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Service is defined as an economic transaction between a customer and a company that provides intangible items such as medical assistance, financial guidance, and consulting (Bateson, 1992; Kandampully, 2012). Service has been emphasized as an important aspect of the current retail industry (Kandampully, 2012). Thus, researchers and marketers have recently been required to understand customer expectations and customer demands for service quality in the retail industry. Furthermore, researchers have noted the importance of service recovery (Maxham & Netemeyer, 2002; McCollough, Berry, & Yadav, 2000; Swanson & Kelley, 2001) in solving customer complaints caused by service failures relating to delivery, responses to customer requests, and payment in rapidly changing retail technology and environments (Forbes, Kelley & Hoffman, 2005; Holloway & Beatty, 2003). Thus, the purpose of this study is to examine the relationship between service and service recovery in the retail environment.

In this study, service quality expectations have been divided into three dimensions (personal attention, tangibles, and reliability), and service recovery quality is measured by the customer's perception of justice (distributive and interactional justice) and emotions (positive and negative emotions). Based on these dimensions, I proposed the following hypothesis: The service quality dimensions significantly influence distributive justice (H1 a-c), interactional justice (H2 a-c), positive emotions (H3 a-c), and negative emotions (H4 a-c). Holloway and Beatty (2003) asserted that customers who experienced service failure expected that their losses would be compensated. Thus, in this study, I also investigated the relationship between service quality expectations and service recovery expectations: H5 a-c. The service quality dimensions significantly influence customers' service recovery expectations. In addition, because prior researchers have highlighted service failure severity as an antecedent of service recovery quality (McCollough et al., 2000; Smith, Bolton, & Wagner, 1999), I proposed: H6 a-c. The service quality dimensions significantly influence service failure severity.

In this study, I conducted a scenario-based experimental survey manipulating retail store service failure and recovery to effectively control extraneous variables and eliminate the effects of memory bias (Hess, Ganesan, & Klein, 2003; Smith et al., 1999). Using Qualtrics, I recruited 315 participants and randomly assigned them to two groups of small ($N = 156$) and large stores ($N = 159$). The participants consisted of 38.4% men and 61.6% women, and their mean age was 41 years (range 18–50 years).

I conducted regression analyses to examine the hypothesized relationships, and the regression model for the relationship between customers' service quality expectations and distributive justice (H1) was significant ($R^2 = .199$, $F(1, 313) = 25.81$, $p < .001$). The service quality dimensions of personal attention ($\beta = .247$, $p < .01$) and tangibles ($\beta = .312$, $p < .001$) were found to be significant factors in distributive justice. Personal attention dimension ($\beta = .331$, $p < .001$) and tangibles ($\beta = .232$, $p < .01$) were also found to be significant factors of interactional justice ($R^2 = .184$, $F(1, 313) = 23.43$, $p < .001$) (H2). The reliability dimension had

no significant effect on distributive and interactional justice. Thus, the results of this study support H1a, H1b, H2a, and H2b. In relation to positive emotions (H3), personal attention ($\beta = .332, p < .001$) and tangibles ($\beta = .205, p < .01$) were found to be significant factors for customers' positive emotions and this regression model was significant ($R^2 = .159, F(1, 313) = 19.53, p < .001$). Reliability does not significantly affect positive customers' emotions about service recovery. Negative emotions were not affected by any of service quality dimensions; thus, H4 was rejected. The regression model for the relationship between customers' service quality expectations and service recovery expectations (H5) was significant ($R^2 = .168, F(1, 313) = 20.95, p < .001$), and the tangibles dimension was the only significant factor ($\beta = .236, p < .01$) that affected service recovery expectations. The relationship between customers' service quality expectations and service failure severity was not supported (H6).

Accordingly, customers' service quality expectations for retail stores, particularly personal attention and tangibles, significantly influence on customers' service recovery expectations and evaluations. To enhance the effects of service recovery in cases where customers encounter service failure, service providers should carefully manage customers' service quality expectations. In particular, they need to pay attention to individual customers while managing their retail stores' visual appeal. However, customers' service quality expectations do not influence their perception of service failure severity. Therefore, once service providers fail, they need to carefully respond to customers' problems no matter what expectations customers have about service quality.

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