Service Recovery Strategies versus Customers' Expectations, Race for Sustainability: a Qualitative Study on Micro Brands

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ABSTRACT Purpose of the research is to investigate service recovery strategies in case of small restaurant brands, customer perception regarding these strategies and their expectations intensely. As the study is qualitative and exploratory in nature, data were collected via in-depth interviews from duo perspective; i.e. service providers' and customers' perspective. The results showed that even though the managements are very cautious as regards the service recovery strategies, and customers' complaints, but sometimes even common service recovery actions fall below the customers' anticipations. On the other hand, restaurant those are somehow innovative with their recovery strategies; i.e. designed with a clear understanding of customers' needs, involving customers with the recovery strategies, empowering the service staffs, emphasizing on continuous improvement and customer engagement are getting more responses in case of customer satisfaction, loyalty; and finally, ensures firms sustainability in competitive market as well.

1. Introduction

Service failure per se is an inevitable threat for service providing organizations, where these organizations often try to mitigate business risk through effective service recovery. An effective recovery is strongly related to the cost and resources which are crucial elements for any micro food service brand. Interestingly, recovery strategies of small or micro food service brands never got much attention before. Service is more about experience; certainly where customers expect the best of it from the provider. In case of customers' expectations about the service, it doesn't really matter much how big or small the service firm is; customers expect flawless service from the provider. Flawless service delivery is the most important component of accomplishing customer satisfaction on right time, however not the only one. Customers' satisfaction essentially depends on their expectations regarding the services. Customers are becoming more demanding (Power, 1991) these days and there is no scope to misconstrue this fact, neither can it be overlooked that customers now have the easy access to information and power of more choices. For small or micro brands, these conditions turn out to be a huge business risk as most of these brands struggle to achieve sustainability. Sustainability, on the other hand, is not only related to profit but also customer equity or long term customer relationship and positive word of mouth.

Service itself is different from tangible product features and requires more real time interactions between service provider and customers. From such circumstances, a vital problem raises that makes

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it more complex for the service firms to achieve customer satisfaction, which is service failure. Researchers found that, service failure or any mistake related problems to the service leads to customer dissatisfaction (Parasuraman et al., 1985). In case of micro or small brands and startups businesses, customer satisfaction and impressive service experience is more related to their suitability and growth, so the managements and service personnel should have to be completely conscious about the important and obvious fact that mistakes are actually unavoidable and "critical part" of each service (Hart et al., 1990) because of its unique nature *i.e.* human involvement in each phase, simultaneous production and consumption and finally participation of both the parties; service provider on the one hand and customer on the other. Consistent with the contemporary business views, one customer cannot be considered as a single individual rather the plausible scenario should be the cogitation of 'Customer lifetime value'. So the service firms are supposed to be wide awake about the immediate response to complaints and possible recovery after the failure event as well. Literature on service described service recovery as actions that service providing firms take in response to any service failure or service related problem (Gronroos, 1988). Undoubtedly, service recovery is a fundamental business strategy for the service firms in order to maintain profitable customer relationships. However, customer retention and firms' profitability (Hogan et al., 2003; Rust et al., 2004) are invariably correlated with customer satisfaction. Therefore, the recovery actions also have to be gratifying. Miller, Craighead and Karwan (2000), argued that effective responses towards any service failure can influence a firm's long-term success to sustain in this high competitive business environment era.

Most of the studies tried to interpret service failure and recovery in the context of giant service brands. Hence, service recovery strategies of small or micro brands never got much attention in the literature, especially multiple case evidence rarely be found in the literate of service management. In this study, authors tried to evaluate the service recovery strategies of small or micro food service providing brands against their customers' expectations.

2. Literature Review

Some researchers tried to explain service failure from the aspect of customers' expectations. According to that phase, service performances that fall below customers' anticipations are explained as the service failure (Hoffman, Kelly and Bateson, 1997; Johnston and Michel, 2008). Then again, Bitner et al. (1990) interpreted service failure as service process that cannot fulfill the customers' request or the service quality that is much lower than the customers' level of acceptance. Another definition considering the consumers' insight was provided by Maxham (2001) that, service failure is any problem related to perceived or actual service or even it can be any problem that occurs when consumer deals with the organization. A common phenomenon about service is, services are produced and consumed simultaneously and the delivery of the service depends on many uncontrollable factors so it becomes impossible to avoid service failure (Hart et al., 1990). According to Varela et al. (2008), Hunga (2008), DeWitt et al. (2008), Chang and Hsiao (2008), Michel and Meuter (2008), making mistakes during providing the service can never be completely avoided. Berry (1990) and Fisk et al. (1993) also stated that, it is impossible to ensure a hundred percent error free service because of this unique nature of service. Regarding the classification researchers found that, service failure can occur in both ways; process (Zeithaml and Binter, 2000) and outcome (Smith, Bolton and Wagner, 1999; Levesque and McDougall, 2002). But one thing that makes the situation more complex, is a very small number of customers make complain regarding service related problems that they face (Agbonifoh and Edoreh, 1986). According to Michel (2002) the number of this type of customers is around ninety percent. Therefore, it becomes more difficult for the service providers even to identify the actual problem sometimes. Service with flaw or below customers' expectations definitely brings unpleasant risks for the business.

In the literature serious unfavorable consequences due to service failure were reported by many researchers. Miller et al. (2000) and Tronvoll (2010) stated that service failure has diverse consequences on customer. Failure of a service can lead to customer dissatisfaction (Parasuraman et al., 1985); negative word of mouth (Richins, 1983) and it can also be a foremost reason for switching the particular service provider (Rechheld, 1996) and loses of customers' confidence that ultimately leads to the loss of Customer lifetime value (Rust et al., 2000).

The corrective or restorative measures taken by the service provider in reaction to any service failure incident are referred as service recovery (Gronroos, 1988; Chang et al., 2008), According to Andreassen (2000) Actions that service provider takes in response to poor service or to seek out the dissatisfaction of the customer after the service failure. In a descriptive overview, service recovery has been defined as the process of a company by which it tries to make its relationship better with those customers who were initially dissatisfied when the company's goods or services has been incapable to satisfy their needs or meet expectations (Zemke and Bell, 1990), it also helps to retain customer (Miller et al., 2000; Strauss, 2002). Effective service recovery leads to customer satisfaction and loyalty (Oh, 2006; Michel, 2001; Tax and Brown, 2000).

According to Hart et al. (1990) "While companies may not be able to prevent all problems, they can learn to recover from them. A good recovery can turn angry, frustrated customers into loyal one [...]". Customer can even respond differently, depending on the type of the failure (Celine, 2006). Customers' perception regarding fairness is a key mean to evaluate the service recovery that they get. The concept of justice theory (Tax and Brown, 2000; Tax and Brown, 1998; Tax et al., 1998), it consists three dimensions; distributive, procedural and interactional. It is suggested that customers' satisfaction and fairness is influenced by the perceived justices (Varela et al., 2008; Clemmer and Schneider, 1996). Distributive justice is related with the final outcome and equity from the recovery action (Mattila and Patterson, 2004; McColl-Kennedy and Sparks, 2003; Nel and Pitt, 2000); customers mainly expect compensation, apology and any kind of refund (Michle et al., 2009; Brown and Johnston, 1999). Procedural justice refers to evaluate the recovery with fairness in the process of recovery (Seiders and Berry, 1998; Michle, 2002). Finally, the interactional justice deals with the interpersonal or emotional issues after the failure, through the recovery (Smith and Bolton, 2002; Tax et al., 1998).

Ozgen, and Kurt (2012), suggested that customers' post recovery emotions are influenced by the pre emotions and arbitrated with the role of the perceived justice perceptions. Magnini et al. (2007) stated that the service recovery is only successful if customers do not consider the mistake as a massive failure and again optimistically amazed by perceived recovery. Sometimes even more satisfied by the recovery actions than ever before, some researcher even reported that dissatisfied customers can turn into an evangelists or a preacher for the service provider firm (Fierro, Polo, and Oliván, 2014); that type incidents are called as "recovery paradox" (McCollough and Bharadwaj 1992; Smith and Bolton, 1998; Tax et al., 1998) it has been a core of curiosity for many researchers as well (Cheng et al., 2015; Michel and Meuter, 2008; De Matos, Henrique and Rossi, 2007; Magnini et al., 2007; Ok, Back and Shanklin, 2006; Boshoff, 1997; Bolton and Drew, 1992). Researchers argued that sometimes can fail, on that regard Michel, Bowen, and Johnston (2009), stated that service recovery frequently fails because of unsettled tensions between the differing perceptions of customer, process and finally employee recovery.

As customer retention as one of the major indicators of the business organization's performance (Kaplan and Norton, 2001) and loyal customers are more profitable than new customers since marketing expenses are less for the former than the latter (Dawkins and Reichheld, 1990). For any service oriented company profit could boost by as much as 100 percent just by increasing customer retention rate by 5 percent (Reichheld and Sasser 1990). A complaint in service industry is actually an opportunity for strengthening loyalty and obtaining positive word-of-mouth comments from customers (Reichheld and Sasser, 1990). Customer loyalty is the cornerstone for long-term survival of a brand. So evaluating the service recovery policies or strategies under the spotlight of customers' expectations is essential. Shahriar et al., (2016) also reported a similar kind of observation in their case study based on a single restaurant brand and tried to interpret its success rate. In this study authors tried to focus more on customers' experience and expectation regarding service recovery. A qualitative study regarding to this phenomenon can hardly be found in case of any micro brands and in the context of developing country. It will help the service firms to understand their customers' expectations and anticipations in regard to the service failure and recovery so that the management will be capable of design an effective recovery management progression to maintain their feasibility in present pugnacious economy.

3. Objective of the study

The main objective of the paper is to have an in-depth and comprehensive understanding of consumers' perception about common recovery policies in case of restaurant brands or more particularly small restaurant brands. Additionally, the research also intends to look for customers' expectations from the service provider, as effective recovery action. Authors attempted to interpret managerial efforts on the subject of designing effective service recovery management process and continuous improvement with the intention to ensure higher customer satisfaction and sustainable business strategy for firms' survival in this competitive industry. This study offers depth insights of customers' perspectives over the common recovery strategies. Additionally, it also discusses their expectations from the service providers in case of service failure situations. The study also offers the managements a critical aspect, to consider about putting their efforts in developing guaranteed error free services and effective recovery management; in order to interpret the service failure scenario evidently.

4. Methodology

For this study, Authors adopted a qualitative approach for in-depth analysis or 'deeper' understanding (Silverman, 1999, p. 8), as qualitative research is suggested for exploring any problem, developing a comprehensive understanding of a core phenomenon and where the literary overviews play a minor role although justify the research problem (Creswell, 2015, p.16).

Due to multiple evidence of the study it can also be called as a collective case study (Stake, 1995). Stake (1995) again, interpreted case study researcher as practically a biographer paying attention on a phase of the life of an entity. In this case, the authors find these arguments much applicable to the particular research, in this research authors endeavored to interpret the case in a similar manner.

Before selecting the case organizations, a pre-study investigation was done on 35 micro restaurant brands, where authors used the participant observation technique. Authors followed their peak business hours of these restaurants. However, from the findings of the direct observations and interview result, seventeen organizations were considered as 'crucial' for the in depth case analysis.

The fact of choosing the case organization carefully for the internal validity for the research, authors were also cautious about selecting the organizations amid being 'homogenous'. Researchers considered these seventeen restaurant brands as homogenous, based on their service setting, service process, management style and finally customer and service orientation.

Qualitative data were collected through in-depth interviews. As Kvale (1996) suggested that interview offers the opportunity to experience the interviewees' viewpoint in a straight line, respondents' opinion and better understanding of a phenomenon (Curasi, 2001, p. 362).

As the study explains the parable from the duo perspective, initially the respondents were divided in to two major groups; *i.e.* service provider and customer. From the service providers' side, managers from all selected restaurant brands (one manager from each case organization) and total service staffs (minimum two waiters from each case organization 34) with an experience of minimum of 5 years in the industry were selected an interviewed in-depth. Here, authors found that managers were the leading person to make may decision and can review and change the recovery strategy according to customers' need; on the other hand, waiters have more chance to have direct interaction with the customers and the first chance to identify customers need and expectation regarding recovery. Both the parties play different but important role in service recovery process.

From the customers' side, total 50 customers were interviewed for the study. Data saturation (Mason, 2010) or similar kind of observation was found at 18th customer; in order to critically understand the diverse experiences with different brands author enlarged the sample size even after the data saturation. The respondents from the customers' cluster were recruited via purposive sampling technique, their experience on service encounter, experience of service failure and recovery after the failure incidents were considered as the important criteria for the judgment. Each interview session continued for 20 minutes (approximate). Open ended questionnaire was designed for the interviews.

5. Findings and case discussion

From the analysis we can divide the sample organizations into two clusters, one is restaurants those are unique with the recovery actions; more concerned about customers' emotions, their expectations and they also believe that customer engagement is essential and provide equal benefit to the both parties. Authors named the cluster as – Cluster -A, consists of eleven brands. Second cluster consists of those who have a traditional or common perception regarding recovery, mainly a view of corrective actions for the mistakes rather making dissatisfied customers satisfied with the service recovery after any failure incident. Authors named the cluster as – Cluster B, there are six brands in Cluster - B. Authors coded the restaurant brands instead of using the brand names. The codes for Cluster - A restaurant brands are, e.g. (A), (B), (C), (D), (E), (F), (G), (H), (I) and (J); and the codes for Cluster -B restaurant brands are, e.g. (L), (M), (N), (O), (P) and (Q).

5.1. Service providers' perspective – (Selected verbatim)

From the service providers' side, one primary finding explained that substantially the management is very conscious regarding ensuring hundred percent error free services. The Manager-A from Cluster – A, who has an experience of 12 years in this particular business, explained that - "*Our first job is to provide error free service at the very first time*", He further explained "*Any corrective action is a matter of cost and also time, at the same time the risk is high as we do not actually know how the customers evaluate our efforts and intentions to make things right [...]. Regarding the corrective actions, the first thing that we do is, we communicate with the complaining customer to know the actual fact, it helps us to understand the customers' level of dissatisfaction and emotion associated with the incident [...] it is indeed very effective to provide their desired compensations*".

The service management researchers also suggested the evidence that any service quality is within its flawless service performance (Berry and Parasuraman, 1991). On the other hand, some researchers (Kozub, O'Neill and Palmer, 2014; Ozgen, and Kurt, 2012; Schoefer, and Diamantopoulos, 2008; Menon, and Dube´, 2004; Smith and Bolton, 2002) suggested that service failure incidents and recovery are critically linked with customers' emotions as the Manager-A from Cluster –A also found the same scenario. So as a component of customer satisfaction, while providing service recovery the service provider must consider the emotional aspects related to the failure actions as well as customers' views regarding the acceptance of the recovery and the recovery process.

Manager-B from Cluster –A clarified that "*[...] We try our best to serve well at the first time but sometimes mistakes occur as we are not machine. Especially, in rush hours it often becomes much difficult to serve our best [...]*". On the subject of service recovery, he added: "[...] *As mistakes are usual we also have policies to provide remedy for those kinds of incidents, for any kind of problem with the food item we have policies for replacing the whole dish. Sometimes we also offer refund or discount to make them surprised; however, it depends on the seriousness of the mistake and customers' reaction over the situation [...]*".

Manager-B from Cluster –A putted emphasis on the process analysis and understanding the impact of the incidents as well as handling them well. Hoffman et al. (1995) and Smith et al. (1999) argued that if the acceptability of service failure is lower the level of satisfaction will also be lower. The manager also confirmed that he always tries to communicate with the customers after providing the recovery, as to understand the impact of recovery. On that note Michel (2002) stated that customer helps the understanding of impact of failure as well as the recovery.

The owner cum manager, Manager-E from Cluster –A is a 65 years old guy with an experience of more than 35 years in this business explained that his father started the business about 46 years ago in 1972 after the liberation war of Bangladesh, before that his father was a chef at a hotel but at the time of war it was destroyed. When his father started the business it was a tiny restaurant or more accurately a 'small shop'. The restaurant is mainly famous for its signature dish Biriyani.

Regarding the service recovery policies, he explained - "*Maintaining the best possible relationship with the customers is important, I know most of my regular customers by name, it is not possible in one day, I believe a we made mistakes a lot of time, customers made complains, and we solved those problems, sometimes those were ok, sometimes those weren't. But customers came back [...] I will tell the reason; it is relationship, each and every time when customers complained we not*

only tried to solved those but tried to make customer believe that 'we are sorry' and also endeavored to make a part of the process, we asked their suggestion for solving the problems at that moment and for the future [...] and it really worked and works... not only to understand customers' expectations but to get their trust back [...]".

The manager Manager-D from Cluster –A explained that this is a new brand that came into operation five years ago, as they were new in the market and tried to offer innovative efforts regarding their foods and services, it was important for them to understand customers' feedback so they were always aware of communicating with the customers and customer engagement with the brand. In this course of actions, they also found the importance of communicating with the customer regarding the recovery designing and ensuring customer engagement in the process.

Manager-D from Cluster –A also mentioned in this regard "*Customers can solve half of the problem by themselves, through sharing their expectations and feelings with us, and the rest is our job is to manage the recovery with our best effort in accordance with customers' expectations*". To a certain extent it is clear that effective communication is crucial after any incident of service failure. It does not only help the service provider but also the recovery process itself. Nevertheless, this notion of communication increases customers' engagement with the service process and also with the organization. Customers' engagement and participation is also suggested by researchers, Xue and Harker (2002) suggested customers' participation in all stages of service delivery and production. Lovelock and Young (1979) also emphasize on the importance of engaging customers in service so as to reduce the service tasks, time and cost of services and increases the productivity as well. Another case study research conducted by Shahriar et al. (2016) on a restaurant brand confirmed that, in case of small restaurant brand, customer engagement with the recovery process, *e.g.* customer suggestions and their feedback can help the firm to redesign the recovery process successfully.

Nevertheless, in case of Cluster –B restaurant brands, 'Manager-L from Cluster –B, Manager-M from Cluster –B, Manager-N from Cluster –B, Manager-O from Cluster –B, Manager-P from Cluster –B and Manager-Q from Cluster –B*;* the management and service personnel confirmed that they have certain policies regarding the recovery actions and customers complaint management after the service failure or receiving any complaint from the customers. It mostly refers to the 'replacement' policy in maximum cases. They somehow believe that it is too much time consuming to go for a long and depth conversation with the customers, and customers can get bored or disturbed if they started to do so.

Manager-M from Cluster –B explained "*it is actually not possible to communicate with customer in details regarding the problems, when we are serving total forty people at a same time, and you will find that the other forty customers are actually waiting outside for getting tables*". The management of restaurant –L from Cluster -B and restaurant –P from Cluster -B also holds similar kind of thoughts on the subject under discussion.

Interestingly, almost every service staffs have emphasized on the importance of empowerment. Employee empowerment refers to the process to push down the decision making into the functional level, whereas employees are being giving the choice of schedules and procedures and to solve work related problems (Robbins, 2001) or a process of transferring the power from the employer to the employees (Randolph, 1995). In recent times employment empowerment gained much attention from the researchers (Arneson and Ekberg, 2006; Avolio et al, 2004; Boudrias et al., 2009; Chiles and Zorn, 1995; Jarrar and Zairi, 2002; Lashley, 1999; Melhem, 2004; Tong et al, 2015; Namasivayam, Guchait and Lei, 2014). It is intensely related to employee job satisfaction, commitment towards the organization and quality service delivery to customers as well (Gill et al., 2010; Kim et al., 2012).

Regarding the empowerment of service employees for effective recovery and service management, one service staff from restaurant-C from Cluster –A explained that "*customers often complain or get angry when we make any mistake, the reactions differ from person to person, some customers get more angry when it takes time to make the things right [...] but I have learned that it is important for us to be informative, emphatic and friendly and it actually helps us to handle the situation more effectively, and also reduce customers' anger or dissatisfaction [...] also I believe that understanding customers' emotion or their feeling about service is important [...] our policy, which is 'handling the situation effectively and as soon as possible' actually helps us [...]. And we do not have to inform the manager every time before take any corrective action [...].*"

"Customers have some expectations not only from the management but also from us, as we have to deal with them directly, so we can understand them and their emotions better than the

manager[…]. Sometimes depending on the situation, and type of mistakes we have to think beyond the management common policies of compensating the customers" A service employee of restaurant –F, Cluster –A explained.

A waiter, who has an experience of six years in this industry and now working at restaurant-I, Cluster- A , then added that *"I also feel good and satisfied when I solve any problem and when I am able to provide what actually the customers' want. I don't think waiting long for fixing our mistakes will reflect good on customers' feeling about us. As we have the authority and power, we usually use our wit and procedures to neutralize any unfavorable service related situation rather than taking it to the manager."*

The verbatim analysis also revealed that when employees psychologically feel empowered (Ro and Chen, 2011) they try to solve any service related problem more effectively, as they also feel that they are playing a major role as a part of the brand. As Heskett et al. (1997) suggested that frontline service staffs' job satisfaction is related to their belief regarding that they are capable of producing the outcomes what the customers' actually expected from them.

5.2. Customers' perspective on service failure and recovery

From the customers' point of view, the initial issue that came under the spotlight, customers consider service failure as a regular incident during the busy hours. At the pre-testing phase the failure incidents were reported in the entire sample organizations of 35 micro restaurants. When the sample from the customers' cluster; 50 respondents were interviewed in-depth, the result showed quite similar findings. In most cases customer claimed that they don't want to make any complain, with a perception that as most of the time complaints don't bring any positive result. The view is quite similar to research findings of Michel (2002) and Komunda (2013). Whereas, Komunda (2013) stated that companies must make the complaining meaningful, or else customer will not be interested to make any effort. Most customers see the service staffs as less empowered in case of taking any effective recovery action according to the problem, so in that case they have to make the complaint directly to the managers. They found this process more complicated so they feel better to remain silent.

This study revealed that when the failure is minor and mostly related to process most of the customers feel comfortable to keep silent but there are some pre-conditions, these are *i.e.* if the customer have no previous experience of facing failure with the particular restaurant brand, if the failure does not destroy the core value of the service.

Customers feel anger and annoyed if they experience similar kinds of failure (core, or process) repeatedly, that usually leads to massive dissatisfaction, negative word-of-mouth and brand switching. Customers sometimes do not make any complaint to the service employees as they believe that employees cannot make the thing right, some have perception that most of the service staffs have less intention to make customers' satisfied, they (service staffs) are just for serving the dishes and taking order, and do not possess the power to effectively handle any service related problem. Most of the customers feel that, only managers can handle the problem related to the service. On the other hand, employee empowerment in service system has been considered as one of the most important issues in case of providing quality service (Timothy and Abubakar, 2013; Tsaur, Chang and Wu, 2004; Spreitzer, 1995; Foy, 1994; Handy, 1993).

In case of common recovery policies, the view that was primarily found that is "*replacement can't be the solution every time*". As other researches also reported similar kind of thoughts that Customer responds may perhaps depend on the type of the failure (Celine, 2006). So for effective recovery management, it's not wise to generalize the mistakes and recovery policies as well. From the customers' interview analysis, the first most reported, expected recovery action for any kind of failure; was unconditional apology from the providers' side. This is directly related to notion of equity and distributive justice (Michle et al., 2009; Homburg and Furst, 2005). Interestingly in most cases customers were asked about any serious failure incidents, findings showed that in most cases, less intentions of official apology, from the managements' side make the circumstances more critical and leads to a severe dissatisfaction. The second thing that is important for meeting customer expectations is immediate response to complaints. The recovery means such as compensations, replacements where needed, refunds and complementary items were also found from the verbatim analysis. The

conception of customer engagement with the service process was suggested by many researchers, sometimes it as reported as the ides of partial employee of the firm (Mills, Chase and Margulies, 1983; Mills and Morris, 1986; Larsson and Bowen, 1998).

The interview analysis showed, customers also feel certain level of empowered and feel that they are valuable for the organizations. In case of designing effective recovery strategies customers' engagement can lead to better results in terms of customer satisfaction, further repurchase intentions and enhanced brand experience. Managerial efforts towards continuous improvement are also imperative; in case of service process development. Yet again for any kind of process development, clear understanding regarding customers' needs and wants is most crucial and important. However, by nature these small or micro brands have managerial flexibility to unswervingly communicate with the customers. It also provides the brands more scope for the management to learn from the customer feedbacks.

For the small brands, the service settings *per se* provide the managements a greater extent to maintain organizational proximity (formal or informal) with the customer; moreover, it helps the management to ensure customer engagement with the organization. Investment on the subject of maintaining organizational proximity with the customers' and higher rate of customer engagement with the service process essentially help the service organizations to understand their customers' perception better. Customer engagement also helps the organizations' process of continuous improvement and enhance the service recovery and customer complaint management (Michel, 2002) process. At the same time this unique nature of these small or micro brands fundamentally helps them in the race for sustainability.

6. Concluding remarks

Mistakes are inevitable for any service organization and besides minimizing the errors, the real difference a service organization can make through how and what corrective action it must take to counteract situation like service failure, that rises the critical issues regarding designing the felicitous service recovery strategy.

The study revealed that in case of *Cluster A- Restaurant Brands* were very successful with properly handling with effective service recovery strategies and total service management. From the service providers point of view, it seems, to make a vivid remark that comprehending the customers' expectations in the event of a service failure can provide better insights not just to fix the problem appropriately but to ensure customer satisfaction and loyalty for the brand fairly. Though the small or micro restaurants brands tend to lack extensive investments towards customer relationship management or loyalty programs, penny plain strategies inclusive of interactive approaches to handle customers in case of service failure can assist service providers to maintain their sustainability comfortably.

However, the other *Cluster B- Restaurant Brands* were in a state of uncertainly, as their policy for simplifying all service related problems at a same degree and generalized policies regarding the service recovery made the problem more complex. As it is said that a remedy without analyzing the causes and symptoms may do harm than benefit, these small brands cannot always ensure customer satisfaction let alone loyalty by following the traditional way to handle a service failure event and may become unable to reap the benefit out of their action that perhaps can usher them towards uncertain sustainability in present fierce market. Interestingly, in the context of micro brands, where the administrative flexibility exists, management has a greater extent to maintain a close relationship with the customer; with the privilege of effective and right time communication. Empowering the service employees ensures rapid recovery as well as employee satisfaction. The notion of customer engagement with the service process seems to be an effective way of maintaining effective service management. The improvement in service process *per se* is a continuous process, which also guarantees the feasibility and sustainability in the competitive market

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