Service Failure and Recovery in the Small Entrepreneurial Firm: A Research Agenda

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Abstract: An increasing body of literature is devoted to the marketing of services and the ability of an organisation to supply them efficiently and to the satisfaction of the customer. Because of the special characteristics of services, there is the possibility of occasional breakdowns in the delivery of a service which leave a customer dissatisfied. Rectifying the situation, or putting things right, is referred to as "service recovery" and is believed to contribute significantly to a higher level of customer satisfaction, which may in turn translate into increased loyalty. Service recovery describes the measures taken by businesses to offset customers' negative reactions to service breakdowns. This paper builds on the service recovery literature by extending the scope of recovery by identifying and exploring principal themes within the context of smaller entrepreneurial companies. The paper concludes by setting out a research agenda for future research in this area, including an investigation into entrepreneurs' perspectives of service recovery.