BH). This brand hate, in turn, predicts brand retaliation (BR). Therefore, it is hypothesized that:

H1. Customer's dissatisfaction and brand hate sequentially mediate the impact of service failure severity on brand retaliation (SFS → DIS → BH → BR).

2.2. Service recovery co-creation: role of other customer perceptions

In face of service failure, the service brand may look at service

recovery through co-creation. Miller et al. (2000) define service-recovery as a process “designed to resolve problems, alter negative attitudes of dissatisfied customers and to ultimately retain these customers” (p.388). Service recovery co-creation refers to the affirmative collaborative efforts undertaken by the service firm, the focal customer and the other customers present in the multi-actor ecosystem as a response to service failure (Kim and Baker, 2020). “The presence and behaviours of other customers may have a stronger impact on influencing an individual’s perception of service quality than contact with service personnel”, and the characteristics that may influence focal customer’s evaluations of other customers include appearance, similarity and behaviours of the other customers (Brocato et al., 2012, p. 384). The OCP framework proposes that focal customer’s experience is impacted by three discernible features of other customers: (a) the aptness of other customers’ behaviours - grounded in the role theory (Goffman, 1967), it is the degree to which other customers’ behaviours suit the expected ‘role script’; (b) perceived similarity-grounded in ‘social identity’ theory (Tajfel, 1981), it is the extent to which focal customer can identify with other customers; and (c) physical appearance - it is the perceived overall physical attractiveness of other customers (Wu et al., 2014). The concept of OCP falls in the domain of social impact theory (Latané, 1981) as well as social identity theory (Tajfel, 1981), which posit that people are impacted by interpersonal influences and want to enhance their social identity by being a part of social group(s) that resonates with their selves.

OCP is significantly operative in an interactive service setting. The recent stream of research on OCP has focused on understanding the (un) favourable impact of any/some of the OCP characteristics in shaping customer experiences and responses towards the service provider (e.g., Huang and Wang, 2014; Cai et al., 2018; Baker and Kim, 2018; Kim and Baker, 2019; Nguyen et al., 2020; Hanks et al., 2020). Customer-to-customer interactions significantly impact the focal customer’s overall service experience (Lin et al., 2019), including focal customer’s judgements regarding service recovery co-creation (Kim and Baker, 2020). Prior research supports that focal customer’s favourable OCP across the three dimensions of OCP generates positive responses towards the brand providing the service (Nguyen et al., 2020; Sarkar et al., 2020). In the context of service recovery co-creation, favourable OCP refers to the perception of focal customer that other customers aid the recovery process by generating favourable and helping cues, that positively impact focal customer’s service experience (Kim and Baker, 2020). Due to favourable OCP, the focal customer may even forgive the incidence of service failure (Wolter et al., 2019). Focal customer perceives to be indebted to favourably perceived other customers, and this enhances the focal customer’s satisfaction with the service recovery process, revisit intention, as well as citizenship behaviour (Kim and Baker, 2020). Favourable OCP can also create a positive brand community identification in the mind of customer, that will mitigate the adverse effect of service failure (Mandl and Hogreve, 2020).

Kim and Baker (2020) demonstrate that other customers’ support during service recovery co-creation enhances focal customer’s satisfaction. Thus, satisfaction generated by favourably perceived OCP is expected to attenuate the dissatisfaction generated by a service failure. On the contrary, the effect of service failure on dissatisfaction will be strengthened if the individual perceives OCP to be unfavourable. So, it is proposed that favorable perceptions across OCP dimensions negatively moderate (attenuate) the effect of service failure severity on dissatisfaction. Thus, it is hypothesized that:

H2a. For the hypothesized sequential relationship (SFS→DIS→BH→BR), OCP-S moderates the path (SFS→DIS), where OCP-S mitigates the adverse effect of service failure severity on dissatisfaction.

H2b. In the sequential relationship (SFS→DIS→BH→BR), OCP-A moderates the path (SFS→DIS), where OCP-A mitigates the adverse effect of service failure severity on dissatisfaction.

H2c. In the hypothesized sequential relationship (SFS→DIS→BH→BR), OCP-B moderates the path (SFS→DIS), where OCP-B mitigates the adverse effect of service failure severity on dissatisfaction.

2.3. The dominance of OCP-B in service recovery co-creation

This section posits that the perceptions concerning the suitable behaviours of other customers are likely to carry more weightage in terms of moderating the relationship between service failure severity and dissatisfaction. Sarkar et al. (2020) posit that the three OCP characteristics (OCP-A, OCP-B, OCP-S) globally impact customer- brand relationship quality, and thus these characteristics can serve as effective active segmentation (ex-ante) strategy to avoid service failure. The present research extends this view by teasing out the differential impacts of OCP-A, OCP-B, and OCP-S in service recovery co-creation process, and posits that favourable OCP-behaviour is the most effective characteristic in service recovery co-creation. This is because, while similarity and appearance are more visibly discernible characteristics and can be pre-diagnosed so as to ‘recruit the right customer’ (Sarkar et al., 2020), OCP-B is not as easily visibly discernible, but is a strong predictor of customer’s responses towards service recovery co-creation (Kim and Baker, 2020). Thus, after a customer confronts a service failure, the most impactful ex-post-facto cue that the focal customer can use to cope is the behavioural responses of other customers.

Prior research shows that while customers are participating in the value creation process in a restaurant, the responsible behaviour of customers significantly contributes to positive value creation (Kim and Tang, 2020). Kim and Baker (2020) empirically demonstrate that other customer’s support in the form of their helpful behaviours is an important predictor of focal customer’s satisfaction with the service recovery process.

Secondly, Grove and Fisk (1997) state, “other customers’ presence and behaviours influence the interactive dimension of an organization’s service quality” (p. 65). Extending this, it is anticipated that the positive and negative behaviours demonstrated in a post-service failure environment are likely to influence the focal customer’s experience significantly. Thus, in a service failure situation, the behaviours of fellow customers are more likely to impact the focal customer’s assessment of the situation (as compared to similarity and appearance). In a severe service failure situation, the focal customer needs a very strong cue to ensure emotional coping. In this, OCP-B is proposed to be the most potent cue in such a context.

Thirdly, it is presumed that in a service failure situation, the focal customer’s behaviour is mostly influenced by his/her observation of the behaviours of other customers, reflecting their social identity norms. This is supported by Goffman’s (1967) ‘role theory’ which posits that people are expected to behave in line with their social interaction norms or ‘role script’ in a given situation. The importance of role theory is discernible in the study scenarios of Kim and Baker (2020), where the other customers provide behavioural support to the focal customer in face of a service failure (long waiting time with lack of staff during a hotel check in), in terms of providing information (by explaining how to download the hotel app and proceed with online check-in) or in terms of providing emotional support (by listening to focal customer’s concerns sympathetically). Therefore, it is anticipated that when other customers’ behaviours are positive and favourable, the focal customer will adopt emotion-focused coping. This is likely to prompt the focal customer to show a reduced level of dissatisfaction. Therefore, it is hypothesized that:

H3. In the hypothesized sequential relationship (SFS→DIS→BH→BR), OCP-B (vs. OCP-S and OCP-A) dominates in terms of mitigating the adverse effect of service failure severity on dissatisfaction (SFS→DIS).

2.4. Role of OCP in defining revisit intentions of transactional vs. relational customers

Grounded in the commitment-trust theory of marketing, Venkatesan and Kumar (2004) posit that customers' relational orientations towards brands may vary based on their frequency of purchase. Based on the frequency of purchase (visits), the focal customer may be classified as a transactional customer, who has a low frequency of purchase (visit) vs relational customer who has a high frequency of purchase (visit). Previous research on customer to customer interactions (CCI) posits that it is mostly the customers with long-term relationship orientation with the brand (relational focal customers) that seek and experience social benefits of CCI and engage in customer citizenship behaviors, such as engaging in voluntary helpful behaviors (Gwinner et al., 1998; Black et al., 2014). During service recovery co-creation, other customers may involve in behavioural actions to help and resolve problems for the focal customer (inter-customer recovery) (Kim, 2017), and a successful service recovery with the help of other customers would be an opportunity for firms to build trust with relational customers, which indeed is a 'service recovery paradox' as characterized by Hart et al. (1990).

As already discussed, focal customer's evaluations of other customers may be based on easily discernible characteristics such as looks, age and nationality (OCP-A and OCP-S), which are a result of mere presence of other customers contributing to focal customer's service experience (Grove and Fisk, 1997), or maybe based on a detailed evaluation of the behavioral aspects (social, emotional and instrumental) of other customers (Rosenbaum and Massiah, 2007). In line with disconfirmation theory, relational customers have higher expectations of service recovery support over transactional customers (Dos Santos and Basso, 2012). Thus, it is anticipated that relational focal customers (over transactional focal customers) will engage in an elaborate behavioral evaluation of other customers. Emotionally bonded customers (i.e. relational customers) are more prone to feel 'betrayed', while customers with lower levels of emotional bonding with the service provider (transactional customers) are more 'forgiving' in the face of service failure (Mattila, 2004). As such, recovery fairness perceptions pertaining to how the outcome is received (procedural and interactional justice) would be of utmost importance to relational customers, over what is received (distributive justice) (McColl-Kennedy and Sparks, 2003). Thus, inter-customer recovery, where other customers aid focal customers' recovery by engaging in helpful behaviours would be of paramount importance to the relationally oriented focal customer, whose dissatisfaction with the service failure will be mitigated if the other

customers engage in supportive behaviours. However, such an effect is not anticipated for a transaction-oriented focal customer, who is anticipated to be more invested in outcome (distributive justice) of the recovery process. Thus, behaviour of other customers may not be of specific importance for such a transaction-oriented customer. Thus, it is presumed that OCP-B works better in mitigating the adverse effect of SFS, thereby developing revisit intention for relational consumers, however, all three OCP dimensions work equally in creating customers' revisit intention for transactional customer. Hence, it is hypothesised that:

H4a. OCP-B (over OCP-S and OCP-A) dominates in mitigating the adverse effect of service failure severity on dissatisfaction for relational customers, which in turn results in reduced brand hate, leading to favourable revisit intention.

H4b. OCP-B, OCP-S and OCP-A work equally in mitigating the adverse effect of service failure severity on dissatisfaction for transactional customers, which in turn results in reduced brand hate, leading to favourable revisit intention.

Following framework (See Fig. 1) shows the hypothesized relationships:

3. Study 1

As part of testing the study hypotheses (H1, H2a, H2b & H2c), a series of between-subject experimental studies were designed. Study 1 was carried out as three different scenario-based experimental studies (1a, 1b, & 1c), which is in the context of restaurant services. Study 1a involved a 2 (SFS: high vs low) $\times$ 2 (OCP-S: favourable vs unfavourable) between-subject experimental design with dissatisfaction, brand hate as the mediators, and brand retaliation as the outcome. Study 1b employed a 2 (SFS: high vs low) $\times$ 2 (OCP-A: favourable vs unfavourable) between-subject experimental design. Study 1c employed a 2 (SFS: high vs low) $\times$ 2 (OCP-B: favourable vs unfavourable) between-subject experimental design. Grounded in prior literature, cause (locus) of service failure (Sajtos et al., 2010), importance of service performance, and frequency of consumption of the service (Hess et al., 2003) were employed as control variables.

3.1. Stimuli development for study 1a-1c

Scenario-based manipulations were used to collect the study

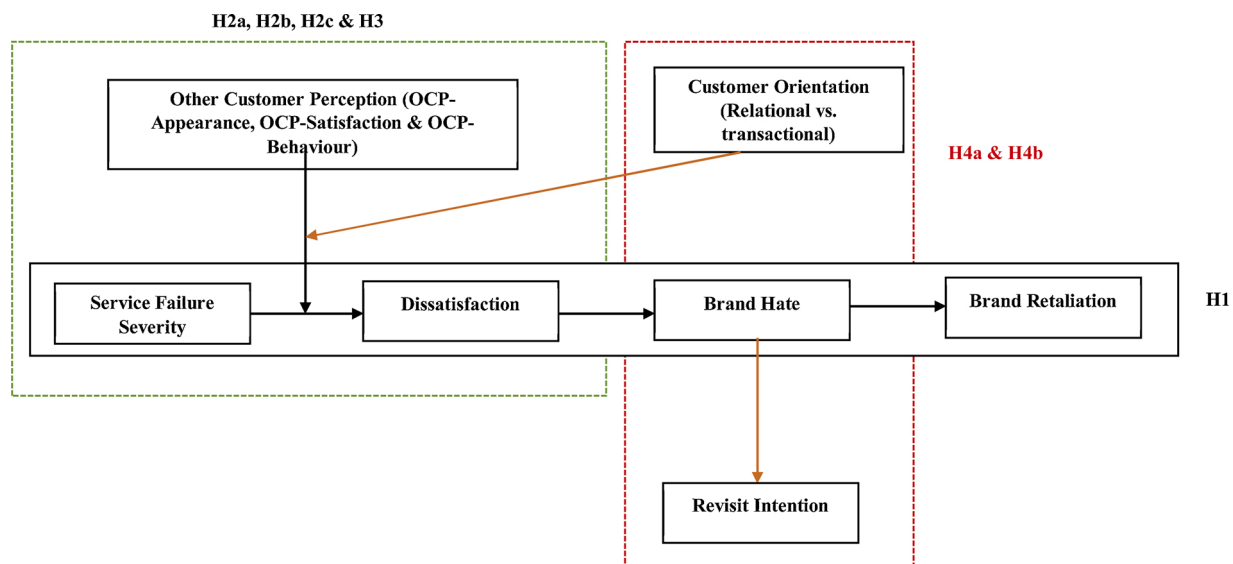


Fig. 1. Research Framework.

responses. The recent stream of literature that uses effective operationalization of scenario based manipulations in the domain of OCP and/or service failure (e.g., Sengupta et al., 2015; Cantor and Li, 2019; Kim and Baker, 2020; Hanks et al., 2020; Nguyen et al., 2020; Kim and Jang, 2014) served as guidelines to prepare the scenarios with high (vs. low) service failure severity and OCP-S (favourable vs. unfavourable), OCP-A (favourable vs unfavourable) and OCP-B (favourable vs. unfavourable). Next, a series of focus group interviews were conducted with students enrolled in post graduate diploma course to understand their perceptions about the effectiveness/realism of the scenarios. Based on the feedback, some modifications were made in the later stages.

3.2. Participants & procedure: study 1a, 1b & 1c

Studies 1a, 1b and 1c were conducted with 321, 301 and 331 students enrolled in post-graduate program of three reputed Indian business schools respectively. Students were randomly allotted to the experimental manipulations. Then, following the debriefing, the participants were directed to read the respective scenarios given to them in the form of a booklet. Following this, the subjects answered the questions concerning mediators, manipulation check items, dependent variables, perceived realism of the scenarios, control variables, and demographics. Table 1 details the demographics of the study participants. Blodgett et al. (2009) conducted a study with Indian customers residing in USA and found that customer dissatisfaction and complaining are largely the functions of situational factors rather than cultural factors. Therefore, this study focused on situation-specific (service failure and OCP) factors to understand Indian customers' brand-related outcomes.

3.3. Measurement

The items for severity of service failure were adapted from Wang

Table 1
Sample demographics (Study 1 & 2).

Characteristics		Study 1			Study 2
		Study 1a	Study 1b	Study 1c	
Gender	Male	165(66%)	173(69.2%)	168(67.2%)	203(67.4%)
	Female	85(34%)	77(30.8%)	82(32.8%)	98(32.6%)
Average Age (in Years)		21.2	22.3	21.8	37
		32	36	25(10%)	33(10.9%)
Social Class	Lower	(12.8%)	(14.4%)		
	Middle	155(62%)	168(67.2%)	171(68.4%)	233(77.4%)
	Upper	63(25.2%)	46(18.4%)	54(21.6%)	35(11.6%)
Are you a loyal member of any service provider (R/A)*	Yes	198(79.2%)	201(80.4%)	203(81.2%)	288(95.6%)
	No	52(20.8%)	49(19.6%)	47(18.8%)	13(4.4%)
The average amount spent during the last visit (R/A) [in Rs.]		1233	1821	1012	17,122
Does other customer play any role	Yes	233(93.2%)	241(96.4%)	246(98.4%)	292(97.1%)
	No	17(6.8%)	9(3.6%)	4(1.6%)	9(2.9%)

* Note: R = restaurant & A = Airline services.

et al. (2011). The manipulation check items concerning OCP dimensions were taken from Brocato et al. (2012). Dissatisfaction with the service failure was measured using scale items adapted from Bougie et al. (2003). The items used to measure brand hate and brand retaliation were adapted from Hegner et al. (2017). The perceived realism of the scenarios was checked using a single-item measure (e.g., How difficult/easy is it to imagine yourself as the customer in the scenario?) (Sarkar et al., 2020). A seven-point (1 = strongly disagree, to 7 = strongly agree) anchoring on Likert type scale was used for all measures.

3.4. Results of study 1

3.4.1. Manipulation check

The realism score for each of the 12 scenarios was more than 4 on a seven-point scale. Realism scores were considered acceptable as some studies opine that "realistic scenarios are those with at least a neutral score (e.g., four or higher on a 7-point Likert scale)" (Wall and Warrentin, 2019, p.4). As reported in Table 2, the service failure severity manipulation was successful in all three studies.

3.4.2. Sequential mediation analysis

The serial mediating effects (SFS → DIS → BH → BR) for all three samples were examined using PROCESS macro (Hayes, 2013; Hayes, 2017: Model 6) with 10,000 bootstrapped samples. The analysis supports consistent results, and it is found that there exists a significant indirect effect in all three samples, i.e. study 1a (indirect effect = .7521, Boot-SE = .1056, 95 % Boot-CI_[lower] = .5586, Boot-CI_[upper] = .9678); study 1b (indirect effect = .0711, Boot-SE = .022, 95 % Boot-CI_[lower] = .0289, Boot-CI_[upper] = .1178); and study 1c (indirect effect = .0943, Boot-SE = .0256, 95 % Boot-CI_[lower] = .0475, Boot-CI_[upper] = .1488), unanimously supporting the serial mediation. These results support that SFS (high vs low) creates dissatisfaction and brand hate, which in turn directs consumers' brand retaliation, hence supporting H1.

3.4.3. Moderating effect of OCP-S¹

The extent to which OCP-S conditions the relationship between SFS on DIS was analysed using PROCESS (Hayes, 2013, Hayes, 2017: Model 1) using the sample data collected in study 1a. The results support that OCP-S negatively conditions the SFS → DIS relationship ($\beta_{[SFS \times OCP-S]} =$

Table 2
Study 1 manipulation test results.

Study	SFS	Mean SFS	Test Statistic	OCP	Mean OCP	Test Statistic
Study 1a	SFS: L	2.78	t = 5.15 ***	OCP-S: L	3.71	t = 6.75 ***
	SFS: H	4.72		OCP-S: H	5.28	t = 6.13 ***
Study 1b	SFS: L	3.04	t = 6.76 ***	OCP-A: L	2.99	t = 4.00 ***
	SFS: H	5.28		OCP-A: H	4.32	t = 4.60 ***
Study 1c	SFS: L	2.96	t = 7.42 ***	OCP-B: L	3.08	t = 7.51 ***
	SFS: H	5.71		OCP-B: H	5.12	t = 7.72 ***

*** p < .001.

¹ As part of this moderation analysis, we also conducted separate moderation analyses between the paths (DIS→BH & BH→BR). However, none of these three moderators (OCP-A, OCP-S, OCP-B) show statistically significant moderating effect ($p > 0.05$). This might be due to the fact that OCP as a mitigating condition works during the service failure or immediately after. Once the customer develops dissatisfaction, it is difficult to manage the same using any of these OCP interventions.

-.7626, S.E. = .3299, $p < 0.05$). Further, spotlight analysis was conducted, following [Spiller et al. \(2013\)](#) to understand the direction of moderation. The probing supports that when OCP-S is unfavourable, SFS has a strong positive effect on DIS ($SFS \rightarrow DIS_{[OCP-S \text{ unfavourable}]} = .9252$, S.E. = .215, $p < 0.01$); however, when OCP is favourable SFS does not have a statistically significant effect on DIS ($SFS \rightarrow DIS_{[OCP-S \text{ favourable}]} = .162$, S.E. = .24, $p > 0.01$). Thus, the study results support H2a and imply that OCP-S negatively moderates the relationship between SFS and DIS.

3.4.4. Moderating effect of OCP-A

Study 1b tested the conditional role of OCP-A between SFS $\rightarrow$ DIS. The results support that OCP-A conditions the relationship between SFS $\rightarrow$ DIS path ($\beta_{[SFS \times OCP-A]} = -.7769$, $p < 0.05$). Besides this, the examination of probing using the spotlight analysis ([Spiller et al., 2013](#)) reveals that, in case of unfavourable OCP-A, SFS creates a strong DIS ($SFS \rightarrow DIS_{[OCP-A \text{ unfavourable}]} = .9281$, Boot-SE = .216, 95 % Boot-CI_[lower] = .501, Boot-CI_[upper] = 1.35). However, similar to study 1a, in case of high level of OCP-A, SFS does not carry a statistically significant effect on DIS ($SFS \rightarrow DIS_{[OCP-A \text{ favourable}]} = .1512$, Boot-SE = .250, 95 % Boot-CI_[lower] = -.3426, Boot-CI_[upper] = .645). Thus, the study supports H2b and elucidates that OCP-A works as a mitigating condition to reduce the adverse effect of SFS on DIS.

3.4.5. Moderating effect of OCP-B

Study 1c tests the moderating effect of OCP-B between SFS and DIS. The test results support that OCP-B negatively moderates SFS $\rightarrow$ DIS path ($\beta_{[SFS \times OCP-B]} = -.679$, S.E. = .339, $p < 0.05$). Further, spotlight analysis results support that for unfavourable OCP-B (vs. favourable), SFS exerts a strong positive effect on DIS ($SFS \rightarrow DIS_{[OCP-B \text{ unfavourable}]} = .8781$, Boot-SE = .211, 95 % Boot-CI_[lower] = .4413, Boot-CI_[upper] = 1.314; vs. $SFS \rightarrow DIS_{[OCP-B \text{ favourable}]} = .1987$, Boot-SE = .256, 95 % Boot-CI_[lower] = -.306, Boot-CI_[upper] = .703). Thus, the study results support H2c.

3.4.6. Discussion

Thus, in summary, the results from study 1 (see [Table 3](#)) demonstrate that service failure severity is a statistically significant predictor of brand retaliation through the sequential mediation of dissatisfaction and brand hate. Further, the results demonstrate that OCP dimensions work as mitigating factors in reducing the effect of SFS on DIS.

4. Study 2

Study 2, designed to test hypothesis 3, aims to examine the differential moderating impacts of the three dimensions of OCP (A, B and S) on the relationship between SFS and DIS. In this attempt, a 2 (SFS: high vs low) $\times$ 3 (OCP: OCP-S vs OCP-A vs OCP-B) between-subject experiment in the context of airlines service was designed. Airlines sector is considered for conducting this research in addition to the restaurant sector in order to increase the generalizability of the empirical results. Airline service falls within the broader domain of hospitality industry ([Kim and Ayoun, 2005](#); [Leung et al., 2013](#)). Same as study 1, cause (locus) of service failure ([Sajtos et al., 2010](#)), importance of service performance, and frequency of consumption of the service ([Hess et al., 2003](#)) were controlled in this study.

Table 3
Study 1 Mediation Results.

Indirect Effect	Study 1a Estimates [95 %-CI]	Study 1b Estimates [95 %-CI]	Study 1c Estimates [95 %-CI]
SFS $\rightarrow$ DIS $\rightarrow$ BH $\rightarrow$ BR	.7521 [.5586, .9678]	.0711 [.0289, .1178]	.0943 [.0475, .1488]

4.1. Stimuli development

Three managers working in the area of airline services were requested to elucidate their experiences concerning OCP and create scenarios for OCP similarity, appearance and behaviour. At the end of this process, the study generated six different scenarios pertaining to the three OCP conditions. Followed by this, 30 students were invited for a pre-test. The students evaluated the scenarios on perceived realism (e.g., How difficult/easy is it to imagine yourself as the customer in the scenario?), and also rated the scenarios on the OCP scale proposed by [Brocato et al. \(2012\)](#). Finally, the study identified one scenario from each condition with the highest score (Mean > 4) in realism and respective OCP scale dimensions.

4.2. Participants and procedure

For study 2, participants were selected from a large Indian consumer panel. As part of this, first, an invitation was sent to 855 individuals. Finally, 301 individuals voluntarily participated in the experiment in return of Rs. 250 worth of movie voucher. Majority of the participants were males (66 %) with a mean age of around 37 years. Once they arrived in the lab, they were randomly allocated to the experimental manipulations. The researcher(s) briefed them about the modalities of the experiment. Also, they were instructed to read the scenarios provided in the booklet. Finally, they were directed to answer the questions covering the manipulation check, dissatisfaction, brand hate, brand retaliation, and demographics. Similar to study 1, all the measures were adapted from prior literature and used a 7-point anchoring on Likert type scales.

4.3. Study 2 results

4.3.1. Test of manipulation

The study results support that the manipulation of service failure severity was successful. Further, the manipulation of OCP conditions was also supported (see [Table 4](#)).

4.3.2. Test of dominance

In hypothesis 3, it is proposed that OCP-B works as the most dominant OCP dimension in mitigating the effect of SFS on DIS. The hypothesis was tested using the user-generated estimates recommended by [Gaskin \(2016\)](#) in AMOS 25. In this moderated mediation procedure, first, the simultaneous test of specific indirect effects ($SFS \rightarrow BH \rightarrow BR$) for three manipulated OCP conditions (OCP-S, OCP-B and OCP-A) were estimated separately. Then, the estimated indirect effects were statistically compared across the manipulated groups for statistical difference. All these indirect effect estimates and differences were tested using 95 % level bias-corrected confidence intervals generated out of 10,000 bootstrapped samples.

As presented in [Table 5](#), the indirect effect one (IND1: $SFS \rightarrow DIS \rightarrow$

Table 4
Study 2 Manipulation Test Results.

Manipulation: SFS	Manipulation: OCP					
	Mean SFS	Test Statistic	Mean OCP-S	Mean OCP-A	Mean OCP-B	Test Statistic
SFS: Low	3.02	t = 12.11 ***	4.32	2.71	2.21	F = 12.11 ***
SFS: High	4.11		2.51	4.55	2.13	F = 9.38 ***
			2.11	2.39	4.82	F = 17.36 ***

Values in bold shows the mean score of the manipulated group.

*** Show significant at 0.01 level.

Table 5
Study 2 Results.

Parameters	Estimates [95 %-CI]
IND1: SFS → DIS → BH → BR	.921 [.74, 1.13]
IND2: SFS → DIS → BH → BR	.423 [.08, .76]
IND3: SFS → DIS → BH → BR	.928 [.736, 1.14]
IND1 vs IND3	.007 [−.275, .296]
IND2 vs IND1	−.423 [−.739, −.130]
IND3 vs IND2	.430 [.106, .767]

Note: IND1, IND2, & IND3 shows the indirect effect in case of OCB-S, OCB-A & OCB-B respectively.

BH → BR) for the manipulated condition of OCP-S is supported (unstandardized effect = .921, 95 % Boot-CI [lower] = .74, Boot-CI [upper] = 1.13). Similarly, the indirect effect two (IND2: SFS → DIS → BH → BR) for the OCP-B manipulation is also supported (unstandardized effect = .423, 95 % Boot-CI [lower] = .089, Boot-CI [upper] = .766). Finally, the indirect effect of the appearance (OCP-A) manipulation (IND3: SFS → BH → BR) is also significant (unstandardized effect = .928, 95 % Boot-CI [lower] = .736, Boot-CI [upper] = 1.14). These findings indicate that there exists a significant indirect effect in case of all the three manipulated conditions. Further, the standardized indirect effects for all these three manipulated groups were examined. Analysis supports that the indirect effect for appearance manipulation is the highest (Standardized effect = .765), followed by similarity (Standardized effect = .430), and least for the behavioural manipulation (Standardized effect = .367). The test for statistical difference between IND1 vs IND3 is insignificant (difference = .007, 95 % Boot-CI [lower] = −.275, Boot-CI [upper] = .296). The test of the difference between IND2 vs IND1 is statistically significant (difference = −.423, 95 % Boot-CI [lower] = −.739, Boot-CI [upper] = −.130). In addition, the results support a significant difference in indirect effects of IND3 vs IND2 (difference = .430, 95 % Boot-CI [lower] = .106, Boot-CI [upper] = .767). Analysis supports that service failure creates BR through DIS and BH, where OCP at different levels shows differential moderating effects. Favourable OCP-B is the most effective (followed by OCP-S and OCP-A) in alleviating the impact of SFS on DIS. Lower level of DIS results in lower levels of BH and BR for OCP-B followed by OCP-S and OCP-A.

4.3.3. Discussion

The results from study 2 demonstrate that while all the three OCP dimensions act as statistically significant negative moderators in the relationship between service failure severity and dissatisfaction - the moderating impact is dissimilar across different OCP dimensions. In this, OCP-B (as compared to OCP-S and OCP-A) appears to be the strongest negative moderator between SFS → DIS.

5. Study 3

Study 3 employed a survey-based design, with self-reported data collected from Indian customers who frequently stay at hotels. Study 3 supports in data collection triangulation, as extant literature suggests that the use of multiple methods and data sources produces more valid and reliable results (e.g., Denzin, 1970; Cunningham et al., 2000). In studies 1 and 2, between-subject experiments were employed, where different participants were exposed to any one of the three different OCP conditions. The scenarios were designed such that any one (and not more/all) of the three OCP situations may prevail at a time in the service context. Therefore, it is difficult to gain insights with respect to the conditional dominance of different OCP dimensions and their differential influences on dissatisfaction. However, in a real-life setting, all three OCP dimensions may exist simultaneously when the customer is in the service facility. In study 3, information about all the three OCP dimensions was gathered using a cross-sectional self-reported survey. It helps in examining how these three different OCP conditions act as the mitigating factors differentially in real-life hospitality service settings.

5.1. Method

Following Chathoth et al. (2011), seven 5-star Indian hotels (3 in New Delhi, 2 in Hyderabad and 2 in Bangalore), affiliated with international chains of repute were contacted and requested to provide contacts of their regular guests for research purpose. An online questionnaire was sent to 972 Indian hotel patrons, based on the guest details provided by the hotels. The survey instructed the respondents to respond by keeping the [hotel brand] in mind. The first part of the survey consisted of two pre-screening questions: 1) How frequently do you stay in the [hotel brand] in an year (less than once, one to five times, five to ten times, more than ten times in a year); 2) have you recently encountered any service failure concerning your preferred [hotel brand] (yes/no)? Six hundred eighty-one respondents who responded with a frequency of stay as more than five times for the first question and 'yes' for the second question were requested to participate in the second part of the survey for an incentive of online shopping voucher of INR 300.

The second part of the survey instructed the respondents to respond keeping the recently encountered [hotel brand] service failure incident in mind and comprised of measures for service failure severity (Wang et al., 2011), other customer perception (Brocato et al., 2012), post service failure dissatisfaction (Bougie et al., 2003), brand hate and retaliation (Hegner et al., 2017). Four hundred eighty-eight completed responses were obtained. The respondents comprised of 47 % females, and the ages ranged between 21 years to 67 years. The respondent sample comprised of business owners (47 %), working professionals (39 %), housewives (8%) and social workers (6%). The respondents' annual expenditures on hotel stay ranged between INR 42,000 to INR 1,30,000.

5.2. Data analysis & results

5.2.1. Preliminary analysis

In this preliminary data analysis, the dimensional structure of the scales was analysed by conducting exploratory factor analysis (EFA) with promax rotation. The study results yielded a seven-dimensional factor structure with 60.593 % total variance explained. All the items loaded into the respective constructs with a factor loading greater than 0.50, without any cross-loadings (See Table 6 for EFA factor loadings). This indicates the unidimensional structure of the scale measures. Further Common Method Bias (CMB) was assessed using the recommendation by Podsakoff et al. (2003). Harman's single factor test was employed, where all the measures were forced to load into a single factor. The results revealed a total variance explained of 22.39 %, which was much below the minimum threshold of 50 %. Thus, results suggest that the scales used are free from the potential issue of CMB.

5.2.2. Confirmatory factor analysis

Followed by EFA, the measurement model was assessed using confirmatory factor analysis (CFA) with maximum likelihood estimation (MLE). An overall correlated model with all the seven factors indicated a good fit of the data with the model ($\chi^2 = 406.12$, $df = 384$, $\chi^2/df = 1.058$, $p = 0.210$, RMSEA = .011, CFI = 0.997, NFI = 0.947, PNFI = 0.76, PCFI = 0.880). Further, the unstandardized factor loadings of the items reflecting the respective constructs reported a significant estimate in all cases ($p < 0.01$). The standardized factor loadings ranged from 0.703 to 0.870. The estimation of the composite reliability (CR) coefficients of the scale constructs was above the recommended threshold of 0.60 (Hair et al., 2010). These results indicate that the scales used to measure the respective constructs demonstrate adequate convergent validity (Bagozzi et al., 1991; Fornell and Larcker, 1981). Followed by this, as part of discriminant validity assessment, Heterotrait-Monotrait Ratio of Correlations (HTMT) were estimated. The HTMT coefficients in all cases reported a value below the threshold of 0.85, indicating sufficient discriminant validity of the scale measures (Henseler et al., 2015). The results support that the scales used in study 3 satisfy the psychometric properties, hence confirming the suitability of the data for

Table 6
EFA, CFA factor loadings & CR (Study 3).

Construct items	EFA loadings	CFA loadings	CR*
<i>Service failure severity</i>			0.822
The service failure that happened to me was severe	0.741	0.761	
The service failure that happened to me made me feel angry	0.679	0.754	
The service failure that happened to me was unpleasant	0.726	0.818	
<i>Customer dissatisfaction</i>			0.789
I was dissatisfied with the [hotel brand]	0.572	0.703	
I was displeased with the [hotel brand]	0.691	0.729	
I was discontented with the [hotel brand]	0.517	0.802	
<i>Brand hate</i>			0.887
I am disgusted by the [hotel brand]	0.727	0.785	
I don't tolerate this [hotel brand] and its company	0.748	0.781	
The world would be a better place without this [hotel brand]	0.656	0.732	
I am totally angry about this [hotel brand]	0.726	0.765	
This [hotel brand] is awful	0.674	0.726	
I hate this [hotel brand]	0.670	0.725	
<i>Brand retaliation</i>			0.908
I would deliberately bend or break the policies of the [hotel brand]	0.862	0.870	
I would show signs of impatience and frustration to someone from the [hotel brand]	0.780	0.808	
I would complain to the [hotel brand] to give a hard time to the representatives of the company	0.758	0.790	
I would complain to the [hotel brand] to be unpleasant with the representatives of the company	0.757	0.788	
I would complain to the [hotel brand] to make someone from the organization pay	0.785	0.814	
<i>OCP-similarity</i>			0.883
I could identify with the other patrons in the facility	0.727	0.752	
I was similar to the other patrons in the facility	0.682	0.704	
The other patrons were like me	0.809	0.822	
The other patrons came from a similar background to myself	0.767	0.798	
I fit right in with the other patrons	0.783	0.796	
<i>OCP-physical appearance</i>			0.841
I liked the appearance of the other patrons	0.722	0.744	
The other patrons were dressed appropriately	0.698	0.723	
The other patrons looked nice	0.785	0.790	
The other patrons looked like they were my type of people	0.754	0.760	
<i>OCP-behavior</i>			0.864
The behavior of the other customers were appropriate for the setting	0.713	0.723	
The other patrons were friendly towards me	0.825	0.838	
I found that the other patrons behaved well	0.782	0.803	
The other patrons' behavior was pleasant	0.750	0.764	

* CR indicates composite reliability estimates.

follow-up estimation.

5.2.3. Robustness tests

In this stage, the objective of the analysis was to check the robustness of the hypotheses tests conducted in earlier studies. As part of this, first, the study estimated a structural model with service failure as the exogenous variable connected to the sequential mediators: dissatisfaction and brand hate, which in turn predict the final outcome: brand retaliation (SFS → DIS → BH → BR). The estimation results generated using MLE indicated that model possessed an adequate fit with the data ($\chi^2 = 146.15$, $df = 114$, $\chi^2/df = 1.28$, $p = 0.023$, RMSEA = .024, CFI = 0.992, NFI = 0.967, PNFI = 0.810, PCFI = 0.832). Further, the results elucidated that SFS had a positive relation with DIS ($\beta = 0.477$, S.E = 0.053, $p < .001$), DIS reported a positive relation with BH ($\beta = 0.597$, S.E = .078

$p < .001$), and BH in turn related to BR ($\beta = 0.605$, S.E = 0.078, $p < .001$). The results also supported that there existed a statistically significant indirect effect of SFS through the sequential mediation of DIS and BH on BR (indirect effect: 0.172, S.E = .035, $p < 0.01$). Thus, the study3 results are consistent with respect to H1 test results as reported in study 1 and confirm the robustness of the research design.

Following this, as part of testing the robustness of other hypotheses (H2a-H2c & H3), CFA factor scores were generated for all the seven constructs and were used as the input data for the model estimation process. In this structural model, a single factor score represented each construct, and the moderating relationships were introduced in the form of respective factor score interactions (SFS × OCP-S, SFS × OCP-A, SFS × OCP-B). To control the multicollinearity issue, the analysis was performed in three steps, incorporating one moderator and interaction term at a time. The results revealed that all the three moderators: OCP-S (SFS × OCP-S: $-.066$, S.E = .003, $p < 0.01$), OCP-A (SFS × OCP-A: $-.061$, S.E = .003, $p < 0.01$), and OCP-B (SFS × OCP-B: $-.067$, S.E = .003) significantly moderated the relationship between SFS and DIS. This further confirms the study 1 hypotheses (H2a-H2c), that OCP in the form of similarity, appearance, and behaviour mitigates the adverse effect of SFS on DIS. Furthermore, the standardized beta estimates of these three interaction paths were examined. The results demonstrated that for OCP-B, the standardized path estimates were higher ($\beta = -.549$), in comparison with OCP-S ($\beta = -.525$), and OCP-A ($-.518$). Thus, it confirms the results reported in study 2. Hence, the robustness of the previous results is established, elucidating that OCP-B is most influential among the OCP dimensions in alleviating the relationship between SFS and DIS.

5.2.4. Discussion

In summary, by conducting study 3, the external validity of the earlier studies is established. Since these studies involved scenario-based experimentation, a survey-based study using a different service setting confirmed the external validity as well as robustness of results obtained from previous studies.

6. Study 4

Study 4 was designed as a follow-up study, with primarily three main objectives. First, to examine the generalizability of the earlier studies in a different hotel setting (i.e., 3-star & 4-star hotels), where the customer-to-customer interaction is of potentially higher concern due to customer heterogeneity (Adhikari et al., 2013). Hence, OCP may carry a higher significance, and OCP as a co-creative service recovery tool may also be potentially better applied from the practical standpoint. Second objective was to examine how the use of OCP as a service recovery intervention works in case of customers with different orientations (transactional vs relational) as posited in H4a & H4b. Third, different from other studies, study 4 assessed a positive customer outcome, i.e., customers' revisit intention (RI) as a response to service recovery co-creation.

6.1. Methodology

6.1.1. Sample and data collection

Study 4 employed a questionnaire-based online survey design to gather data. The population involved guests who had visited a 3-star or a 4-star hotel at least once in the past year. As part of data collection, an online survey hyperlink was sent to a randomly selected sample of 3100 customers, whose contact details were collected from the database of a marketing research firm. The firm had access to a representative sample of 4.1 million registered travellers' information. In the survey, the respondents were asked to report their willingness to participate in the study first. Upon acceptance, they answered a screening question which was primarily to confirm that these participants visited any of the 3-star or 4-star hotels in India at least once in the past year. Further, they were

instructed to imagine their next visit to the same hotel; subsequently, they were directed to read a service failure scenario. This scenario exposed them to a real-life service failure situation during their stay in the hotel (they found that the allocated room was not very neat and tidy, in addition, room service was not performed timely). Further, they were asked to report their scores towards the service failure severity questions presented by considering the service failure scenario in their mind. These questions comprised of measures for service failure severity (Wang et al., 2011). Later, these participants received one of the three different scenarios concerning the other customers (their behavior or similarity or appearance) who were present in the service setting and their role in co-creation. One set of randomly selected participants received the OCP-B scenario, which exposed them to a situation where though the service failure happened, the other customers of the nearby rooms reported a very helpful behaviour (OCP-B scenario - A well-behaved mom, dad and a kid from the neighbouring room interacted with you and your family, they enquired about your travel plans, and invited you to spend some time in their room till housekeeping cleaned your room). Similarly, other randomly selected sets of samples received OCP scenario of appearance (you could see that your neighbour from adjacent rooms looked very well-groomed and elegant, you could make out that the hotel had a sophisticated customer base), and the rest received an OCP-similarity scenario (you could identify with other customers, they appeared to be of same nationality and about your age, so you felt at ease). After reading the OCP scenario, the participants were instructed to provide their perceived OCP, dissatisfaction and brand hate scores. The items used to measure OCP, dissatisfaction, and brand hate scores were similar to the ones used in Study 3. Further, they also reported their relationship orientation, which captured their relationship length (number of prior-visits), and this measurement was in alignment with Dos Santos and Basso (2012). Besides, they also reported their revisit intention concerning the same hotel, and two items used (I consider this hotel as my first choice compared to other hotels, I have a strong intention to visit this hotel again) were adapted from Kim et al. (2009). Later, their perception showing the extent of realism of the mentioned scenarios were captured using a question, "the presented service scenario seems realistic (1 = "highly unrealistic, 7 = "highly realistic"). This survey process generated a useful sample size of 489, it constituted 67 % males, and average age of participants was 43 years.

6.2. Analysis and results

As part of the analysis, first, the OCP scenario exposure was assessed. The analysis reflected that the participants exposed to any of the three different conditions reported highest scores on the respective OCP dimension they were exposed to (Group 1_[Similarity] = 4.11; Group 2_[Appearance] = 4.19; Group 1_[behaviour] = 4.29), confirming the success of OCP scenario execution. As part of analysing the moderating effect of relationship orientation (transactional vs. relational), a median split was done. Iacobucci et al. (2015) support that median splits do not inflate Type I error when the independent variables employed in the study are relatively uncorrelated.

As part of testing the study hypotheses (H4a & H4b), the study assessed two separate (transactional vs relational consumers) SEMs, with OCP as the grouping variable. In each SEM, three different indirect effects (SFS→DIS→BH→RI) were assessed for three OCP groups, then using user-defined estimands in AMOS, statistical difference of the indirect effects across these three groups were analyzed. Results supported that for relational consumers, an OCP-B exposure (indirect effect: $-.17$, $p < 0.01$), reported a lower score, in comparison to OCP-S (indirect effect: $-.25$, $p < 0.1$), and OCP-A (indirect effect: $-.23$, $p < 0.1$), and the examination of statistical difference was significant for OCP-B (vs OCP-S and OCP-A, $p < 0.01$), however, no difference was reported between OCP-S and OCP-A ($p > 0.01$). Thus, the study found support for H4a. Further, the same was checked for transactional consumers. The results yielded almost same magnitude of indirect effects in case of all three

OCP conditions (OCP-S: $-.22$, $p < 0.1$; OCP-A: $-.23$, $p < 0.01$; OCP-B: $-.24$, $p < 0.01$). The test of difference in indirect effects also reported that there existed no statistically significant difference in the indirect effects of any of these three groups ($p > 0.01$). Thus, the study found support for H4b.

6.2.1. Discussion

In summary, the study results supported that for relational consumers the effect of service failure severity through dissatisfaction is mitigated very strongly when OCP-B is present (over OCP-S and OCP-A) during service recovery co-creation. However, for transactional consumers, though, the OCP conditions mitigate the said effect, all these three OCP conditions carry almost equal importance in managing the effect of service failure severity on customers' revisit intention.

7. General discussion & study implications

7.1. Theoretical contributions

This study contributes to the extant research on service failure co-creation and managing adverse brand relation outcomes in a multitude of aspects. Prior research primarily focuses on the impact of service failure and its effect on the various intervening mechanisms used by the customer in a service failure situation, such as customer satisfaction (e.g., Bougie et al., 2003; Hess, 2008; Gabbott et al., 2011; Kim and Baker, 2020). Service failure may result in customer dissatisfaction, especially when the customers perceive service recovery efforts to be poorly undertaken by the firm (Lapr , 2011). The insights from this study extend the concept of appraisal theory by empirically showing that customer's evaluation of severe service failure can cause brand retaliation through the sequential mediation of dissatisfaction and brand hate.

Some recent studies have focused on understanding the global/collective impact of the OCP dimensions on customers' service experiences (e.g. Wu et al., 2014; Nguyen et al., 2020; Sarkar et al., 2020). While Sarkar et al. (2020) posit that the three OCP characteristics (OCP-A, OCP-B, & OCP-S) globally impact customer's brand relationship quality, and thus these characteristics can serve as effective active segmentation (ex-ante) strategy to avoid service failure, they do not tease out any differential impact of OCP characteristics on focal customer's relational outcomes with the service brand. The present research extends this view to posit that positive OCP characteristics can act as effective service recovery co-creation (ex-post) strategy after service failure, and OCP-B dominates this quest. This is because appearance and similarity are both visibly discernible characteristics of OCP, while behaviour is not so manifest ab-initio. Grounded in inference theory and theory of affordance, physical appearance as conceptualized by Brocato et al. (2012) refers to overall look of other customers, which includes grooming, dress and appearance of people. Also, grounded in social identity theory, Brocato et al. (2012) conceptualize similarity as mostly visibly discernible attributes of other customers such as age, gender, ethnicity/race which the focal customer may identify with. However, OCP-behavior is grounded in 'role theory' and may not be visibly discernible ab-initio, but would be critical in case of situations like service failure recovery co-creation, which requires empathetic interventions. Thus, the present research considers it as a parameter of much significance in multi-actor service recovery co-creation.

Prior research in services marketing literature highlights the importance of managing customers' reactions in the face of service failure. In multi-actor live service settings, OCP can act as the principal influencing factor that focal customer employs to shape emotional responses towards service failure recovery co-creation (Kim and Baker, 2020). The results from Study 1 conducted in restaurant context, and later extended in Studies 2, 3 and 4 with different service settings (airline and hotel), strengthen this position, by establishing the conditional role of OCP dimensions as a failure control strategy in the service marketing literature, with OCP behaviour emerging as the dominant

factor attenuating the impact of service failure severity on dissatisfaction.

7.2. Managerial implications

Service failure is an inadvertent occurrence in any interactive service environment. Findings from this research recommend several strategies to mitigate the adverse effects of service failure on customers' attitudinal, emotional and behavioural responses. The results of this research show that impact of service failure severity on brand retaliation is sequentially mediated by dissatisfaction and brand hate. Past research posits that majority of loyal customers can become strong brand haters after encountering severe service failure (Hegner et al., 2017). Thus, it becomes imperative for the service brand managers to provide priority-based distributive and procedural justice and resolution to the high brand-loyal customers (over customers demonstrating low loyalty) after service failure is encountered.

Next, extending the viewpoint of Sarkar et al. (2020), who posit OCP management as an effective ex-ante segmentation strategy to avoid potential service failure, this study posits OCP management as an effective service failure recovery (ex-post) strategy. As suggested by Baker and Kim (2018) with regards to maintaining employee appearance guidelines, hospitality firms can make specific appearance management suggestions for promoting desirable customers' appearances/body language and include them in their marketing communication. For example, as Baker and Kim (2018) found 'smile' to have a positive impact on rapport, hospitality firms may activate such desirable cues by having signs/inscriptions such as: 'use your smile to change the world'. Further, building on the suggestions of Hanks et al. (2020), favourable OCP in terms of similarity can be promoted by choosing pricing and menu that appeal to the desired segment and customers may be provided discounts/incentives to bring in friends. Favourable OCP perceptions in terms of appearance and similarity will aid focal customer's coping with service failure and reduce his/her dissatisfaction.

The managers should try to develop a strong brand community such that the customers within the community will be empathetic to each other and help each other by following the positive behavioural role scripts. The empathetic and helping nature of other customers will elicit a positive feeling towards the service recovery co-creation process in the mind of the focal customer. Kim and Baker (2017) highlight that in the face of service failure, dialogues with the focal customer as well as with other customers simultaneously present in the service facility can help in effective service recovery. Thus, rather than trying to suppress the failure situation, a friendly dialogue with focal customers as well as other customers will enhance focal customer's positive responses towards the brand, despite the service failure.

Furthermore, as OCP-behaviour is found to have statistically the most significant impact in alleviating customers' negative emotions caused by a service failure, it is important that brands focus on encouraging positive behavioural cues not only among its employees, but also among its customers. In the present world, which is heavily marked by digital footprints, customers are quick to make their criticism of service failure go viral (Gibson, 2017). However, effective resolution of service failure may turn out to be very profitable for brands, as customer service that displays empathy can drive considerable value and may serve as an opportunity to turn aggrieved customers into loyal advocates (Huang et al., 2018). This is displayed in the case of Mr. Jon Picoult, whose wife suffered a seemingly severe service failure at Ritz-Carlton hotel, however, an effective service recovery in terms of empathetic behavioural response of the staff that involved even a public ownership of the failure and recovery, turned out to be one of the best recovery strategies of the contemporary times (Gibson, 2017). Indeed, service recovery in terms of behavioural responses such as apology is more valued by customers over being compensated (University of Nottingham, 2009). Therefore, businesses invest in training their staff in

empathetic customer service recovery. However, as Hanks et al. (2020) demonstrate that OCP (even more than employee related cues) is a very critical parameter in shaping customers' brand responses, it is equally important that brands formulate strategies that enhance favourable customer behaviours in general, and also in face of service recovery co-creation. As also recommended by Kim and Baker (2020), service brands should incentivize customer's favourable OCP cues during service recovery co-creation by providing them public recognition and/or monetary rewards. This would motivate other customers to be helpful in service recovery co-creation. Firms should also make customers' roles as service recovery co-creating agents more clear (by developing desirable behavioural role scripts) and communicate them to the customers.

Moreover, the managers should try to maintain a service environment such that it fuels very positive behavioural relationships between the customers simultaneously consuming service in the same environment. In restaurants and airlines/hotels, seating/room allocations should be done to maximize the customers' OCP perceptions. For example, friends, people of similar age, ethnicity, people with similar professions etc. maybe allotted seats/rooms in proximity. Also, having private rooms in the restaurants/hotels for the customers who are more prone to engage in detrimental behaviours towards the brand/other customers would help avoid negative customer interactions.

Further, the current study suggests that from a strategic brand management perspective, the companies should focus more on service failure mitigation, rather than merely focusing on failure avoidance strategies. As service ecosystem is constantly evolving, managers need to evolve with such changing dynamics and develop effective service recovery co-creation strategies (Kim and Baker, 2020). Hence, resource allocation must also be done at the failure management level by giving focused and adequate attention in the post-failure management of the customers who are concurrently present in the service setting. Hence, the employees involved in service delivery should be trained to address the customer concerns and failures as and when they arise. This post-failure timely redressal of customer complaints by managing behaviours of other customers reduces the adverse effect of focal customers' perceptions of dissatisfaction, thereby reducing brand hate and retaliation.

Moreover, findings from study 4 elucidate that OCP- B dominates (over OCP-A and OCP-S) in mitigating the dissatisfaction of relational customers (while for transactional customers no such difference was observed), thereby reducing their brand hate and enhancing their revisit intention. As such, hospitality brands will garner a positive Customer Lifetime Value from relational customers if they employ customers as partial employees (Kim, 2017) who aid in service recovery co-creation, and such customers would be less likely to switch even in the face of a service failure.

8. Limitations and future research directions

While this study analyses the moderated-mediation of service failure severity– dissatisfaction-brand hate-brand retaliation relationships by the OCP dimensions, it is not possible to account for all the variables that may impact the framework in a parsimonious model. Future researchers should investigate how consumers' personality-related variables (like individual attachment styles, social value orientations) can impact consumers' negative emotions arising out of service failure. Additionally, organization-related factors such as firm reputation, brand personality, type of service firm (i.e. full service vs. lean service) are known to impact consumer's emotional responses to service failure (Hess et al., 2003). This can also be an exciting avenue for future research. The results of this research provide empirical evidence that OCP in different forms works as mitigating condition. However, it is also crucial to examine how these OCP forms pooled with other service recovery techniques (e.g., compensation, apology, etc.) may minimise the post-failure service recovery.

Appendix A

Scenarios used in Study 1:

Study 1: Restaurant context

Study 1a

Scenario 1 (Service Failure Severity: Low, OCP Similarity: Low)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that there is a kids' birthday party being celebrated in the restaurant, and several kids aged around 7–9, and their parents are enjoying the party.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. You politely raise the issue with the facility manager.

Scenario 2 (Service Failure Severity: Low, OCP Similarity: High)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that there is mostly a college-going crowd of about your age enjoying lunch in the restaurant.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. You politely raise the issue with the facility manager.

Scenario 3 (Service Failure Severity: High, OCP Similarity: Low)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that there is a kids' birthday party being celebrated in the restaurant, and several kids aged around 7–9 are enjoying the party.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. To your horror, you find chicken topping on the pizza! You raise the issue with the facility manager.

Scenario 4 (Service Failure Severity: High, OCP Similarity: High)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that there is mostly college-going crowd of about your age enjoying lunch in the restaurant.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. To your horror, you find chicken topping on the pizza! You raise the issue with the facility manager.

Study 1b

Scenario 5 (Service Failure Severity: Low, OCP Appearance: Low)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that there is uncouth looking youth, who are dressed in tattered clothes and appear to have involved in a fight, as they have injury marks all over their bodies and faces.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. You politely raise the issue with the facility manager.

Scenario 6 (Service Failure Severity: Low, OCP Appearance: High)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that the other customers are nicely dressed up for the weekend, enjoying lunch in the restaurant. They look really elegant and sophisticated.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. You politely raise the issue with the facility manager.

Scenario 7 (Service Failure Severity: High, OCP Appearance: Low)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that there is uncouth looking youth, who are dressed in tattered clothes and appear to have involved in a fight, as they have injury marks all over their bodies and faces.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. To your horror, you find chicken topping on the pizza! You raise the issue with the facility manager.

Scenario 8 (Service Failure Severity: High, OCP Appearance: High)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that the other customers are nicely dressed up for the weekend, enjoying lunch in the restaurant. They look really elegant and sophisticated.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. To your horror, you find chicken topping on the pizza! You raise the issue with the facility manager.

Study 1c

Scenario 9 (Service Failure Severity: Low, OCP Behaviour: Low)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that other customers are loudly verbally abusing each other and using slangs, when the waiter requests them to calm down, they abuse him too.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. You politely raise the issue with the facility manager. You see that the other customers are nonchalant about the issue.

Scenario 10 (Service Failure Severity: Low, OCP Behaviour: High)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that other customers are politely chit-chatting in low volumes and enjoying lunch in the restaurant.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. You politely raise the issue with the facility manager. Hearing your problem, three more

customers support you, stating that the seasoning and cheese portions need enhancement.

Scenario 11 (Service Failure Severity: High, OCP Behaviour: Low)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that other customers are loudly verbally abusing each other and using slangs, when the waiter requests them to calm down, they abuse him too.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. To your horror, you find chicken topping on the pizza! You raise the issue with the facility manager. You see that the other customers are nonchalant about the issue.

Scenario 12 (Service Failure Severity: High, OCP Behaviour High)

You visit 'Eat Street', a full-service restaurant on a leisurely Saturday afternoon to have a cozy luncheon. As you settle, you notice that other customers are well behaved and politely chit-chatting in low volumes and enjoying lunch in the restaurant.

You order a vegetarian Margherita Pizza with extra cheese. The order arrives in about 5 min, but you notice that there are just traces of cheese in the pizza, whereas you like your pizza loaded with cheese. To your horror, you find chicken topping on the pizza! You raise the issue with the facility manager. Hearing your problem, three more customers support you, stating that such blunders are unacceptable.

Realism Check Results (Study 1)

Study 1a	Study 1b	Study 1c
Scenario-1: Mean = 4.29, S.D = .67	Scenario-5: Mean = 4.45, S.D = .49	Scenario-9: Mean = 4.31, S.D = .59
Scenario-2: Mean = 4.37, S.D = .58	Scenario-6: Mean = 4.23, S.D = .58	Scenario-10: Mean = 4.19, S.D = .46
Scenario-3: Mean = 4.23, S.D = .52	Scenario-7: Mean = 4.10, S.D = .49	Scenario-11: Mean = 4.32, S.D = .55
Scenario-4: Mean = 4.13, S.D = .59	Scenario-8: Mean = 4.37, S.D = .66	Scenario-12: Mean = 4.34, S.D = .64

Scenarios used in study 2: Study 2: Airlines context

Scenario 1 (Service Failure Severity: Low, OCP: Similarity dimension)

You are flying with 'Alpha Airways' and had done an online check-in 48 h before boarding, as you are very particular about having a window seat. You settle down, next to a lady passenger about your age, keenly reading a book. You are happy as you like to read books too.

When in-flight meal services start, you request for an egg white sandwich, but the air hostess politely apologizes, stating that they do not have any left. She suggests you try the corn sandwich instead, so you order a cup of coffee and corn sandwich.

Scenario 2 (Service Failure Severity: High, OCP: Similarity dimension)

You are flying with 'Alpha Airways' and had done an online check-in 48 h prior to boarding, as you are very particular about having a window seat. You settle down, next to a lady passenger about your age, keenly reading a book. You are happy as you like to read books too.

When you arrive at the destination, you wait for your baggage, but as it does not arrive on the conveyer belt, you raise the issue with the airlines. You realize that the airlines is unable to track your baggage and has lost it.

Scenario 3 (Service Failure Severity: Low, OCP: Appearance dimension)

You are flying with 'Alpha Airways' and had done an online check-in 48 h prior to boarding, as you are very particular about having a window seat. You settle down next to a very well dressed elderly gentleman, who is wearing a business suit, and smells very pleasant.

When in-flight meal services start, you request for an egg white sandwich, but the air hostess politely apologizes, stating that they do not have any left. She suggests you try the corn sandwich instead, so you order a cup of coffee and corn sandwich.

Scenario 4 (Service Failure Severity: High, OCP: Appearance dimension)

You are flying with 'Alpha Airways' and had done an online check-in 48 h prior to boarding, as you are very particular about having a window seat. You settle down next to a very well dressed elderly gentleman, who is wearing a business suit and smells very pleasant.

When you arrive at the destination, you wait for your baggage, but as it does not arrive on the conveyer belt, you raise the issue with the airlines. You realize that the airlines is unable to track your baggage and has lost it.

Scenario 5 (Service Failure Severity: Low, OCP: Behaviour dimension)

You are flying with 'Alpha Airways' and had done an online check-in 48 h prior to boarding, as you are very particular about having a window seat. You settle down next to a lady with an infant on her lap.

When in-flight meal services start, you request for an egg white sandwich, but the air hostess politely apologizes, stating that they do not have any left. She suggests you try the corn sandwich instead, so you order a cup of coffee and corn sandwich. The lady seated next to you has pre-booked an egg white sandwich and politely offers you to exchange her meal with you, as she can sense your disappointment on the inability of having an egg sandwich.

Scenario 6 (Service Failure Severity: High, OCP: Behaviour dimension)

You are flying with 'Alpha Airways' and had done an online check-in 48 h prior to boarding, as you are very particular about having a window seat. You settle down next to a lady with an infant on her lap.

When you arrive at the destination, you wait for your baggage, but as it does not arrive on the conveyer belt, you raise the issue with the airlines. You realize that the airlines is unable to track your baggage and has lost it. Your lady co-passenger from the flight offers you to use her toiletries to freshen up, till the airline tracks the baggage.

Realism Check Results (Study 2)

Study 2
Scenario-1: Mean = 4.55, S.D = .37
Scenario-2: Mean = 4.47, S.D = .55
Scenario-3: Mean = 4.36, S.D = .50
Scenario-4: Mean = 4.44, S.D = .49
Scenario-5: Mean = 4.43, S.D = .58
Scenario-6: Mean = 4.49, S.D = .48

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