



**Service Failure and Recovery Strategy: The Case of a China's
Time-honored Restaurant**

CHEN Han

Thesis submitted as partial requirement for the conferral of the degree of

Doctor of Management

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January, 2019



Instituto Universitário de Lisboa

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Abstract

Focusing on service failures and recoveries can improve service quality for organizations, which is of utmost importance if they highly depend on services. Such is the case of the catering industry and, in particular, of time-honored Chinese restaurants because they represent Chinese image for tourists from all around the world. Using a qualitative research approach this thesis identifies the types of service failures and recoveries in such a particular type of restaurant. The case study method was used to design and study the case while CIT (Critical Incident Technique) was used to collect data. The thesis data was not only provided by Chinese and foreign customers who had unpleasant dining experiences in the restaurant, but also by employees so as to better understand the dilemma.

The data were collected through four channels – questionnaires, direct observation, formal interviews and social media. The findings indicated that 25 codes were identified from five subcategories (food, service, ambience, language barrier and problematic customers) in the category of service failure types while 16 codes were discovered in seven subcategories in the category of service recovery types. Indirect recoveries were found to be as useful and important as direct recoveries since direct recoveries can only solve the problems in a short term, while indirect recoveries can deal with the problems in a long run.

Finally, respondents expressed their perceptions towards the fairness of the recoveries they had received. However, results still have some limitations as, for example, interpretations can be varied because of hidden meanings in the texts, or of different experiences and abilities which also affect interpretations. Although substantial research has been conducted on the identification of service failure and recovery, few studies regarding this topic have been associated with linguistic studies and this may provide a new and valuable direction for further study.

Keywords: Service failure; Service recovery; Time-honored restaurant; Complaint behaviors

JEL: M10; M31

Resumo

A preocupação com as falhas de serviço e sua recuperação podem ajudar a melhorar a qualidade deste em muitas organizações, sobretudo nas mais dependentes dos serviços. Este é o caso da indústria da restauração na qual se enquadram muitas organizações em que a qualidade do serviço é uma dimensão essencial da sua reputação. O objetivo desta tese é precisamente o de compreender as falhas e a recuperação do serviço que podem ocorrer num tipo específico de restaurantes na China – os restaurantes históricos – os quais representam a imagem do país perante turistas de todo o mundo. Seguindo uma abordagem qualitativa a tese identifica os tipos de falhas e recuperação do serviço num desses restaurantes escolhido para o efeito. Adotou-se o método de estudo de caso e os dados foram recolhidos através da Técnica de Incidentes Críticos (CIT - Critical Incident Technique) tendo-se optado por recolher informação não apenas junto de clientes chineses e estrangeiros que passaram por experiências negativas no restaurante, mas também junto dos empregados com o objetivo de melhor se compreender o dilema.

Os dados foram recolhidos através de questionários, observação direta, entrevistas formais e redes sociais. Após o processamento e na categoria de falhas do serviço foram identificados 25 códigos, distribuídos por cinco subcategorias: comida, serviço, ambiente, barreira linguística e clientes problemáticos. No que respeita à recuperação do serviço, identificaram-se 16 códigos distribuídos por sete subcategorias. Foi ainda revelado que as formas indiretas de recuperação são tão ou mais importantes que as diretas pois estas só resolvem os problemas no curto prazo enquanto que as formas indiretas podem resolvê-los no longo prazo. Por fim os respondentes manifestaram também a sua perceção quanto à justiça das formas de recuperação que receberam.

Os resultados têm, porém, as suas limitações já que podem existir diferentes interpretações devido a significados ocultos no texto ou a experiências ou competências diversas. Embora a investigação sobre falhas de serviço e sua recuperação seja extensa, a associação destas variáveis à linguística tem ainda sido pouco estudada e, no entanto, pode ser uma área interessante e promissora para futuros estudos.

Palavras-chave: Falhas de serviço; Recuperação de serviço; Restaurantes históricos; Comportamentos nas reclamações

JEL: M10; M31

摘 要

关注于服务失败与服务补救对服务型企业是至关重要的。餐饮类行业是典型的服务型行业，而老字号餐厅是餐饮行业中的一个特殊的群体。由于它拥有悠久的历史，特征鲜明的餐饮产，且对中国游客来说它代表了地方形象，而对外国游客来讲它代表了中国形象，因此研究老字号餐厅的服务失败与补救是极其重要的。本研究学习了现有文献，以定性研究方法为主导本文对中国北京的一家老字号餐厅的服务失败和服务补救进行了提取及分类。本文应用案例研究方法分析并研究该餐厅，关键事件法被用来收集数据。为了更好的研究老字号餐厅服务困境，本文收集的数据不仅由中、外用餐客人提供，而且餐厅员工也是提供数据的另一主体。

本文通过四个渠道进行数据收集：问卷调查；实地考察；面试和社交媒体。研究结果表明在服务失败类型中分为五大类：菜品；服务；环境；语言障碍和问题客人。而在这五大类服务失败类型中又细分出了 25 个小类。其次，在服务补救类型中分出七大类 16 小类。研究指出间接服务补救与直接服务补救有着同样的重要地位，都对服务失败有着积极作用。但是直接服务补救只能解决短期问题。而间接补救可以处理长期问题。因此它们起到了互补的作用。

最后，本文研究对象表达了他们对服务补救的公平性感知。本文研究结果存在一定的不足。例如：问卷文字中有隐含的意思导致解读会出现差异性。除此之外，本研究应用了单一案例进行研究具有一定的局限性，而未来的研究可以采用多案例研究。虽然现有大量研究是针对服务行业的服务失败与服务补救，但是极少有类似研究涉及了老字号餐厅的服务失败与补救。而且几乎没有类似研究与语言学研究相结合。因此，给未来学者提供了研究空间。

关键词：服务失败；服务补救；老字号餐厅；投诉行为

JEL: M10; M31

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每次与维吉尼亚教授当面讨论论文的时候，尼尔森教授总是在旁边细心聆听并同样为我出谋划策，提出了很多专业性强的建议。在此我也要表达我对他的真诚谢意。

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Contents

Chapter 1: Introduction.....	1
1.1 Research Background and Objective	1
1.1.1 The Current Situation of Time-honored Restaurant in Beijing China	1
1.1.2 A Brief History of the Research Object	2
1.2 Research Dilemma	3
1.3 Research Questions	5
1.4 Research Methods	6
1.5 Summary	7
Chapter 2: Literature Review.....	9
2.1 What is Service Failure?	9
2.1.1 Descriptions of Service Failure	9
2.1.2 Service Failure Classification	10
2.2 What is Service Recovery?	16
2.2.1 Descriptions of Service Recovery	17
2.2.2 Service Recovery Classification	18
2.2.3 The Relationship between Service Recovery and Justice Theory	23
2.3 What is Time-honored Brand?	24
2.3.1 The History of China Time-honored Brands in the Catering Industry.....	25
2.3.2 The Characteristics of China Time-honored Brands in the Catering Industry...	27
2.3.3 The Dilemmas of China Time-honored Brands in the Catering Industry.....	27
2.3.4 The History of China Time-honored Brands in the Catering Industry in Beijing	30
2.4 Summary.....	33
Chapter 3: Methodology.....	35
3.1 The Rationale for Selecting the Case Study Method	35
3.2 Are Research Questions in This Study Fit for the Case Study Method?	36
3.3 Study Questions	37
3.4 A Single Case Study or Multiple Case Study?	40
3.5 Data Collection	41
3.5.1 Questionnaires	42
3.5.2 Direct Observation	46
3.5.3 Formal Interviews	47
3.5.4 Social Media	49

3.6 Data Processing	50
3.7 Reliability and Validity	52
3.8 Summary	54
Chapter 4: Data Analysis.....	55
4.1 Types of Failures	55
4.2 Initial Evaluation Types	78
4.3 Complaint Behavior Types	87
4.4 Restaurant Recovery Types	92
4.5 Post-Complaints Evaluations and Outcomes' Types	106
4.6 Summary	110
Chapter 5: Conclusions and Recommendations.....	113
5.1 Conclusions	113
5.2 Limitations and Academic Recommendations	118
5.3 Managerial Recommendations.....	120
Bibliography.....	121
Appendix.....	131

List of Tables

Table 2-1 A List of Findings of Service Failures.....	11
Table 2-2 A List of Findings of Service Recoveries	18
Table 3-1 Descriptive Statistics of Data Collection	41
Table 3-2 Demographic Profile Respondents	44
Table 3-3 A Brief Record of Direct Observation.....	46
Table 3-4 Formal Interviews.....	48
Table 3-5 Demographic Profile of Focus Group Meetings' Respondents	52
Table 4-1 Categories and Sub-categories of Service Failure Types	57
Table 4-2 Categories and Sub-categories of Initial Evaluation Types.....	79
Table 4-3 Categories and Sub-categories of Complaint Behavior Types	88
Table 4-4 Categories and Sub-categories of Restaurant Recovery Types	93
Table 4-5 Categories and Sub-categories of Post-Complaint Evaluations and Outcomes' Types.....	107

List of Figures

Figure 3-1 www.dianping.com Quan Ju De Qian Men restaurant front page at 23:04 on 25th Jan 2018.....	49
Figure 4-1 Conceptual Model of Service Failures Types	61
Figure 4-2 Conceptual Model of Initial Evaluation Types	81
Figure 4-3 Conceptual Model of Complaint Behavior Types.....	89
Figure 4-4 Conceptual Model of Restaurant Recovery Types	95
Figure 4-5 Conceptual Model of Post-Complaints Evaluations and Outcomes' Types	108

Chapter 1: Introduction

1.1 Research Background and Objective

The scope of the service industry is extremely wide and includes many sections in our society, among which the restaurant business is certainly one of the most important. With the rapid development of the economy in China, people have more and more money to spend on restaurant dining and, in the meanwhile, customers' awareness of service quality has increased as well. Customers currently are becoming more demanding and have free access to information on the internet regarding restaurants. Their demands for value create an intensive focus on a combination of food quality, price and service in their purchases. From the perspective of restaurants' business, most of them tend to maintain existing customers and develop potential customers. In order to achieve it successfully, restaurants should improve their service quality. Therefore, understanding service failures and recoveries is very crucial.

This situation is particularly relevant in the case of time-honored organizations that, settling on their long-time resilience and tradition, may be tempted to rest upon their laurels unaware of mounting competition and disgruntled customers. By studying the specific case of a time-honored catering enterprise – defined as bestowing a strong culture background, unique service and food preparation – in Beijing, China, this is precisely the problem this thesis addresses. How to identify a specific service failure and service recovery category? What are the customers' and employees' perceptions regarding them? What are ways of voicing a complaint? By answering these questions, we aim at understanding the factors behind service failure and service recovery for this enterprise in order to have a better picture of its service problems and improve its service quality.

The benefit of understanding it is not only good for this enterprise, but it also impacts on a country's tourism and international reputation.

1.1.1 The Current Situation of Time-honored Restaurants in Beijing China

The Ministry of Commerce of the People's Republic of China has published norms of recognition for Chinese time-honored brands in 2007. In the document, a Chinese time-honored brand is defined as a brand that has a long history with generations of products,

skills or service. It also has a distinct traditional Chinese cultural background and a rich cultural heritage in order to widely achieve social recognition and form a great reputation.

According to Jia (2005), there are currently more than 80 different time-honored catering enterprises in Beijing China that mainly belong to Beijing Tourism Group and Jude Huatian Holdings Limited. However, if we consider the situation of the entire Beijing time-honored catering enterprises, the result is that well-run enterprises are only about one-third, one-third are basically surviving, and another one-third will soon be bankrupt (Jia, 2005). The disappearance of some time-honored catering enterprises seems inevitable.

Li (2006) indicates several difficulties in managing and operating time-honored catering enterprises. In the thesis, eight dilemmas are mentioned. The third dilemma identified is that service quality can be rated very low for restaurants in many areas such as restaurant cleanness, staff initiative, table service, beverage service and ordering service. However, because the number of specific time-honored restaurants is limited and their food product is unique, customers will have to endure the bad service to have a meal that they could not have in other places.

Bad service quality of time-honored restaurants not only affects their own enterprises, but also has a negative impact on a country's tourism industry and international reputation. Therefore, it is necessary to study the service they offer in order to attract greater guest satisfaction and enhance the country's international reputation.

1.1.2 A Brief History of the Research Object

The research object is Quan Ju De Qian Men restaurant. Quan Ju De restaurant specializes in the roast duck cuisine. Its unique technique of hanging stove to roast the duck has been certified as a national intangible cultural heritage in 2008. According to the official documentation offered by Quan Ju De restaurant, Yang Quan Ren, the founder of the restaurant, was from Ji Zhou city, He Bei province, China. He started to trade poultry livestock when he first came to Beijing. In 1864, there was a dry fruit shop called De Ju Quan, which was nearly bankrupt due to bad management operation. Yang Quan Ren captured this opportunity and spent all his money in order to buy this shop.

In addition, he invited a fortune teller to rename this restaurant. The fortune teller named it Quan Ju De, which changed the sequence of the original name of this shop (De Ju Quan). On 6th June 1864, Quan Ju De began its long business journey.

Until 1901, Yang Qing Mao, the second son of Yang Quan Ren, took over the

management and built a two-floor restaurant. Yang Qing Mao also hired Li Zi Ming as assistant manager to operate it. Li Zi Ming was a very capable, trustworthy employee so that Yang's family decided to let Li Zi Ming manage the restaurant after the death of Yang Qing Mao in 1930. Therefore, Li Zi Ming became the first general manager who was not from the Yang's family. Quan Ju De restaurant's business was at its peak during the 1930s. However, the business went slowly during the 1940s due to the war and political uncertainty. The resurrection of the restaurant started from the beginning of the People's Republic of China.

In 1952, a new management mode, public-private joint management, was adopted in order to develop the restaurant's business. From 1950s to 1990s, Quan Ju De kept expanding rapidly, and two more branch restaurants were established including Wang Fu Jing and He Ping Men Quan Ju De restaurants. In May 1993, the Quan Ju De group company was formed. In 2004, the group merged with three other restaurants, Fang Shan, Feng Ze Yuan and Si Chuan in order to expand its business under the strategic reorganization. On 20th November 2007, Quan Ju De Group successfully went public in Shen Zhen stock market in China.

In 2008, Quan Ju De Group appointed 181 employees to stay and serve at the Olympic and Paralympics villages and was highly rated by the Olympic committee. In 2014, Quan Ju De Group was responsible for serving roast duck in the welcoming banquet of APEC (Asia-Pacific Economic Cooperation) in The National Aquatics Center (The Water Cube).

Until now, according to its official website, there are 40 restaurants in the Quan Ju De group distributed across 16 cities in China, 19 of which are in Beijing. However, the original restaurant is Quan Ju De Qian Men in No. 30 Qian Men Avenue, Dong Cheng district, Beijing, People's Republic of China.

The company's mission statement is to promote Chinese culture of food and beverage and devote to provide healthy food to human beings. The company's vision statement is to be the best Chinese catering group and a world first class catering company with a famous international brand.

1.2 Research Dilemma

Numerous studies have investigated service failure and recovery in the general food service industry from the perspectives of customers and employees (Bitner, Booms, & Tetreault, 1990; Bitner, Booms, & Mohr, 1994; Hoffman, Kelley, & Rotalsky, 1995; Mueller, Palmer, Mack, & McMullan, 2003; Yang, 2005; Silber, Israeli, Bustin, & Zvi, 2009; Ozdemir,

Caliskan, & Yilmaz, 2015). However, research regarding service failure and service recovery specifically focusing on China's time-honored restaurants – those bestowing a strong culture background, unique service and food preparation – is relatively limited. Due to its distinctive characteristics that match the research object, Quan Ju De Qian Men restaurant was selected as the research target for thesis. As mentioned before, Quan Ju De restaurant was established in 1864 during the Qing Dynasty under the reign of the Tongzhi Emperor. Although Peking duck can trace its history many centuries back, Quan Ju De's heritage of roast duck preparation – using hanging style open ovens and non-smoky hardwood fuel such as Chinese date, peach, or pear to add a subtle fruity flavor to a golden crispy skin – was originally reserved for the imperial families.

In addition, China time-honored restaurants have their own profound tradition; most of them have over 100 years' history and are state-owned. However, their reputation of service quality has decreased rapidly in recent years according to many news reports and research (Guo, 2005; Li 2006; Gong, 2004). In order to improve its service quality to finally achieve high guest satisfaction, it is necessary for the restaurant to understand its service failure and service recovery categories as well as the process of voicing a complaint by customers. The deep understanding that will be reached through the study of a particular and special restaurant group will not only benefit the whole restaurant catering industry, but also attract greater reputation both from domestic and international guests thus improving the image of Chinese tourism.

Service failures are an inevitable part of service processes and occur in both the process and outcome of service delivery (Lewis & McCann, 2004). Although Quan Ju De has a long history, strong enterprise culture and fairly acceptable service, service failures still occur every day. However, Quan Ju De's food product and service are unique and comprise three distinctive features: (1) Chef de Table service (a well-cooked duck should be sliced into about 108 pieces by an experienced chef in front of the guests as a presentation of Chinese culinary art); (2) complex presentation of side dishes for Peking duck (the sauces and side dishes for wrapping the pastry should be presented with certain standards); and (3) language competence to be used when serving and explaining to guests how to make the duck rolls. Other variations of this kind of service may also be offered.

It is precisely because of the complexity of these unique services and food products that service failure may more likely to occur, thus making this case particularly useful for other restaurants and person-to-person high contact services that may be experiencing service failures and the need to recover them. In addition, the identification of these failures may

contribute with new factors to service failure categories that may reflect common problems of Chinese time-honored restaurants. In the meanwhile, if a new factor is detected for a given service failure category, then a suitable recovery strategy can be adopted to deal with this failure and increase guest's satisfaction. Such is the main purpose of this thesis.

1.3 Research Questions

There are five research questions regarding this study.

The first question is “what kind of service failures might appear in Quan Ju De restaurant?” Many researchers have classified service failures encountered in the service industry such as fast food restaurants, chain restaurants, hotels or airline companies. The classification falls into two main types. One was generated by Bitner et al. (1990) and followed by Hoffman et al. (1995). The other was devised by Ozdemir et al. (2015) and is composed of three areas according to a restaurant setting (1) Food; (2) Service and (3) Environment. Both classifications were thoroughly analyzed and several sub-categories and codes have been classified. It was an intriguing process to uncover the service failures types in Quan Ju De restaurant.

The second question is pertaining to the causes of service failure from both customers' and employees' perspectives. In other words, How and Why service failure occurs in the process of service delivery from both parties' point of view. Recent research indicates that the workload of staff, undertrained staff, and understaffed service are the main causes of service failure (Ozdemir et al. 2015). However, are there new causes to be found in this study? This is a question to be answered.

The third question is “What methods customers use to voice their complaints?” There were four types of complainers found in the context of service operations by Zeithaml and Bitner (2000), which were also pointed out in a service research conducted by Dutta, Venkatesh, and Parsa (2007): 1. Passives; 2. Voicers; 3. Irates; 4. Activists. In fact, all four types of complainers have given this research a great inspiration on identifying who and how a complaint has been made from both employees' and customers' perspectives. Therefore, the answer to the third question will tell us what methods customers use to voice their complaints in a time-honored restaurant context.

The fourth question is “What kind of responses the restaurant offers with regard to the failures?” Many researchers have been categorizing the service recoveries that are offered to

customers by restaurants or other service providers. Bitner et al. (1990) conducted a research on the classification of types of service recoveries at a behavioral level and obtained 12 categories within three groups in service industries. McDougall and Levesque (2000) designed a less complex classification including four types namely apology, compensation, assistance and assistance and compensation. Tsai and Su (2009) replicated a similar study focusing on Taiwan chain restaurants and identified 10 categories of service recovery among which, “imputing failure to customers”, had not been mentioned in previous studies. In the specific context of a Chinese time-honored touristic restaurant will there be any new service recovery types to make up for failures?

The fifth question is “How does the individual perceive the response(s)?” This question has been studied in considerable research by applying justice theory from the social exchange and equity theories. There are several service studies based on justice theory in order to understand the perception of post complaints evaluation and outcomes (Tax & Brown, 1998; Bowen & Johnston, 1999; Smith, Bolton, & Wagner, 1999; Patterson, Cowley, & Prasongsukarn, 2006). In this study, we are interested in examining customers' perceptions to the responses following all three areas of justice.

1.4 Research Methods

The case study method was selected in order to accomplish this research. After reviewing hundreds of articles and several books pertaining to methodology, it was realized that both empirical studies based on statistical surveys and empirical studies based on qualitative interviews, participant observations, archival records, documentation, physical artifacts and focus groups are equally important on an international basis (Gummesson, 2014). Both methodologies have been utilized to test and generate theory.

The scope of a case study is to explain the content of the study, which is to “investigate a contemporary phenomenon (the “case”) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident.” (Yin, 2014). The research subject and objective of this study is completely compliant with this part of the definition because human behaviors are hard to predict, and human errors are inevitable in a restaurant setting which is a real-world context. This study is attempting to understand this complex contemporary phenomenon.

Furthermore, Critical Incident Technique (CIT) has been adopted to collect and process

data in this study. Critical Incident Technique was first designed and applied by Flanagan (1954) more than 60 years ago. The CIT is a method that depends on a series of procedures including data collection, content analysis and classification of human behavior. The following questions were asked to respondents and answers were written down on the paper attached to the questionnaire:

- Was this a dissatisfying dining experience in Quan Ju De Qian Men restaurant?
- Describe what happened during the incident experienced by using specific details.
- What is the first evaluation of the incident?
- Have you complained about the incident and how did you complain?
- Describe which measures the restaurant took to recover the incident.
- What is the perception of complaint handling and service recovery?

1.5 Summary

This Chapter has introduced the research background, especially emphasized the general background of time-honored restaurants in China. In addition, a brief history of the study object has been given in order to let readers understand more about the background of the restaurant. Furthermore, this chapter has addressed the research dilemma that stressed the importance and necessity of the thesis. Besides, the chapter has presented 6 research questions regarding the objective of this thesis. Finally, the chapter briefly illustrates the research method applied, which is a combination of the case study method and critical incident technique (CIT). The case study method is the key method that leads the whole study. Nevertheless, CIT has been used to collect the data. In the next chapter, a literature review will be provided to comprehend the linking background of the literature so as to carry on the remaining part of the study.

Chapter 2: Literature Review

2.1 What is Service Failure?

Service failure is a common term used in the context of service marketing. In the real service context, service failure can be considered to be inevitable (Hart, Heskett, & Sasser, 1990) because of human errors and mechanical problems. Human errors cause the service failure that is often encountered in daily service operations. For instance, an employee in a restaurant takes a wrong order for a customer by misconception or accidentally spills drinks on a customer's clothes. Such failures might happen every day in the restaurant working context due to human errors.

However, mechanical problems are another big issue that leads to service failure. With the development of information technology, people nowadays more and more rely on computers and other electronic devices either for entertainment or work. It is the exact same situation in the service industry which currently strongly depends on information technology. In restaurants, a menu can be installed in an iPad or other computer-based device in order to facilitate the service and dining experience. Furthermore, the ordering system in the computer-based devices is transferring and communicating data between the front of the house (restaurant's dining area) and the kitchen area. Thus, if a problem occurs from these computer-based devices, it will result in tremendous service failures in restaurants.

The earliest study of service encounters' failures can be traced back to 1990s (Bitner et al. 1990). The reason why Bitner et al. (1990) firstly decided to conduct such study is because she and her team wanted to comprehend the service failures in specific events or behaviors rather than concentrating on general dimensions which many previous studies had been doing (Parasuraman, Zeithaml, & Berry, 1988).

2.1.1 Descriptions of Service Failure

In this thesis, we are seeking to truly understand the scope of the service failure in a Chinese time-honored restaurant which has been an under researched context. However, conceptual background is the foundation of conducting this work. Thus, an analysis of three descriptions of "service failure" is carried out below.

Description I: Hoffman, Kelley, and Rotalsky (2016) indicated that service failures are inevitable in the human-based nature of many service processes.

Description II: Chung-Herrera, Gonzalez, and Hoffman (2010) deemed that service failures are certain critical events that result in failure service encounters from the customer's perspective.

Description III: Tsai and Su (2009) defined that service failure is a situation where a service provider fails to adequately tackle a customer's request in time and leads to the customer's dissatisfaction.

The rationale of selecting these three descriptions is because (1) Bitner et al. (1990) were the earliest researchers who took a deeper look into service encounters including both satisfied and dissatisfied encounters and the first classification of failure types in the hospitality industry was devised in their research; (2) Hoffman et al. (2016) have been researching in this area for over two decades from 1995 to 2016. Furthermore, the research they conducted have had a strong impact on the catering industry which is also our research focus; (3) Tsai and Su (2009) are based in Taiwan, and their study target is thus close to the Asian market which is also our research target.

Above all, it is well recognized that service failures cannot be avoided especially in a human-related service context. Furthermore, service failures occur when a service provider cannot efficiently cope with customers' requests.

2.1.2 Service Failure Classification

A large number of studies pertaining to classifying service failure types in hospitality-related industry were conducted by countless researchers all over the world in the last two decades (Bitner et al. 1990; Bitner et al. 1994; Hoffman et al. 1995; Mack, Mueller, Crotts, & Broderick, 2000; Hoffman, Kelley, & Chung, 2003; Hoffman et al. 2016; Dutta et al. 2007; Tsai & Su, 2009; Yunus, Ishak, & Rhouse, 2012; Ozdemir et al. 2015). A list of research findings regarding service failures is shown in the Table 2-1.

Table 2-1 A List of Findings of Service Failures

Author(s)	Year	Study Field	Findings regarding service failures
Mary Jo Bitner; Bernard H. Booms and Mary Stanfield Tetreault	1990	Hospitality-related (Airline Companies, Hotels and Restaurants)	Introducing the Incident Classification System in order to identify the satisfying and dissatisfying incidents. The groups are classified in below Group 1. Employee response to service delivery system failures. Group 2. Employee response to customer needs and requests. Group 3. Unprompted and unsolicited employee actions.
Mary Jo Bitner; Bernard H. Booms and Lois A. Mohr	1994	Hospitality-related (Airline Companies, Hotels and Restaurants)	Group 1. Employee response to service delivery system failures. Group 2. Employee response to customer needs and requests. Group 3. Unprompted and unsolicited employee actions. Group 4. Problematic customer behaviors
K. Douglas Hoffman; Scott W. Kelley and Holly M. Rotalsky	1995	Restaurants	Based on Incident Classification System (Bitner et al., 1990), 11 specific subcategories pertaining to restaurants' service failures were classified within three groups. They are product defect, slow/unavailable service, facility problems, unclear policy, out of stock, food not cooked to order, seating problems, inappropriate employee behavior, wrong order, lost orders and mischarged.
Rhonda Mack; Rene Mueller; John Crotts and Amanda Broderick	2000	Restaurants	Based on Incident Classification System (Bitner et al., 1990), 14 specific subcategories pertaining to restaurants' service failures were classified within three groups. They are unreasonable slow service,

			wait staff error, cook/kitchen error, management error, special needs/requests, customer preferences, customer error, disruptive others, level of attention, unusual action, cultural norms, gestalt evaluation and adverse conditions.
K. Douglas Hoffman; Scott W. Kelley and Beth C. Chung	2003	Restaurants	Focusing on the servicescape in restaurants, 8 specific subcategories pertaining to restaurants' servicescape failures were classified within three groups (mechanical problems, cleanliness issues and design issues). They are core mechanical problems, mechanical problems relating to the core service, foreign object (nonliving/nonhuman-related), foreign object (human-related), foreign object (insect/animal-related), general cleanliness issues, smells and poor facility planning.
Chen-Tsang (Simon) Tsai and Ching-Shu Su	2009	Chain Restaurants	Based on Incident Classification System (Bitner et al.1990), 17 specific subcategories pertaining to chain restaurants' service failures were classified within four groups. They are product defect, slow/unavailable service, facility problems, unclear policy, out of stock, the dishes not delivered orderly and others in the first group. In the second group, not cooked to order, seating problems and others were categorized. In the third group, employee behavior, wrong order, lost orders and mischarged, overturning the dishes or drinks and others were classified. In the fourth group, aberrant consumer behaviour was listed.

Nek Kamal bin Yeop Yunus; Salomawati Ishak and Suraini Rhouse	2012	Hotels, Restaurants and Transportations	This study provided reliable proof of the study of Bitner (1990). However, the airline companies were not studied in this paper, but transportations. There was no extra finding for new service failures in this study.
Bahattin Ozdemir; Osman Caliskan and Gokhan Yilmaz	2015	Restaurants	This study applied a completely different classification system with other previous studies. The new classification is strongly industry-orientated and includes three major sub-categories that are food, service and atmosphere. Each subcategory has several codes generated from data. 6 codes of food subcategory are hygiene, wrong cooking degree, taste, portion size, incorrect temperature and out of stock. 4 codes of service subcategory are billing error, slow service, the dishes not delivered orderly and inappropriate server's behavior. 3 codes of atmosphere subcategory include table settings, noise and scent.

As mentioned before, Bitner, Booms, and Tetreault (1990) were three pioneers who firstly switched to study specific service encounters/events in order to understand service quality from researching its general dimensions (Parasuraman et al. 1988). In the research, they focused on three hospitality-related sections from customers' perspectives through using Critical Incident Technique (CIT), a method designed by Flanagan (1954) in order to construct a conceptual work named Incident Classification System, which is a clear diagram indicating groups and categories of failures. Three theoretical groups were identified as (1) Employee response to service delivery system failures; (2) Employee response to customer needs and requests and (3) Unprompted and unsolicited employee actions (Bitner et al. 1990).

The first group emphasizes service delivery system that refers to the core service failure. In the restaurant context, for instance, if customers complain about dishes being delivered to them unreasonably slowly, it will be counted as a service delivery system failure. The second group stresses whether customers' needs and requests have been satisfied by employees; if not,

failure might have occurred. For instance, in the restaurant context, if an employee does not satisfy the customer's request of getting a window seat, there might be a service failure from the customer's point of view. The third group underlines that employee actions could cause service failures. For example, if an employee does not take care of customers as what he or she should do and shows a bad work attitude, the service failures will occur.

Although this classification system received recognition worldwide (Bitner et al. 1990), it has three major limitations. First, it focused on three different hospitality-related sections rather than a particular one. Therefore, it is less specific and useful for a particular section of hospitality-related industry, such as restaurants, hotels or banks. However, it shed a light on other researchers (Hoffman et al. 1995, Hoffman et al. 2003; Mack et al. 2000; Tsai & Su. 2009; Yunus et al. 2012; Ozdemir et al. 2015) to intensively study the service quality in restaurant's section by following the same Incident Classification System (Bitner et al.1990).

Hoffman et al. (1995) was the first research team to specifically study service failures in the restaurant sector in the US. Eleven specific sub-categories pertaining to restaurants' service failures were classified within three groups. They are product defect, slow/unavailable service, facility problems, unclear policy, out of stock, food not cooked to order, seating problems, inappropriate employee behavior, wrong order, lost orders and mischarged. In turn, Mack et al. (2000) rekindled restaurants' failure types that had been discovered in previous studies (Bitner et al.1990, Bitner et al. 1994; Hoffman et al. 1995) by offering new names such as wait staff error (wrong orders, lost orders), kitchen error (food not cooked to order, out of stock), and management error (e.g. facility problems). Intriguingly, new failure categories were also collected in this study such as customer error (customer admits the wrong order), cultural norms (racism and sexism) and adverse conditions (flooding, fire).

From the research of Mack et al. (2000), it is very interesting to realize that customers are not always right as they may make mistakes that can cause service failure. This enlightens our research direction to take a deeper look into the customer's behavior when thinking of the service failure. Furthermore, a common service failure sub-category, special needs/requests (medical, language, etc.), in the study of Mack et al. (2000) shed a new light on that language might be a factor that causes service failures in our research context. With the development of the catering industry, more and more diversified restaurants are established in our society. They are different in daily operations thus different service failures will appear. Tsai and Su (2009) also conducted research on service failures in chain restaurants in Taiwan. Although the findings about service failures were consistent with previous studies, an even more

specific research target, chain restaurants, was chosen. This affected our research intent which is to focus on a unique fine dining time-honored restaurant established in 1864, situated in Qian Men Street, one of the most popular commercial and touristic streets in Beijing, the capital of China. Our purpose is to uncover new findings in order to provide more theoretical conceptions and contribute to enhance the image of Chinese touristic catering.

However, one limitation of the study of Tsai and Su (2009) is that the data only relied on the perspectives of customers when a service encounter/event has to be interacted and completed by two parties, one being the customer who receives the service, the other being the server who offers the service. Thus, server's perspective is as critical as that of the customers. Bitner et al. (1994) conducted a similar study but focusing on employees' viewpoint instead of just customers' perspectives. The same Incident Classification System (Bitner et al. 1990) was applied and the finding was quite intriguing: employees considered that the service failure sometimes was not caused by them, but by some problematic customers. Hence, a fourth group of service failure was added to the Incident Classification System (Bitner et al. 1990) named Problematic customer behavior. The group includes four categories, drunkenness, verbal and physical abuse, breaking company policies or laws and uncooperative customer. Additionally, Mack et al. (2000) indicated that customers might not cause problems, but mistakes customer admitted that lead to the service failure. Although some research depended on customers' perspectives as well on employees' viewpoints, there is still not sufficient research on these two groups' perspectives, which is another purpose of this thesis.

Another limitation is that the Incident Classification System (Bitner et al. 1990; Bitner et al. 1994; Hoffman et al. 1995; Hoffman et al. 2005; Mack et al. 2000; Tsai & Su, 2009; Yunus et al. 2012) is too much theoretical-orientated. Hospitality related service marketing research should be completed in both purposes of theory and practice, but the Incident Classification System (Bitner et al. 1990) is not tightly close to the daily operation in hospitality-related subjects. Thus, other classifications have been studied and applied by other researchers. Dutta et al. (2007) proposed a new method to classify service failure by designating five distinctive groups namely – operations; hygiene; behavioral; quality of food and beverages and physical evidence. This method is comparatively closer to the restaurant industry than the previous incident classification system (Bitner et al. 1990; Bitner et al. 1994; Hoffman et al. 1995; Hoffman et al. 2005; Mack et al. 2000; Tsai & Su, 2009; Yunus et al. 2012). However, in our perspective, it still needs to be improved in order to be more

pragmatic.

Generally, in a restaurant context, there are two areas that need to be operated and managed: one is the dining hall including private dining rooms, the other is the kitchen. The dining hall focuses on service delivery and environment, whereas the kitchen concentrates on food preparation. Therefore, we believe that service, environment and food (Ozdemir et al. 2015) can be considered three groups in order to study service failures in restaurants. Furthermore, the common breakdown of the restaurant service tasks includes 8 sections: reservation taking, seating service, presenting menu, taking food order, taking drinks order, service during dining, billing, farewell service. In order to provide a better solution and training to enhance the service quality, service failures should be classified into these 8 sections in the service group, which is a lucid way to offer suggestions for the restaurant management team, because the researcher speaks the “language” they speak. In other words, the use of this classification is more understandable and pragmatic for those who work in the restaurant industry.

2.2 What is Service Recovery?

Although service failures are inevitable, service recovery can bring back customer's loyalty. Service recovery plays a critical role in retaining customers in the service industry. Once service failures occur, the service company's reaction could either strengthen the relationship with the customer or change a minor mistake into a mess (Hoffman et al. 1995). However, service companies may take the right actions to respond to the failures or do not respond, or even cope with it inappropriately (Tsai & Su, 2009) as the decision on how to handle a service failure can jeopardize customer's loyalty. If service companies apply proper actions/recoveries to handle service failures, they can at least decrease the degree of customer discontent, and then maintain their loyalty in the company. Thus, service companies should try their best to recover the failures in order to maximally retain the customers.

Even though many service companies like restaurants realize that the service recovery is imperative in the process of service failure handling, they simply tend to solve the failure without thinking in depth on a long-term basis and keep on doing the business (Hoffman et al. 2016). Service failures can be quickly forgotten and service companies should learn from both service failures and recovery strategies so that if problems occur again they may avoid tremendous failures. Many service companies like restaurants consider that experience is the

key to solve problems, but delivering experience to new employees can be very time consuming and it is unlikely that new employees tackle service failures properly because of their little experience in the position. It will be rather beneficial if management keeps track of service failures and recovery strategies and consider them to train employees, as a way to share experiences and learning from others' mistakes in order not to make them again or to understand which methods may be effective to tackle a failure they encounter. Therefore, tracking service recovery strategies is a very important management skill for all service companies.

2.2.1 Descriptions of Service Recovery

In this research, we are aiming at investigating the range of service recovery strategies focusing on a Chinese time-honored restaurant. Although research on this topic is scarce literature background is the foundation of conducting a thesis. Thus, an analysis of three descriptions of "service failure" is carried out below.

Description I: Service recovery is the set of responses and actions to the defects or failures that service providers use (Grönroos, 1988; Tsai & Su, 2009).

Description II: Service recovery can either strengthen customer's loyalty or transform a minor mistake into something critical (Hoffman et al. 1995).

Description III: A set of efficient service recovery strategies can benefit customers, employees and the whole catering company (Hoffman et al. 2016)

In a word, although service recovery is an easy term to be comprehended by readers, it is extremely sophisticated to be applied in a real dining situation. When a service failure occurs, service recovery should be carried out and should be perceived by three parties including customers, employees and the company. The problem is that sometimes employees might consider that the service recovery they used is very useful and effective, but customers do not perceive it as such. For example, if a customer complains that there is a hair in the soup, and the employee replaces it immediately, the employee may think that the recovery has been very appropriate; however, the customer might expect 20% off on the total bill or a complimentary dessert instead. Thus, this service recovery is perceived differently by the employee and the customer. Apart from it, even when customers' and employees' perception of service recovery is uniform, the company may not consider the same. For instance, a customer complains about a wrong order, and the employee offers a complimentary dessert as compensation. The customer is satisfied but the company is not because of the food cost.

Therefore, service recovery is a very complicated tool to retain customer's loyalty as it has to satisfy the dissonant needs of customers, employees and company.

2.2.2 Service Recovery Classification

A large number of studies regarding the classification of service recovery strategies in the hospitality-related industry were researched by many scholars all over the world in the last two decades (Bitner et al. 1990; Bitner et al. 1994; Hoffman et al. 1995; Hoffman et al. 2003; Mack et al. 2000; Mueller et al. 2003; Wong, 2004; Dutta et al. 2007; Tsai & Su, 2009; Yunus et al. 2012; Ozdemir et al. 2015). A list of research findings regarding service recovery strategies is shown in Table 2-2.

Table 2-2 A List of Findings of Service Recoveries

Author(s)	Year	Study Field	Findings regarding service recovery
K. Douglas Hoffman; Scott W. Kelley and Holly M. Rotalsky	1995	Restaurants	8 service recovery strategies were identified from this study. They are free food, discount, coupon, managerial intervention, replacement, correction, apology and nothing.
Rhonda Mack; Rene Mueller; John Crotts and Amanda Broderick	2000	Restaurants	11 service recovery strategies were discovered in this study. They are nothing, replacement, free good/replacement - replacement of food ordered, apology, free good partial - free drinks or appetizers, correction - recooked, brought correct order, etc., free food/overkill - replacement plus free food or drinks, coupon, managerial intervention, discount and other.
K. Douglas Hoffman; Scott W. Kelley and Beth C. Chung	2003	Restaurants	3 categories of service recovery strategy were classified in this study. They are compensatory responses, action-oriented responses and other responses. Compensatory responses include 5 recovery methods: gratis, discount, coupon, free upgrade and free ancillary product. Action-oriented responses contain 5 ways of recovery: total replacement of

			good/service, correction, substitution, cash refund and store credit. Other responses include 5 recovery strategies: failure escalation, empathetic response, managerial intervention, referred customer elsewhere and no response.
R.D. Mueller; A. Palmer; R. Mack and R. McMullan	2003	Restaurants	6 categories of service recovery strategy were identified in this study. They are compensatory, managerial intervention, corrective responses, empathetic responses, no action taken and other.
Kirti Dutta; Umashankar Venkatesh and H.G. Parsa	2007	Restaurants	2 directions of service recovery strategies mentioned are apology and assistance. Assistance includes assistance short of compensation and assistance with compensation.
Chen-Tsang (Simon) Tsai and Ching-Shu Su	2009	Chain Restaurants	10 service recovery strategies were classified in this study. They are free food and beverage, discount, coupon, managerial intervention, replacement, correction, apology, nothing, imputing failure to customers and others.
Nek Kamal bin Yeop Yunus; Salomawati Ishak and Suraini Rhouse	2012	Hotels, Restaurants and Transportati ons	Apology, Assistance and Compensation are three directions of service recovery strategies recommended in this study.
Bahattin Ozdemir; Osman Caliskan and Gokhan Yilmaz	2015	Restaurants	4 service recovery strategies were identified in this study. They are apology, explanation, dish replacement, and compensation.

Hoffman et al. (1995) were the first researchers who studied the classification of service recovery strategies in restaurants. They discovered eight ways to recover service failure. They are free food, discount, coupon, managerial intervention, replacement, correction, apology and doing nothing. The compensatory recovery methods including free food, discount and coupon were the most useful strategies in their study, whereas apology and doing nothing were the least favored ways to recover the failure. Although doing nothing was listed in the strategies chart, in our perspective, it should not be considered a recovery strategy due to the fact that the negative consequence of this strategy can be easily predicted. However, the strategy of doing nothing should be listed in the study in order to understand what kind of service failures were left without effective solutions.

Similarly, Mack et al. (2000) conducted a study regarding the classification of service recovery strategies in the restaurant industry. Instead of listing the recovery strategies in general, they specifically named three free food categories including free food/replacement, free food partial, free food/overkill. The expression of free food/overkill was used firstly in order to emphasize a combination of replacement and free food or drinks applied in the process of recovering the failure. The rest of the findings regarding service recovery were consistent with previous research. Nevertheless, a special question raised in this study was to ask customers what else the restaurant should do in order to improve service quality. A combination of apology and compensation was the most common answer from customers. To compare with Hoffman et al. (1995)'s study, the result in Mack et al. (2000)'s indicated that apology is not less effective if combined with the strategy of compensation in order to improve the service quality. Furthermore, Mack et al. (2000) illustrated that apology as a strategy of service recovery is considered extremely imperative among customers' perspectives because customers want to hear that restaurants admit their mistakes, which in their view is a positive attitude to show their sincerity in correcting them.

Service recovery strategies identified from massive studies (Hoffman et al.1995; Mack et al. 2000; Tsai & Su, 2009; Ozdemir et al. 2015) were scattered, that is, they are not categorized. However, although the service recovery strategies identified by Hoffman et al. (2003) were focused on failures in the hospitality-related industry at large, the study shed a light on a new way of identifying service recovery strategies in a more restrict context like restaurants. They are compensation responses, action-oriented responses and other responses. Compensation responses focus on free food/service, discount, coupon, free upgrade and free ancillary products, which are high cost-related. Action-oriented responses concentrate on

replacement, correction, substitution, cash refund and store credit, which are low or non-cost related. Other responses include failure escalation, empathetic response, managerial intervention, referring customer elsewhere and no response, which are non-cost-related. Although the classification is highly categorized, the study focused on the hospitality-related industry in general rather than only on restaurants. Thus, some of the service recovery strategies such as free upgrade and store credit are impossible to happen in a restaurant situation. However, the rest of the specific recoveries are very valuable to be considered in this thesis.

In order to better understand service recovery strategies, comparison studies need to be done. Therefore, some researchers have been seeking to compare the service recovery strategies among countries (Mueller et al. 2003; Wong, 2004; Dutta et al. 2007). Because of culture differences, customers from different countries have different perceptions regarding service recovery strategies. Six areas of service recovery category conducted by Mueller et al. (2003) for the sake of comparing the perceptions between two countries with customers holding different culture backgrounds are: compensatory, managerial response, corrective response, empathetic response, no action taken and others. Although the findings regard to the categories of service recovery (Mueller et al. 2003) they are totally consistent with previous studies (Hoffman et al.1995; Mack et al. 2000; Hoffman et al. 2003), and shed a new light on our study. Although one of our aims is to comprehend the scope of service recovery strategies in a time-honored Chinese restaurant and even though many customers of this restaurant are from different countries, it is not our objective to conduct a culture comparison study since the number of customers from different countries is not enough to thoroughly research the issue. Nevertheless, a comparison of customers and employees' perceptions regarding service recovery strategies could be a good choice in order to identify some unique recovery strategies, which could contribute with new findings to the theoretical world in the field.

Before 2007 most of the research on service recovery strategies has been conducted in developed countries (Hoffman et al.1995; Mack et al. 2000; Hoffman et al. 2003; Mueller et al. 2003; Wong, 2004). The first research on a vast developing country was carried out in India, in 2007 by Dutta et al. (2007) with the purpose to compare service recovery strategies in restaurants in India and America, and one finding is that restaurants in India use less compensation strategies to tackle service recovery. The research suggested that restaurants in developed countries prefer to use compensation and apology to satisfy customers in order to

mitigate a service failure, whereas restaurants in developing countries compensate the customers less. Similarly, three general directions (Apology, Assistance and Compensation) of service recovery strategies were recommended by Yunus et al. (2012) who researched service recovery strategies in hotels, restaurants and transportations in Malaysia which is also a developing country. China is a larger developing country in terms of the size of population, territory and economy than India and Malaysia. Therefore, the study of the service recovery strategy in a time-honored Chinese restaurant in China might have different and intriguing findings that may contribute to the service marketing theories.

The very first study of service recovery strategy in restaurants in a Chinese background was conducted by Tsai and Su (2009) who researched service failure and recovery in chain restaurants in Taiwan. Ten service recovery strategies were found and classified, but the majority of them is congruent with most of relevant studies (Bitner et al. 1990; Bitner et al. 1994; Hoffman et al. 1995; Hoffman et al. 2003; Mueller et al., 2003; Dutta et al. 2007; Yunus et al. 2012; Ozdemir et al. 2015; Hoffman et al. 2016). The only different finding of a service recovery strategy was “imputing the failure to customers”, which is an extreme negative recovery strategy that indicates the low emotional intelligence of employees who handle the failure and their external locus of control that also plays a very important role in this recovery strategy, which is even worse than doing nothing in order to recover a service failure. Even though the problem might be caused by customers, it is key for employees to save customers' face in order to keep their loyalty. Furthermore, in their study, the data illustrates that apology, doing nothing and imputing failure to customers resulted in lower customer retention rate.

Most service recovery strategies in recent studies are consistent with previous research (Hoffman et al. 1995; Hoffman et al. 2003; Mueller et al. 2003; Dutta et al. 2007; Tsai & Su, 2009; Yunus et al. 2012; Hoffman et al. 2016). However, there is a new finding of service recovery, explanation, identified by Ozdemir et al. (2015). In previous studies (Hoffman et al. 1995; Hoffman et al. 2003; Mueller et al. 2003; Dutta et al. 2007; Tsai & Su, 2009; Yunus et al. 2012; Hoffman et al. 2016). However, there is a new finding of service recovery, explanation, identified by Ozdemir et al. (2015), apology was the only empathetic response as a service recovery strategy. Nevertheless, explanation was found to be even more important when coping with service failure. Customers have the right and want to know the cause of the problem so as to mitigate their anger towards the service failure. Empathetic responses including apology and explanation are not enough and other strategies should be applied at the same time in order to recover the service failure and retain customers in the long-run

(Ozdemir et al. 2015).

Hart et al. (1990) explained the importance of service recovery by depicting service companies as gymnasts who should be able to retrieve the balance immediately after a mistake and keep on finishing their tasks. Indeed, a good service recovery is the key to retaining customers' loyalty in order to achieve service business success as failure cannot be avoided in the service industry (Hart et al. 1990; Hoffman et al. 1995; Hoffman et al. 2003; Mueller et al., 2003; Dutta et al., 2007; Tsai & Su, 2009; Yunus et al. 2012; Hoffman et al. 2016).

2.2.3 The Relationship between Service Recovery and Justice Theory

Social psychologists have classified three sections of justice that impact on how people evaluate social exchanges: (1) Distributive justice, which means the perceived outcome exchange (Adams, 1966; Deutsch, 1975); (2) Procedural justice, meaning which decisions are made and how problems are resolved (Leventhal, 1980; Lind & Tyler, 1988; Thibaut & Walker, 1975); (3) Interactional justice, which means the manner in which information is passed through and outcomes are shared (Bies & Shapiro, 1987). Research regarding these three types of justice has been carried out individually, and Smith et al. (1999) and Tax et al. (1998) first began to combine them into service evaluations in general and service recovery contexts specifically. Ever since then, justice theory has acquired a great amount of attention within service marketing studies as a theoretical framework for service recovery (Sparks & McColl-Kennedy, 1998; Tax et al. 1998; Smith et al. 1999; Wang, Wu, Lin, & Wang, 2011; Ha & Jang, 2009).

Based on the justice theory, service recovery justice can be defined as the customer's evaluations of the impartiality of the method in which service failures are dealt with from three different opinions: distributive justice, procedural justice, and interactional justice (Blodgett, Hill, & Tax, 1997; McColl-Kennedy & Sparks, 2003; Ha & Jang, 2009).

Tax et al. (1998) indicated that it is critical to make things right when customers complain about the service because of the justice or fairness that customers expect. By evaluating three areas of service recovery: outcomes (distributive justice), procedural features (procedural justice), and interactional treatment (interactional justice), customers can form their perceptions of impartiality. Outcomes fairness focuses the consequences that customers receive from complaints or service failures, Procedural fairness indicates the policies, rules and timeliness of the complaints or service failures process. Interactional fairness concerns the

interpersonal behavior received during the complaints or service failures process.

Positive perceptions of distributive, procedural, and interactional justice significantly improve customer satisfaction in the service industry (Tax. et al. 1998; Smith et al. 1999; Patterson et al. 2006; Ha & Jang, 2009; Wang et al. 2011;). Distributive justice in their research provided more evidence of a relatively large percentage of the overall effect of perceived justice on satisfaction.

Patterson et al. (2006) also illustrated that distributive and interactional justice explained a relatively high percentage of the differences in perceptions of overall satisfaction with recovery efforts. In a restaurant context, when an outcome failure appears, compensation has a higher influence on perceptions of distributive justice than when a process failure occurs (Mueller et al. 2003; Wong, 2004). Besides, if the service failure severity is low, in the restaurant context, the interaction effects including compensation and response speed are effective.

In more recent studies, Wang et al. (2011) indicated that interactional justice in service recovery not only has a positive relationship with customer loyalty, but can also mitigate the relationship between service failure severity and customer loyalty.

Another research findings (Kwon & Jing, 2012) displayed that perceived justice was shown to rise without considerations of the consumer's relationship level when extra compensation is provided after a service failure occurs. When customers have a high level of customer relationship in the organization, whether to compensate or not will not affect the behavioral intentions of customers. Furthermore, Wang and Chung (2013) indicated that various perceived justice influences both the customer's and the organization's relationship quality, which also results in a positive (or negative) word-of-mouth publicity.

2.3 What is a Time-honored Brand?

The Ministry of Commerce of the People's Republic of China has published norms of recognition for Chinese Time-honored Brands in 2006. In the official document, a Chinese time-honored brand is defined as a brand that has a long history with generations of products, skills or services. It also has a distinct traditional Chinese cultural background and a rich cultural heritage in order to widely achieve social recognition and form a great reputation.

Li (2006) defined China time-honored brand in the Catering Industry as those catering enterprises or brands of catering products that demonstrate the value of the creativity of

Chinese national culture, possess distinctive Chinese traditional culture and/or Chinese regional culture background, and combine certain business and culture values. It should have been established before the year of 1956 with at least above 50 years' history of operation and passed from generation to generation with unique culinary products, beverages or special dining service offered. Also, a good social reputation and trust should be achieved year after year operation. Moreover, its business should be in accordance with relevant laws and regulations of the People's Republic of China.

2.3.1 The History of China Time-honored Brands in the Catering Industry

Studies (Chen, 1998; Li, 2006) pertaining to the history of China time-honored brands in the catering industry revealed that Liu Bi Ju – a shop established in 1530 and producing Chinese pickles in Beijing – is the oldest existing China time-honored brand in the catering industry among the 1600 plus China time-honored brands in the catering industry according to the Ministry of Commerce of the People's Republic of China. Therefore, the statistics of China time-honored brands in the time scale of the catering industry should start to be calculate from the year of 1530.

At the end of Ming Dynasty, Liu Bi Ju (pickles) in Beijing and Yi Yuan Qiang (vinegar) in Tai Yuan were established during the period of Jia Jing Emperor in 1522-1566.

Da Shun Zhai (traditional Chinese pastry) in Beijing and Qing He Yuan (restaurant) in Tai Yuan were established during the period of Chong Zhen Emperor in the Ming Dynasty in 1628-1644.

Lu Gao Jian (stewed meat) in Su Zhou, Zhi Mei Zhai (restaurant) in Beijing and Kao Rou Wan (BBQ restaurant) in Beijing were established in the period of Kang Xi Emperor in the early of Qing Dynasty (1662-1722).

There was a total of 10 brands established during the period of Qian Long in Qing Dynasty between 1736 and 1795. They were: Tian Fu Hao (braised meat) in 1738 in Beijing; Zheng Xing De (halal tea) in 1738 in Beijing; Sha Guo Ju (restaurant) in 1741 in Beijing; Dao Xiang Cun (Chinese pastry) in 1773 in Su Zhou; Yue Sheng Zhai (halal stewed meat) in 1775 in Beijing; Song He Lou (restaurant) in 1780 in Su Zhou; Qian Sheng Yuan (Chinese pastry) in 1781 Su Zhou; Yi Tiao Long Fan Zhuang (halal Restaurant) in 1785 in Beijing. Also, Lao Jin Chun (Chinese pickles) in Wu Han; Nian Zhi Po Lao Tong Jia (halal stewed meat) in Xi An, Du Yi Chu (Chinese pastry) in Beijing and Shi Jia Restaurant (restaurant) in Su Zhou.

In the period of Jiang Qing Emperor (1796-1820) in Qing Dynasty, there was one brand

established in Shang Hai in 1820, which is called Lao Ren He (Restaurant).

In the period of Dao Guang Emperor in Qing Dynasty (1821-1850), there were eight brands established. They are Huang Tian Yuan (Chinese pastry) in 1821 in Su Zhou; Tong He Ju (restaurant) in 1822 in Beijing; Hu Yu Mei (spicy sauce) in 1830 in An Qing; Lao Da Xing (restaurant) in 1838 in Wu Han; Ma Xiang Xing (halal restaurant) in 1845 in Nan Jing; Lou Wai Lou (restaurant) in 1848 in Hang Zhou and Lan Xiang Guan (restaurant) in Shao Xing.

In the period of Xian Feng Emperor in Qing Dynasty (1851-1861), there were eight brands established. They are Shao Wan Sheng (snacks) in 1852 in Shang Hai; Bian Yi Fang (roast duck restaurant) in 1855 in Beijing; Xing Hua Lou (Chinese pastry) in 1856 in Shang Hai; Gou Bu Li (Chinese pastry) in 1858 in Tian Jin; Wu Fang Zhai (Chinese pastry) in 1858 in Shang Hai; Kao Rou Ji (BBQ restaurant) and Bao Lan Zhai (halal food) in Beijing; Kui Yuan Guan (noodles restaurant) in Hang Zhou.

In the period of Tong Zhi Emperor in Qing Dynasty (1862-1874), there were twelve brands established. They were Wan Sheng in 1862 in Shang Hai; Chen Ma Po Dou Fu (tofu restaurant) in 1862 in Cheng du; Lao Zheng Xing (restaurant) in 1862 in Shang Hai; Quan Ju De (roast duck restaurant) in 1864 in Beijing; Ma Yu Xing (restaurant) in 1864 in Kai Feng; Ju Chun Yuan (restaurant) in 1865 in Fu Zhou; Tian Yuan Jiang Yuan (Chinese pickles) in 1869 in Beijing; Sang Yang Nan Huo (snacks) in 1870 in Shang Hai; Na Jia Guan (restaurant) in 1874 in Shen Yang; Hang Zhou Jiu Jia (restaurant) in Hang Zhou; Ju Feng Yuan (restaurant) in Wu Xi and Bai Du (beef jerky) in Mei Xian.

In the period of Guang Xu Emperor in Qing Dynasty (1875-1908), there were thirty-two brands established. They are Tai Feng Lou (restaurant) in 1875 in Beijing; Lao Song Lin (restaurant) in 1875 in Bai Gao; Shang Hai Lao Fan Dian (restaurant) in 1876 in Shang Hai; Tao Tao Ju (Chinese dim sum) in 1880 in Guang Zhou; Shen Da Cheng (snacks) in 1880 in Shang Hai; Zhang Shun Xing (Chinese pastry) in 1882 in He Fei; Cao Xiang Tai (snacks) in 1884 in Wu Hai; Cai Zhi Zhai (candy) in 1884 in Su Zhou; Fu Chun Cha She (Tea House) in Yang Zhou in 1885; She Can Guan (restaurant) in 1885 in Guang Zhou; Wang Si Ju Jia (restaurant) in 1887 in Chang Shu; Lian Xiang Lou (Chinese dim sum) in 1889 in Guang Zhou; De Xing Cai Guan (restaurant) in 1890 in Shang Hai; Hong Chang Xing (restaurant) in 1891 in Shang Hai; Chun He Lou (restaurant) in 1897 in Qing Dao; Lao Hui Bin (restaurant) in 1898 in Wu Han; Dong Xing Lou (restaurant) in Beijing; Er Duo Yan (fried rice cake) and Si Yi Cheng in Tian Jin; Tai Sheng Yuan (restaurant) in Chang Chun; Zhen Bu Tong (restaurant) in Luo Yang; Ju Zhen Yuan (restaurant) in Jiang Ling; Dao Sheng (snacks) in Jiu

Jiang; Ying Jiang Si Cha Lou (Tea House) and Mai Long Xiang (Chinese pastry) in An Qing; Tian Xiang Lou (restaurant) and Zhuang Yuan Guan (restaurant) in Hang Zhou; Xian Heng Jiu Jian (restaurant) in Chao Xing; Pu Jiang Zhuang Yuan Lou (restaurant) and Zhen Lao Da Fang (restaurant) in Shang Hai; Hui Ru Lou (restaurant) and Tai Ping Guan (restaurant) in Guang Zhou.

Among these listed China time-honored brands in the catering industry (Chen, 1998; Li, 2006), the brand with the longest history has been operating for above 480 years while the brand with the shortest history has been operating for above 100 years. The average operating years among them is above 160 years. Such businesses with 300-450 years' history, they are rare to be seen in the world (Li, 2006). On the other hand, most of these China time-honored brands in the catering industry are concentrated in areas with developed economy, convenient transportation and cultural prosperity.

2.3.2 The Characteristics of China Time-honored Brands in the Catering Industry

Four characteristic of China time-honored brands in the catering industry were identified by Kong and Li (1998). The first characteristic is that these China time-honored brands in the catering industry are widespread in many different regions. Their food and beverage products, the choice of materials, the preparation, the way of cooking, the taste and the presentation all have their own standard in order to form a unique flavor.

Secondly, these brands paid much attention on cultural values. Creating cultural values during a long period of time is the key to success for these time-honored brands.

The third characteristic is the complexity and sophistication of the process of producing food and beverage production. Thus, they not only created a number of culinary stunts, but also ensured unique and exclusive product quality and specialty, which have been inherited and carried forward. Therefore, they are not easy to be copied or imitated.

The last characteristic is that the combination of time-honored snack shops and luxury fine dining restaurants exist in a harmony, both of them owning a huge number of consumptions from customers (Kong & Li, 1998; Li, 2006).

2.3.3 The Dilemmas of China Time-honored Brands in the Catering Industry

The biggest problem for China time-honored brands in the catering industry is the concept and system (Gong, 2004; Li, 2006). Aging conception and rigid system are two fatal weaknesses that led to a large deficit in revenue for China time-honored brands in the catering

industry. Under the condition of the market economy, the development of these China time-honored brands is facing many difficulties and challenges, which restrain their growth. Therefore, eight dilemmas for China time-honored brands in the catering industry have been identified by Li (2006).

(1) Dilemma of Operation Principle

The owners of China time-honored brands in the catering industry believe in the concept of "One restaurant or shop, No branches". They pondered that the most important concept of running their business is to ensure the quality and guarantee such quality. In order to achieve the best quality, they deem that branch restaurants or shops would lead to an uncontrollable situation such as counterfeit products, uncontrolled products or bad reputation. Therefore, they would rather sacrifice their profit by running only one restaurant or shop than opening branches to encounter the possibility of lowering the quality of their food products and service.

On the other hand, the tradition of the concept of family is a key to restrict opening branches. Most of China time-honored brands in the catering industry have unique recipes and special stunts for preparing and cooking products. Due to the concept of family in China, these unique recipes and special stunts are not allowed to spread out or exposed to others who are not involved in their family. Some old thinking is even stricter, which is that these unique recipes and special stunt could not be even passed on females in the family. Thus, there will be little possibility to expand their business.

Under the market economy, in order to protect these unique recipes and special stunts for preparing and cooking products, the owners of China time-honored brands in the catering industry should utilize intellectual property rights such as trade secrets, patents, copyrights and trademarks (Shen, 2002; Li, 2006; Zhang, 2009).

(2) The Dilemma of Marketing Concept

Many China time-honored brands in the catering industry still believe in an old Chinese saying "Good wine needs no bush". They consider good quality is the best way to promote their own products, and the reputation of brands should not be achieved by publicity, instead, ensured quality passed by generations won the genuine prestige and reliable reputation. Furthermore, word of mouth would be better than self-promotion. Indeed, modesty is one of good morals for Chinese, however, Chinese society has been changing to become a pluralistic society from an acquaintance society, the effect of word of mouth has been mitigated, thus China time-honored brands should swift the concept, and focus on brand publicity (Lin, 2002;

Li, 2006).

(3) The Dilemma of Service

Most of the services provided by waiting staff in China's time-honored brands in the catering industry are not warm, are often very serious, and lack enthusiasm for customers (Chen, 2007). These services are completely under the command economy, but operators and waiting staff in these properties still think that this is still a seller's market. Moreover, they rarely try to retain customers when the service expectation is not reached, and also they do not like offering recommendations for customers. Conversely, private restaurants and hotel restaurants provide much better service, they offer more enthusiastic service with a smile. All customers want to experience satisfactory services, they do not want to encounter waiting staff with bad attitude. On the other hand, service failure (Lin, 2009) is another critical failure that causes unpleasant service encounter (Mu, 2001).

(4) The Dilemma of System Reform

Due to historical reasons under the command economy, most China time-honored brands in the catering industry are nowadays small-medium state-owned businesses. For instance, the number of staffs is redundant, accumulated experience is not reflected on the operation, enterprises need to be in charge of pensions plan for retired staff and so on. All these issues cause difficulties in operation, plus tight liquidity all of which make China time-honored brands in the catering industry hard to compete with other enterprises in the same industry (Zhang, 2005; Zhang, 2009).

(5) Dilemma of Intellectual Property Issues

Currently, the real owner of China time-honored brands in the catering industry is not easy to be identified due to the system reform of cooperation of public and private businesses in the early days of the New China. For instance, the brand Zhang Xiao Quan, a shop with more than 380 years' history sells scissors with fine quality, has shops both in Hang Zhou and Shang Hai. The problem is who the real owner is, thus, the shop in Hang Zhou has sued the shop in Shang Hai because of the complicated situation, and the court could not even give a fair conclusion, a recurring situation nowadays (Guo, 2005; Li 2006; Gong 2004).

(6) Dilemma of Legal Consciousness Issues.

China time-honored brands condense the Chinese national spirit, historical culture, and attributes of geography, which also are unique, and are likely to accumulate inestimable wealth with its tremendous intangible value. However, there are some old brands in China

such in Beijing and Guang Zhou, which have still not been registered with a trademark due to the lack of legal consciousness. Moreover, many old brands have been registered before the real brands - which is also called trademark squatting. For instance, Qing Dao Beer has been registered in America before the real brand. The same happened with Tong Ren Tang (medicine), Nu Er Hong (wine) and Gou Bu Li (snacks) which had been previously registered in Japan. Furthermore, when the brand trademarks are illegally copied or pirated, the products under the real brand will be strongly influenced by fake products and, in some extreme cases, many old brands went even bankrupt. For instance, Shun Xiang Zhai, a sausage producer and a China time-honored brand with 150 years' history, has been multiple-copied by many different businesses, thus, this brand eventually went bankrupt (Dai, 2004; Gong, 2004; Li, 2006).

(7) Dilemma of Brand Consciousness Issues

China time-honored brands in the catering industry have in average 160 years' history in operation. Even though they have so thrived with tremendous intangible value, they neglected to deeply sort and explore their own culture which is also their core competence to success. Besides, they do not care to use the unique culture to advertise their brands in order to maximize return. In a word, the influence of China time-honored brands in the catering industry has been dramatically decreasing as well as the brand value, thus, to enhance the publicity and expand the brand influence are pressing tasks (Ai, 2005; Li, 2006; Wei, Shi, & Gu, 2014).

(8) Dilemma of Urban Development Issues

In order to improve people's living conditions in the city, and attract foreign investments, many cities in China have been developing fast. The premises of China time-honored brands in the catering industry used to be located in inner or even in the center of the cities, but had to move out to other places due to urban development. Moreover, with the market economy coming to China, China time-honored brands were once considered as historical relics instead of real businesses that could create market value which further contributed to force them to move away from where they used to be (Li, 2006).

2.3.4 The History of China Time-honored Brands in the Catering Industry in Beijing

Beijing is one of the six ancient capitals of China, boasts a developed trade and a vibrant catering industry besides of having a special geographical condition, and a glorious history. Beijing has the largest number of China time-honored brands in the catering industry in China

with about 80 different brands (Liao, 2005). However, according to Liao (2005) only about 20 percent may be considered well-run businesses, businesses with general and smooth performance are about 30 percent, poor businesses are approximately 40 percent, and unsustainable businesses represent about 10 percent.

(1) The Situation of China time-honored brands in the catering industry before liberation

In the middle of Qing dynasty (1636–1912), business brands were classified by a traditional classification way of naming. For instance, the designation of “tang”, means a large room or a hall in English and there were many “tangs”: Fu Shou Tang, Ju Bao Tang, Qing He Tang, Tian Shou Tang, Qing Shou Tang, Long Fu Tang, Yan Qing Tang and Yan Xi Tang, totally 8 Tangs, so called Famous Eight Tangs.

In the late Qing dynasty, the Chinese character “lou”, meaning building in English, started to be used to name restaurants. For instance, Dong Xing Lou, An Fu Lou, Tai Feng Lou, Zhi Mei Lou, Zheng Yang Lou, Xin Feng Lou, Hong Xing Lou, Tong Chun Lou were classified as Famous Eight Lous. Besides, “ju” means a house in Chinese, “fang” means workshop in Chinese, “shun” means going smoothly in Chinese and thus JU, FANG and SHUN were also used to name different brand restaurants in Qing Dynasty.

On the other hand, Kao Rou Wan (1686) and Kao Rou Ji (1848), Chinese style barbeque restaurants, were established in Beijing as well as Quanjude (1864), Hong Bin Lou (1853), Fang Shan, Feng Ze Yuan, Lao Zheng Xing or Tong Chun Lou.

Besides the TANG, JU, LOU, FANG designations, Beijing had several snacks markets. For example, there were 238 small snack shops and restaurants in Tian Qiao area in Xuan Wu District (Xuan Wu district was merged into Xi Cheng District in June 2010), some famous restaurants such as Bao Du Feng, Chang Tang Li, Dou Zhi Zhang, Yang Tou Ma, Jiao Quan Wang or Dou Fu Nao Bai; the reason that these restaurants could be able to thrive in the past was due to the fine quality of the products (Xu, 1999; Wang, 1999; Sun, 2004).

(2) Three periods after the founding of the People's Republic of China

The period between years of 1949 to 1965

After the founding of the People's Republic of China in 1949, most private China time-honored brands in the catering industry have been taken over by the state due to a joint state-private management project of socialism. Most of China time-honored brands in the catering industry were private at that time, and went through three different situations after a joint state-private management project of socialism: Firstly, the capital of some of their

owners was confiscated so that they could not be able to maintain the business. Secondly, some of China time-honored brands were taken over by state personnel who had no experience in running catering businesses which led to business failure. Lastly, because of the centrally planned economy, food material was so limited to be supplied that some businesses could not retain the original quality of their products. In short, a large number of China time-honored brands in the catering industry in Beijing went bankrupt during this period (Gong, 2004).

From 1966 (Cultural Revolution) to 1978, the eve of reform and opening up

During the Cultural Revolution, the catering industry was again tremendously damaged. Specialty in management was faded away, service quality decreased with simplified operation, the supply points were reduced to a record low in history. Many traditional dishes and special services were abolished so that the special skills and technology in the catering industry disappeared. Some culinary stunts were even at the verge of extinction. Moreover, some old brands were forced to change their name in order to comply with the policy of destroying four olds (Old thinking, Old culture, Old custom, Old habit). For instance, Fei Ze Quan's name changed to Chun Feng Fan Zhuang due to the policy of destroying the four olds (Gong, 2004).

After reform and opening up

These famous brands in Beijing between the end of Qing dynasty and the beginning of the Republic of China (1911) were facing fierce competition from different styles of culinary such as Cantonese style culinary, Sichuan style culinary and others. Furthermore, foreign fast food chains entered the Chinese market, which caused even more intense competition. Due to many reasons mentioned earlier, some old famous brands had disappeared, such as Famous Eight Tangs, Famous Eight Jus, and Famous Eight Fangs. Among the famous Eight Lous only Dong Xing Lou and Tai Feng Lou still exist. Besides, Quan Ju De, Dong Lai Shun, Hong Bin Lou, Fang Shan, Feng Ze Yuan are still well-run time-honored brands in Beijing (Gong, 2004).

The Current situation of China time-honored brands in the catering industry in Beijing

Currently, four categories can be identified in China time-honored brands in the catering industry in Beijing: Firstly, Quan Ju De and Dong Lai Shun are well known and famous brands in China, even in the world. Also, their business scale, profits earned and prestige in the industry can be considered far ahead of the others. Secondly, Du Yi Chu, Wu Yu Tai, and Zhang Yi Yuan may be considered as developing businesses. Thirdly, Sun Jia Pao Mo, Lao Bian Jiao Zi, Xian Heng Jiu Dian are the representatives of China time-honored brands in the

catering industry from outside Beijing. Lastly, there is the group that is struggling or almost bankrupt.

The over 80 different brands in Beijing mainly belong to Beijing Tourism Group and Jude Huatian Holdings Limited. Beijing Quanjude Group (Beijing Duck) and Dong Lai Shun (Chinese Northern Style Hotpot) are affiliated with Beijing Tourism Group. Hong Bin Lou, Chinese Barbecue Ji, Chinese Barbecue Wan and other 20 brands are affiliated with Jude Huatian Holdings Limited. After business integration, these catering enterprises began to modernize and take full advantage of modern management in order to develop their business. Now, they are generally experiencing revenue growth, especially Beijing Quanjude Group had a 112.23% growth from 2007 (0.916billion Yuan) to 2012 (1.944 billion Yuan) according to the group official website (www.quanjude.com.cn). However, if we consider the situation of the entire Beijing time-honored brands in the catering industry, the result is that well-run enterprises are only about one-third, one-third is basically surviving, and the other one-third will soon be bankrupt (Jia, 2005). The disappearance of some time-honored catering enterprises seems inevitable.

2.4 Summary

This chapter includes three parts: literature review covering service failure, service recovery and time-honor brands in China. In the service failure part, we listed some important descriptions of service failure's definition and summarized the definition of service failure. Afterwards, we addressed some important existing findings and elicited our research purpose in relation to this area. Similarly, in the service recovery part, summarizing the definition was the priority task, followed by analyzing existing findings and proposing our aim for this thesis in this area. Finally, in order to thoroughly understand the research target in this thesis, a literature review of time honor brands in China was conducted at the end of this chapter. The next chapter illustrates the study methods used in this thesis which specifically indicates the way how data have been collected and processed.

Chapter 3: Methodology

3.1 The Rationale for Selecting the Case Study Method

Initially, when thinking on the options for the research methodology in this study, there was a certain ambivalence on whether to adopt a qualitative or a quantitative study method. After reviewing hundreds of articles and several books pertaining to this research and methodology, it was realized that empirical studies based on statistical surveys, following factor analysis and hypothesis or proposition testing and empirical studies based on qualitative interviews, participant-observations, archival records, documentation, physical artifacts and focus groups are equally important on an international basis (Gummesson, 2014). Both methodologies have been utilized to test and generate theory.

However, different research methods prevail in either the natural or social science research. Natural science research is strongly focused on the strict and rigorous experiment, statistical data and hypothesis testing, for sure, exceptions also exist in astronomy, engineering, and geology (Scriven, 2009). Nevertheless, a huge number of social science researches heavily rely on content analysis, observation and documentation in order to try to understand and explain contemporary phenomena. In other words, different research methods satisfy different needs, scenarios, and situations for corroborating the hypotheses or propositions (Yin, 2014).

Despite the popularity of case study research, this method has been criticized by many researchers in the past. Verschuren (2003) argued that this research method lacks clarity regarding the object of study and the reason to study. Van and Khan (2007) criticized the poor and irregular definitions. Furthermore, some even mentioned that case study research should be described as anecdotal, exploratory, conceptual, and a prelude to quantitative research. However, Gummesson (2014) denies that the key to conducting a successful case study research is to focus on the interaction with data, informants and your inner and outer self. Further, Gummesson (2014) also questioned the “omnipotent” big data theory - a quantitative method as the future panacea of knowledge development - whether it can truly generate precise predication. In addition, Gummesson (2014) emphasized that making predictions should be meticulously preceded in a systematic way of interaction with the real world.

The purpose of this study is to attempt to understand the dissatisfying service encounters caused by human behaviors from both employees' and customers' perspective - a comparatively complex social phenomena in the restaurant business - that could influence the restaurant's service quality (service failures), and the process of voicing complaints and generating service recoveries in a contemporary real-world situation. According to the review of several definitions of case study research, there are two parts of the definition identified (a) the scope of a case study and (b) the features of a case study.

The scope of a case study is to explain the content of the study that is to "investigate a contemporary phenomenon (the "case") in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident." (Yin, 2014). The research subject and objective of this study is completely compliant with this part of the definition because human behaviors are hard to predict, and human errors are inevitable in a restaurant setting which is a real-world context. This study attempts to understand this complex contemporary phenomenon.

The features of a case study have two areas. The first is to cope with the technically distinctive situation in which there will be many more variables of interest than data points and as one result. The second is to rely on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis (Yin, 2014). Thinking thoroughly for this research, they are matched due to multiple ways of acquiring evidence, previous hypotheses that instructs the data collection and analysis in this study.

All the evidence discussed above points to the benefits of using the case study method in this thesis and therefore further considerations of the rationale of using this method are examined below.

3.2 Are Research Questions in This Study Fit for the Case Study Method?

The study includes six research questions in total: (a) What kind of service failures might appear in the case study restaurant (Quan Ju De)? (b) What are the initial perceptions from both customers and employees elicited when there is a dissatisfied service encounter (How and Why)? (c) What methods do customers use to voice their complaints? (d) What kind of responses the restaurant offers regarding the failures? (e) How does the individual perceive the response(s)? (f) How can the process of voicing complaints contribute to tackling the

dissatisfying service encounters?

By analyzing the research questions from this study, we see that three types of questions have been proposed: “What,” “How,” and “Why”. “What” questions in this study are definitely not compatible with the case study research, since the “what” that we really want to ask means “how many” or “how much”. For instance, in the question “What have been the ways that communities have assimilated new immigrants?” the aim is to identify “how many” ways instead of understanding the deeper meaning of the social phenomena, thus case study research would not be applicable (Yin, 2014). Similarly, in this study, “what” questions are targeted to explore “how many” service failures, recoveries and types of voicing complaints specifically occurred in Quan Ju De Qian Men restaurant. Therefore, Critical Incident Technique (CIT) is utilized to accomplish this section of tasks, which will be explained in the latter part of this chapter.

In contrast, in this study, “how” and “why” questions have been raised in order to achieve more an explanatory stage of the phenomena in the contemporary real world. The study is also aimed to understand how and why service failure occurred and how severe the service failure was from both customers’ and employees’ perspectives and how and why the process of voicing does the complaints enable tackling the dissatisfied service encounters. The case study research is more likely designed to answer “how” and “why” questions because these questions are more explanatory and likely to grasp a deeper understanding of the social phenomena in real-world situations. Therefore, these parts of this study are intensively applied to use a case study research (Yin, 2014).

3.3 Study Questions

Every research question in this study corresponds to a certain specific question that the research is going to answer and examine in an attempt to understand the scope of the study.

The first question is “what kind of service failures might appear in Quan Ju De restaurant?” Many researchers have classified service failures encountered in the service industry such as fast food restaurants, chain restaurants, hotels or airline companies. The classification falls into two main types. One was generated by Bitner et al. (1990) and followed by Hoffman et al. (1995). This type of the classification was composed of three major areas (1) Employee response to service delivery system failures; (2) Employee response to implicit/explicit customer requests and (3) Unprompted and unsolicited employee actions.

The other was devised by Ozdemir et al. (2015) and is composed of three areas according to a restaurant setting (1) Food; (2) Service and (3) Environment. Both classifications were thoroughly analyzed by researchers who classified several sub-categories and codes. However, the subject of this study is a time-honored tourist's restaurant; the customers are from many different parts of the country and outside the country. As it is common knowledge, China is the most densely populated country in the world and has many different language dialects when people communicate. People from different areas, such as Si Chuan Province, generally cannot speak Mandarin perfectly; some even do not speak Mandarin at all. Another example will be Guang Dong province where people mainly speak Cantonese to communicate, and a large number of them, especially elderly cannot speak Mandarin. Although they will try to speak in Mandarin which is the official language in China, they sometimes fail to communicate with service employees in the restaurant service industry. Due to this phenomenon, we ask: Is language communication failure a new category of service failure in the restaurant context?

The second question is pertaining to the causes of service failure from both customers' and employees' perspectives. In other words, "how" and "why" service failure occurs in the process of service delivery from both parties' point of view. Recent research indicates that the workload of staff, undertrained staff, and understaffed service are the main causes of service failure (Ozdemir et al. 2015). However, over trained staff, a new thought referring to those very experienced staff who try any possible way to satisfy the customer and pay too much attention to them during the meal, may cause the customers to feel uncomfortable and anxious. Besides, the restaurant service industry generally does not pay well its employees as a universal norm. Therefore, we will try to specifically address this question: Are over trained and underpaid staff new factors that may cause service failure?

The third question is "What methods customers use to voice their complaints?" There were four types of complainers found in the context of service operations by Zeithaml and Bitner (2000), also pointed out in a service research conducted by Dutta et al. (2007). (1) "Passives" refers to customers who are least likely to voice complaints; due to their skepticism of any good outcome after complaining, they do not like to waste their time on this service failure encounter; (2) "Voicers" refers to customers who actively complain to the service provider, and who will not change their mind on their next visit. A large number of previous studies showed that customers might actively and directly complain to the service provider, but few mentioned who they complain to in the service location and how they did it.

Therefore, this thesis is going to take a deeper look into this area. (3) “Irates” refers to customers who are extremely irritated by the service failure, and most likely will complain to friends and relatives and will not ever return to the service provider. With the development of information technology, nowadays people do not need to complain a bad service face to face with their friends and relatives. Therefore, another research question is which was based on information technology such as Weibo (similar to Facebook), Online rating agency (Da Zhong Dian Ping) and E-mail (Gummesson, 2014) are the main sources people use to complain a bad service to their friends and relatives even the whole public (4) “Activists” refers to customers who have a higher penchant to complain to all possible people in any likely way. If the service recovery is positive, nothing will change for their decision making to revisit this service provider. In fact, all four types of complainers give this research a great inspiration on identifying who and how a complaint has been made from both employees' and customers' perspectives.

The fourth question is “What kind of responses the restaurant offers with regard to the failures?” Many researchers have been categorizing the service recoveries that are offered by restaurants or other service providers to their customers. Bitner (1990) conducted a research on the classification of types of service recoveries at a behavioral level and obtained 12 categories within three groups in service industries. Kelley, Hoffman, and Davis (1993) identified specific 12 categories in service industries namely discount, correction, managerial intervention or staff solving, correction and compensation, replacement, apology, refunding the charge, customer correction, offering rebate, correction for dissatisfaction, making it worse and doing nothing. Among these categories doing nothing is the least acceptable service recovery.

Hoffman et al. (1995) researched service recovery in the foodservice industry, which is extremely crucial to link to this study. They identified in total 8 categories namely free food, discount, coupon, managerial intervention, replacement, correction, apology and doing nothing. While offering discount, coupon, and managerial intervention had a comparatively high customer acceptance, replacement was the one to receive the best acceptance. McDougall and Levesque (2000) designed a less complex classification including four types namely apology, compensation, assistance and assistance and compensation. Tsai and Su (2009) replicated a similar study but focused on Taiwan chain restaurants. He found that among 10 categories of service recovery, “imputing failure to customers” had not been mentioned in previous studies. However, it is intriguing to investigate in this research whether

there are new service recovery types occurring to solve the failure in the specific context of a Chinese time-honored tourist restaurant.

The fifth question is “How does the individual perceive the response(s)?” This question has been studied in a large number of researches by applying justice theory from the social exchange and equity theories. There are several service studies based on justice theory in order to understand the perception of post complaints evaluation and outcomes (Bowen & Johnston, 1999; Smith et al. 1999; Tax et al. 1998; Patterson et al. 2006). There are three areas of justice namely distributive, procedural, and interactional. Distributive justice concentrates on the perception of impartiality of the outcome of the process and includes the rules governing how recovery decisions are made (Smith et al. 1999; Patterson et al. 2006). Procedural justice refers to the perceived fairness of the process utilized in responding the service failure. Interactional justice refers to the perceived fairness of the manner how customers are treated during the process. Simply speaking in a restaurant context, the distributive justice is focused on the result of problem solving, such as refund, compensation etc. and procedural justice is focused on the process, such as the speed of recovery and informing customers while interactional justice is centered on the manner, such as respect, politeness, empathy. In this study, we are interested in examining customers' perceptions to the responses following all three areas of justice.

3.4 A Single Case Study or Multiple Case Study?

An embedded single case study is adopted in this study. There are seven reasons why we have decided to use a single case study approach. Firstly, the restaurant is a critical case (Yin, 2014) and its uniqueness cannot be replaced by any other restaurant. The restaurant has over 150 years' history and sells Peking roast duck which is a special and famous cuisine. The restaurant customers are mainly tourists either domestic or international, who come from all over the world with different cultures and backgrounds. The service quality of this restaurant not only represents Chinese hospitality, but also the social and cultural development of China. Because of these factors, the restaurant can be considered as a critical case. Secondly, this is a common case (Yin, 2014). A restaurant is a common place where a huge number of people have consumed, and our objective is to capture the circumstances and conditions of an everyday situation (Yin, 2014). Thirdly, this is a particular case (Gummesson, 2014). This study is to understand the particular restaurant's service quality control system including the service failure and recovery from the perception of both customers and employees. Fourthly,

this is a revelatory case (Yin, 2014). Time-honored restaurant's service quality in China has not been much studied due to its state-owned status. The access to Quan Ju De that has been provided for this study is a great opportunity to observe and comprehend a phenomenon that mostly remains inaccessible. Fifthly, this is a longitudinal case (Yin, 2014) as it took three years to complete along which the same case has been studied at many different stages. Sixthly, the rationale for selecting an embedded single-case study is because there are multiple units of analysis, such as customers, and employees, all in one case under a larger context. Finally, although Quan Ju De restaurants have officially four major branches in Beijing, they offer the same dishes, the same service style, and the same management standard. The only difference is the restaurant decoration which can be considered as a minor factor in this study. Due to the uniformity, we focused only on studying the original restaurant - Quan Ju De Qian Men in No.30 Qian Men Avenue, Dong Cheng District, Beijing, the People's Republic of China – as an embedded single case study.

3.5 Data Collection

There are two kinds of data, primary data and secondary data, collected for this study along the three years. The primary data was collected through three methods: (1) Questionnaires; (2) Direct observation; (3) Formal interviews. The secondary data was based on (4) Social media comments. Table 3-1 shows the descriptive statistics of data collection in the study.

Table 3-1 Descriptive Statistics of Data Collection

Year	Data Type	Data Source
Year of 2015	Primary Data	(a) 102/370 Valid Questionnaires collected
Year of 2016		(a) 19/19 Valid Questionnaires collected (b) 81 incidents collected through 42.5 hours' direct observation from 14th May. -28th Aug. 2016 (c) 53 incidents collected from 530 minutes interview about 111850 words from 27th Oct.-22th Dec. 2016
Year of 2017	Secondary data	(a) 73 incidents collected from 1st April. -31st Dec. 2017

3.5.1 Questionnaires

Critical Incident Technique has been adopted in designing the questionnaire. Critical Incident Technique (CIT) was first designed and applied by Flanagan (1954) more than 60 years ago. The CIT is a method that depends on a series of procedures including data collection, content analysis and classification of human behavior. At the beginning, Flanagan's research was concentrated on two types of work behaviors, the effective and the ineffective, through a meticulous observation in order to classify them in a unique way to let them be useful in responding to practical problems. From then on, a large number of researches in different social science fields have been focusing on using the CIT method in order to analyze human behaviors. A definition given by Hunt (1983) is that the CIT, as a methodology of categorization, can be classified with other inductive grouping procedures such as factor analysis, cluster analysis, and multidimensional scaling. The categories generated from this particular method are based on thorough analysis of a unique set of data and are valuable as there is little information of the properties that are possible to be critical for classification.

Another description of the CIT method is stated by Chell and Pittaway (1998) as a qualitative interview procedure which facilitates the investigation of significant occurrences (events, incidents, processes, or issues) identified by the respondent, the way they are managed, and the outcomes in terms of perceived effects. However, not like other grouping procedures, Kerlinger (1973) strongly emphasized that the CIT is content oriented, rather than quantitative. When using the CIT to analyze the data, communications are the key to understand the incidents and behaviors. Storytelling and questions answered by people are the sources for specific classifications to be made. Furthermore, Gremler (2004) listed four strengths for using CIT as a tool to collect data. First, the data are directly collected from the respondent's own words. Second, this type of research is inductive in nature. Third, an accurate and in-depth record of incidents can be acquired by using the CIT method. Fourth, the CIT method can provide sufficient data in order to understand the phenomena. As the method fits the nature and purpose of this research, CIT has been adopted.

Although the questionnaire was self-administered, a combination of methods (self-administered sampling and interview) was used in order to complete the questionnaire. The screening of the study respondents followed two criteria. First, respondents have to be above 18 years old so that they are mature enough to answer the questions. Second, they should be able to recall a specific time when they encountered service failure in Quan Ju De Qian Men restaurant during the last five years. There are three parts in the questionnaire. The

first part contains an introduction to this study in order to give background knowledge for respondents and an explanation of difficult terms in the questionnaire. The questions in the second part are about the demographic profile of the respondents like gender, age, education, and nationality. In the second part, respondents were asked about dissatisfying/negative experiences incident(s) that they recall as having happened in Quan Ju De Qian Men restaurant during the last five years of their dining experience. The following questions were asked to respondents and answers were written down on the paper attached to the questionnaire:

- Was this a dissatisfying dining experience in Quan Ju De Qian Men restaurant?
- Describe what happened during the incident by using specific details.
- What is the first evaluation of the incident?
- Have you complained about the incident and how did you complain?
- Describe which measures the restaurant took to recover the incident?
- What is the perception of complaint handling and service recovery?

The process of getting this questionnaire done was very difficult due to the second screening criteria. Thus, it took two years to retrieve the data. In 2015, initially and in order to establish contact with potential respondents, we relied on a snowball sample design. Teaching and administrative staff, local students, students from other provinces in China and foreign students in the hospitality faculty in a large-scale university in Beijing were told about the research project, and asked to complete the questionnaire through email system, and then to introduce this project to others who might be able to complete the questionnaire. At the beginning, the response was so limited that we decided to carry on this questionnaire in a half self-administrated and half interview style. Basically, we tried to conduct face to face interviews in the university and to complete the questionnaires for two semesters in a one-year time in order to acquire at least 100 valid questionnaires. Eventually, it was a success. What is more, this university in Beijing has a 3-year vocational diploma program associated with Quan Ju De group and most students in the program had worked or had training experience in Quan Ju De Qian Men restaurant, which gives a great opportunity not only to comprehend the phenomenon from the customer's point of view, but also from the employee's perspective. Therefore, in 2016, based on the previous experience, we were able to collect more valid questionnaires from those students who had worked in Quan Ju De Qian Men restaurant. However, the fourth question (Did you complain about it and how did you

complain?) in the questionnaire for employees has been modified as “Did the customer complain about it and how did the customer complain?” Furthermore, these students are very critical in this study because they could also test and reassure the validity and reliability of other respondents' experience by conducting a group focus that will be explained in the latter part of this chapter.

By means of this technique, it was possible to administer questionnaires to 370 respondents. However, only 121 respondents' questionnaires were fully and validly completed. Totally, there were 102 valid respondents including 18 foreign students who were able to finish the questionnaire completely as customers while 19 valid foreign respondents who completed the questionnaire were employees. Data were not collected at the restaurant because of recency effect that may cause biases in the participants' responses. Respondents' participation in the study was strictly voluntary. All participants were informed about the aim of the study and that data would only be used for academic research so as to encourage honest responses. The demographic profiles of the participants are presented in Table 3-2.

Table 3-2 Demographic Profile Respondents

		Frequency	Percent
Gender	Male	58	47.9
	Female	63	52.1
Age	18-25	79	65.3
	26-35	21	17.4
	36-45	18	14.9
	46-55	3	2.4
Education	College Diploma	57	47.1
	Bachelor Degree	29	24
	Master Degree	29	24
	Doctor Degree	6	4.9
Nationality	Chinese	103	85.1
	Japanese	2	1.7
	American	10	8.2
	French	3	2.5

Group	Thai	2	1.7
	South Korean	1	0.8
	Customer	102	84.3
	Employee	19	15.7

Table 3-2 displays a clear demographic profile that includes respondents' gender, age, education, nationality and group tier. The male respondents are 47%, and female respondents are 52.1%, with male respondents being slightly less than female. From the age distribution, 65.3% of all respondents are between 18 to 25 years old, which shows that the majority of respondents are young adults, and 17.4% of respondents are at the age among 26 to 35, followed with 14.9% of respondents at the age among 36 to 45, only few respondents are in the age group of 46 to 55. The education of the respondents also spread from four areas that are college diploma, bachelor degree, master degree and doctor degree. The majority of the respondents are college diploma students who study hospitality management, culinary art and tourism management. The college diploma program is a three-year college program at a university in Beijing; normally students will receive this program diploma with vocational skills after three-year hard study. The bachelor degree holders shown in the table are mostly students who just graduated from the university. Master degree holders and doctor degree holders are mostly lecturers and professors in the university.

The respondents are from six countries; the largest number belongs to Chinese with 85.1% followed by American students with 8.2%. French, Japanese, Thai and South Korean represent 2.5%, 1.7%, 1.7% and 0.8% respectively. All foreigners are exchange or program students who study Chinese language or Chinese Culinary Art. There were two groups of respondents that include customers and employees. They were deliberately separated into these two groups in order to understand the views regarding the service failure and recovery from both sides. There are 15.7% of respondents who are former employees in Quan Ju De restaurant and had worked there at least over 8 months. These respondents are from the Quan Ju De-College Diploma Program in the university.

3.5.2 Direct Observation

Direct observation is the second method used to collect primary data in this study. The researcher was employed as a part-time service trainer and consultant in the restaurant from January 2016 to December 2017, which gave the opportunity to thoroughly study the

restaurant. The management of Quan Ju De group was informed about the purpose of the study and permission was received to access the restaurant at any time so that the study could be completed. Therefore, in total, 32 odd days during the 2016 summer peak season were spent observing the restaurant operations during which 81 incidents were collected. The direct observation took place at weekends because it is then that the restaurant is the busiest and failure encounters are more likely to occur, which would also be helpful to collect more valid data. When data was being collected in the restaurant through direct observation, the questions from the questionnaire were used. Table 3-3 below shows the report summary of direct observation.

Table 3-3 A Brief Record of Direct Observation

Date	Day	Time period	Hours	No. of incident(s)
2016/5/14	Saturday	11:30-13:30 Lunch	2	4
2016/5/15	Sunday	18:00-19:00 Dinner	1	2
2016/5/21	Saturday	18:30-20:00 Dinner	1.5	3
2016/5/22	Sunday	18:30-20:00 Dinner	1.5	3
2016/5/28	Saturday	19:30-20:00 Dinner	0.5	1
2016/5/29	Sunday	19:30-20:30 Dinner	1	2
2016/6/4	Saturday	13:30-14:30 Lunch	1	2
2016/6/5	Sunday	17:30-19:00 Dinner	1.5	3
2016/6/11	Saturday	18:30-20:00 Dinner	1.5	4
2016/6/12	Sunday	12:30-13:00 Lunch	0.5	0
2016/6/18	Saturday	12:30-13:30 Lunch	1	3
2016/6/19	Sunday	18:30-20:30 Dinner	2	4
2016/6/25	Saturday	18:00-20:00 Dinner	2	3
2016/6/26	Sunday	17:30-19:30 Dinner	2	4
2016/7/2	Saturday	12:30-13:30 Lunch	1	0
2016/7/3	Sunday	11:30-13:30 Lunch	2	3
2016/7/9	Saturday	12:30-13:30 Lunch	1	2
2016/7/10	Sunday	18:30-20:30 Dinner	2	4
2016/7/16	Saturday	19:30-20:00 Dinner	0.5	1
2016/7/17	Sunday	18:30-19:30 Dinner	1	2
2016/7/23	Saturday	12:30-13:30 Lunch	1	2
2016/7/24	Sunday	12:30-13:30 Lunch	1	2
2016/7/30	Saturday	11:30-13:30 Lunch	2	3

2016/7/31	Sunday	12:30-13:30 Lunch	1	3
2016/8/6	Saturday	18:30-19:00 Dinner	0.5	1
2016/8/7	Sunday	20:00-20:30 Dinner	0.5	0
2016/8/13	Saturday	12:30-13:30 Lunch	1	2
2016/8/14	Sunday	12:30-14:30 Lunch	2	4
2016/8/20	Saturday	12:30-14:30 Lunch	2	5
2016/8/21	Sunday	19:00-20:00 Dinner	1.5	2
2016/8/27	Saturday	18:00-20:30 Dinner	2.5	5
2016/8/28	Sunday	19:00-20:00 Dinner	1	2
Subtotal	32 days		42.5hrs	81

3.5.3 Formal Interviews

As the third method to collect primary data, formal interviews were carried out at Quan Ju De Qian Men restaurant from 18th October 2016 to 31st December 2016. During this period, the researcher was invited by Quan Ju De Group Company to offer an intensive service English training for employees from their restaurants. So as to enhance the service quality in the process of serving foreign customers, 26 elite employees attended the training session to improve service spoken English. It was a perfect opportunity to establish contact with formal and senior employees from Quan Ju De Qian Men restaurant as 13 out of the 26 employees were from there.

The training took place on every Tuesday and Thursday from 18th October 2016 to 31st December 2016 at 8:30 for 2 hours in the morning. There were 22 sessions of training in total. Thirteen interviews were devised separately for 13 employees after the training sessions on different dates. Interviewees were first introduced to the aim of the study and informed that their participation was completely voluntary. It took each interviewee about 30-45mins to complete the interviews which contained the same questions as the questionnaire. Interviewees should recall the service encounters either caused by him/herself or observed personally. The content of speaking was recorded in a key-word written format. The time initially planned for each interview was 2 hours. However, the training finished at 10:30 am, and since the interviewees had to start their lunch shift at 11:30 am and they also needed 15-30 minutes to have their lunch before the lunch shift started, each interview could only take 30-45 minutes. Even though the time was limited, 4 incidents from the employee's perspective were collected on average from each interviewee. Interviewees are all senior

employees including senior manager, manager, assistant manager, supervisor, captain and senior waiting staffs with considerable working experience in this restaurant. Therefore, their value is very precious in this study. Furthermore, the feasibility of the coding scheme in the data processing part was discussed with interviewees. Table 3-4 shows a specific record of the formal interviews.

Table 3-4 Formal Interviews

Date of Interview	Name of Interviewee	Position	Year of Employment	Time of Interview	Number of Incidents	Number of Recorded Words
2016/10/27	Gu Hong	Assistant Manager	19	45mins	5	about 10000
2016/11/1	Yang Jing	Manager	20	45mins	3	about 7500
2016/11/8	Di Xin	Supervisor	4	35mins	3	about 4200
2016/11/17	Zhang Jia Qi	Senior waiter	2	45mins	4	about 8000
2016/11/22	Liu Shan	Senior waitress	5	40mins	6	about 11200
2016/11/24	Zhang Xin	Manager	10	45mins	4	about 8750
2016/11/29	Hou Dan Dan	Supervisor	6	30mins	2	about 4500
2016/12/1	Li Wen Li	Assistant Manager	8	30mins	3	about 4900
2016/12/6	Yan Yan	Senior waitress	4	45mins	6	about 11900
2016/12/8	Gao Yang	Senior waitress	4	45mins	4	about 10200
2016/12/13	Xing Min	Senior Manager	22	45mins	5	about 12100
2016/12/15	Li Yi Nan	Senior waiter	2	35mins	3	about 8300
2016/12/22	Sun Yan	Assistant Manager	7	45mins	5	about 10300
Subtotal				530mins	53	about 111850

3.5.4 Social Media

Social media comments were used as secondary data. The social media platform, Da Zhong Dian Ping (<http://www.dianping.com>), is a consumer rating application both available on computer and mobile phone. According to its official website, the application is a world's leading service-focused e-commerce platform, connecting more than 290 million young annual active buying consumers with more than five million annual active local merchants across 2800 cities in China, from tier one cities to minority counties. Restaurant rating is the most famous section of this application. This application has an automatic screening system that can extract the negative reviews from 11244 existing satisfying and dissatisfying incidents (on 25th Jan 2018 at 22:59 from the official website: www.dianping.com) in Quan Ju De Qian Men restaurant, which simplified the process of data collection in this part of the study. In total, 73 incidents collected from 1st of April 2017 to 31st of December 2017. As a scientific research, the comments extracted from this application were not fully trusted. Thus, it was only a reference in order to reassure the primary data. Figure 3-1 shows the front page of the restaurant in Dianping website.



Figure 3-1 www.dianping.com Quan Ju De Qian Men restaurant front page at 23:04 on 25th Jan 2018

3.6 Data Processing

Processing the data is the next step in the study after data collection. Content analysis was adopted in this study, which consists in analyzing texts, including newspaper articles, transcripts of interviews, descriptions of pictures or written recollections (Bos & Tarnai, 1999). Furthermore, researchers widely utilize content analysis for analyzing text data due to its flexibility (Hsieh & Shannon, 2005). The purpose of the content analysis is to establish a conceptual model that depicts the phenomena, therefore, researchers extract words from the text data into simplified and clear content in relation to categories (Elo & Kyng äs, 2008). The data in the current study was mainly recorded in written texts, thus content analysis is the perfect means to analyze the data collected for this study.

Before processing the data, the debate about selecting between inductive or deductive methods was raised since Elo and Kyng äs (2008) indicated that content analysis is a means that could be both used in one of two ways: inductive or deductive way. However, Braun and Clarke (2006) deemed that the selection of inductive or deductive approaches depends on the aim of the study, and the selection decides how the data can be coded. Hsieh and Shannon (2005) pointed out that inductive way is fit for qualitative study that explores a phenomenon that has little previous theory or previous study findings. On the contrary, the deductive approach is recommended when there is sufficient former knowledge about the phenomenon. Because of this perspective, it was decided to adopt a deductive approach due to a considerable number of previous researches on service failure and recovery in the catering industry. Furthermore, Graneheim and Lundman (2014) stated that the process of content analysis does not proceed in a linear fashion, it is a more circular or recursive process, and that the analysis contains a circular movement throughout the phases (Braun & Clarke, 2006), which was the case in this study.

Data processing in this study was not too complicated but, in turn, it was very time-consuming. Four phases took place to accomplish the data processing and coding.

The first phase was to sort out the questionnaires: 121 valid questionnaires were reviewed through 5 times to obtain a general understanding of the content. Then, the content of the questionnaires was written down in a short version in order to sort out the information. An initial coding scheme was adopted and developed by using the previous findings of Ozdemir et al. (2015). The only modification of the original coding scheme was that a more practical method to code the data according to the service sequence in relation to the service failure and

recovery was utilized, namely (1) Reservation; (2) Seating service; (3) Presenting the menu; (4) Food ordering; (5) Drinks ordering; (6) Service during dining; (7) Billing service and (8) Farewell service. The method was elicited from former personal working experience in the catering industry. The general service sequence is uniform in any full-service restaurants in the world. The reason for adopting this method is to pay more attention to service failures in different working phases in the restaurant. Thus, a better understanding of the phenomenon could be formed in order to practically improve service quality in the restaurant with a clearer picture of service failures. After that, according to the short version of content generated from 121 questionnaires, the material was re-read and the codes were sorted out for 3 times until all was completely uniform. Moreover, when the new codes were developed, the initial coding scheme was revised and refined. Next, the data were divided into two parts: customer's perspective and employee's perspective. Each part was coded according to the same method previously illustrated. In order to make sure the codes were adequate, a discussion with formal employees was conducted in the interview session of the study. After the coding process, five main categories were created. They are (1) Service failure types; (2) Initial evaluation; (3) Complaint behavior types; (4) Service response/recovery types; (5) Post-complaint behavior. Each of them contains a number of sub-categories and codes. Finally, the classification of the codes was successfully accomplished.

The second phase was to sort out the data from direct observation. The coding method was completely the same as in the previous phase. Since the incidents were purely observed by the researcher, thus the failure types, complaint types and recovery types can be noted but the perceptions of both employees and customers could not be acquired due to the absence of direct communications. Therefore, the data of direct observation was only attributed to the service failure codes, complaint codes and service recovery codes.

The third phase was to sort out the data from formal interviews with employees. The incidents and perceptions collected in the same coding scheme were only attributed to the employee's perspective.

The fourth phase was to sort out the data from social media. The incidents and perceptions collected and coded in the same manner were only attributed to the customer's perspective.

3.7 Reliability and Validity

In order to ensure the reliability and validity, five ways were adopted in this study. The first way was to describe the research in sufficient detail so that readers can clearly understand how this study process was carried out (Graneheim & Lundman, 2004). Therefore, this study provides a large amount of information that includes the selection of the study method, selection of respondents, tool of data collection, description of data collection, and data processing in as many details as possible.

The second way was to carry out a discussion with senior elite employees which took place between 27th Oct. to 22th Dec. 2016 in order to ensure that the classification of the codes is correct, adequate and sufficient. In the process of discussion, some suggestions about the naming of codes, sub-categories, and main categories were offered so as to make some small modifications. Furthermore, all senior elite employees in this restaurant indicated that all the situations from the categories that emerged as a result of data coding are in parallel with their working experience.

The third way was to carry out a group focus in order to test the study. Four focus group meetings with some of the previous respondents who completed the questionnaires on 29th December 2016 were conducted in order to judge the results. Subsequently, some of the suggestions from the respondents were similar with senior elite employees from the discussion session in the second way of ensuring the reliability and validity. The senior elite employees' suggestions eventually were adopted due to its rationality. Overall, the classification in this study was approved by respondents in these four group focus meetings. A demographic profile of focus group meetings' respondents is shown in Table 3-5.

Table 3-5 Demographic Profile of Focus Group Meetings' Respondents

	Gender	Age	Group	Education
First Focus Group Meeting (45 minutes)				
1	Male	20	Customer	College Diploma
2	Male	19	Customer	College Diploma
3	Male	18	Customer	College Diploma
4	Male	19	Customer	College Diploma
5	Female	21	Customer	College Diploma
6	Female	22	Customer	Bachelor Degree
7	Male	21	Customer	Bachelor Degree

8	Female	19	Customer	College Diploma
9	Female	32	Customer	Master Degree
10	Male	31	Customer	Master Degree
11	Male	34	Customer	Master Degree

Second Focus Group Meeting (45 minutes)

1	Female	21	Customer	College Diploma
2	Male	18	Customer	Bachelor Degree
3	Female	19	Customer	College Diploma
4	Male	21	Customer	College Diploma
5	Female	20	Customer	College Diploma
6	Female	21	Customer	College Diploma
7	Male	21	Customer	Bachelor Degree
8	Female	20	Customer	College Diploma
9	Female	19	Customer	College Diploma

Third Focus Group Meeting (45 minutes)

1	Female	19	Employee	College Diploma
2	Female	20	Employee	College Diploma
3	Female	19	Employee	College Diploma
4	Male	20	Employee	College Diploma
5	Male	20	Employee	College Diploma
6	Female	20	Employee	College Diploma

Fourth Focus Group Meeting (45 minutes)

1	Male	19	Employee	College Diploma
2	Male	20	Employee	College Diploma
3	Female	20	Employee	College Diploma
4	Female	20	Employee	College Diploma
5	Female	19	Employee	College Diploma

The fourth way was to use secondary data to test primary data. The secondary data was collected from social media whereby 73 incidents collected were thoroughly compared with primary data. The result was that incidents (service failures, recoveries and the complaint behavior types) collected from primary data well covered 73 incidents from secondary data. This was a way to test the primary data in this study.

The fifth way in a qualitative study to ensure reliability and validity is a triangulation of the data (Yin, 2014). In this study, several methods adopted to collect data. Data from

questionnaires, direct observation, interviews, and social media are all supporting each other. The situation of data conflict has not appeared in this study.

3.8 Summary

In this chapter, the first important task was to provide a rationale for selecting the case study method as the main method for the thesis. Afterwards, we discussed whether the question types rose in the study match with the case study method and if a single case study is the most suitable. In addition, study questions are explained in order to carry out the research. Next, there are four ways used to collect the data (1) Questionnaires; (2) Direct observation; (3) Formal interview; and (4) Social media. Besides, four phases have been carried out in order to process the data. Finally, five ways were applied to test the reliability and validity. In the next chapter, we are going to categorize and analyze the data in order to have a deeper look into the dilemma.

Chapter 4: Data Analysis

Five main categories emerged from the qualitative data, which connected to the failure, complaint, and recovery processes in Quan Ju De Qian Men restaurant from both customers' and employees' perspective. From the customers' perspective, these five main categories revealed the process aspects of customers' voicing of a complaint in the restaurant and include (a) types of failures, (b) initial evaluation, (c) complaint behavior, (d) restaurant's response, and (e) post-complaint evaluations and outcomes. In the meanwhile, from the employees' perspective, these five main categories revealed the process aspects of employees' receiving a complaint in Quan Ju De restaurant and include (a) type of failures, (b) initial evaluation, (c) complaint behavior, (d) restaurant's response, and (e) post-complaint evaluations and outcomes.

Type of failures, initial evaluation, complaint behavior, the response of the restaurant, and post-complaint evaluations and outcomes are comparatively and separately studied and analyzed through this study in order to understand the different perspectives from both employees and customers regarding the five elements mentioned previously.

Each category consists of several sub-categories, which include a large number of codes. Table 4-1 demonstrates the service failure category both from employees' and customers' perspectives, also their corresponding sub-categories, and codes. Table 4-2 demonstrates the initial evaluation both from the two party's opinions with linking sub-categories and specific codes. Table 4-3 illustrates the customers' point of view pertaining to how complaint behavior has been formed and the employees' perspective in relation to how complaint behavior has been perceived, and their related sub-categories and codes in details. Table 4-4 displays both views from the two parties about the restaurant's response, also called service recovery, and their sub-categories and codes. Table 4-5 indicates the post-complaints evaluations and outcomes from employees' and customers' perspectives, their corresponding sub-categories, and codes. A short description for each code is also presented in these tables. The descriptions are not formal definitions borrowed from the relevant literature, but they are illustrations of experiences reported from the data of the study.

4.1 Types of Failures

As shown in Table 4-1, Five sub-categories were identified in the service failure category. There is food, service, ambience, problematic customers and language barriers. The letter C represents customers while letter E stands for employee. In the sub-category of service, chapter 3 discusses a special coding system (Service Sequence Coding) that has been devised and includes (1) Reservation taking (RT); (2) Seating service (SS); (3) Presenting menu (PM); (4) Food ordering (FO); (5) Drinks ordering (DO); (6) Service during dining (SDD); (7) Billing (BI) and (8) Farewell service (FS).

In order to give a better picture of service failure collected from the data in this study, a conceptual model is shown in Figure 4-1.

In the food sub-category, there are seven codes identified: out of stock, health consciousness, hygiene, incorrect temperature, portion size, taste, and wrong cooking degree.

The first coding “Out of stock” in the food sub-category is described as a failure from the customers’ perspective and occurs when a dish, which is presented on the menu and ordered by a customer, cannot be served. Whereas, from the perspective of employees, it is described as a failure when a dish, which is presented on the menu and ordered by a customer, cannot be served due to the absence of its substances in the kitchen and employees forget to inform the customer in advance. From two different views, we understand that efficient communication is the critical root that causes the failure. Customers do not pay attention to the reason that causes this failure and are result-oriented. However, employees clearly understand the reason that caused this failure, but failed to perform in a professional way. In the following quotes, participants mention about the failures in relation to “Out of stock”.

I ordered a lot of dishes including a vegetable dish. The food was nice, but the vegetable dish was not delivered even when we were about to finish the meal. Then I asked the staff who took the order for us, the answer was unacceptable, "this dish was out of stock". (Male, 20, Customer)

Sometimes I am just too busy to remind the customers about which dish is out of stock, which might cause a bad service. Once, a customer ordered duck liver dish which was sold out. I forgot to inform the customer when ordering, and then the customer was really unhappy. I felt upset about it as well. (Female, 22, Employee)

Kitchen chef did not tell me in time that the flame-touched duck heart was out of stock. I got the order from the customer but later awkwardly had to explain the situation to him. The customer was not content with the explanation. (Male, 20, Employee)

Table 4-1 Categories and Sub-categories of Service Failure Types

Main Category	Sub-category	Codes	Short Description from Customer's Perspective	Short Description from Employee's Perspective
Types of failure	Food	Out of stock	A failure occurs when a dish, which is presented on the menu and ordered by a customer, cannot be served.	A failure occurs when a dish, which is presented on the menu and ordered by a customer, also not inform the customers in advance, cause the dish cannot be served due to the absence of its substances in the kitchen.
		Health consciousness & special diet requests (HCSDR)	A failure occurs when a customer requested a healthier style of cooking, such as less salt, less/no sugar, no monosodium glutamate etc., was not prepared properly to reach the customer's special diet requests.	A failure occurs when a customer requested a healthier style of cooking, but the employee (waiting staff) forgets to inform the chef or chef neglects the requests.
		Hygiene	A failure caused by food spoilage or a foreign object detected by a customer in a dish and, in some cases results in food-borne illness.	A failure caused by food spoilage or a foreign object detected by a customer in a dish and, in some cases results in food-borne illness. Sometimes are caused by chefs, employees, nature and even customers themselves (discussed below).
		Incorrect temperature	A failure occurs when a dish is served in a temperature that is not consistent with the level expected by a customer.	A failure occurs when a dish is served in a temperature that is not consistent with the level expected by a customer due to the delay of delivery from kitchen to the front of the house and the delay of tasting the food by the customer
		Portion Size	A failure that is associated with the visible differences in the amount of substances among the several plates of the same dish ordered or inadequate amount of substances in one dish.	A failure that is associated with the visible differences in the amount of substances among the several plates of the same dish ordered or inadequate amount of substances in one dish. Sometimes the failure occurs when costumers misread the detail on the menu.

		Taste and food Freshness	Errors in the taste of a dish when the customers' taste expectations are not satisfied especially because of excessive sweet, fat amount, stinky and smoky taste of the meat and soup in the substances.	Errors in the taste of a dish when the customers' taste expectations are not satisfied especially because of excessive salt, sugar and fat amount in the substances.
		Wrong cooking degree	A failure occurs when a main substance of a dish is not adequately cooked.	A failure occurs when a main substance of a dish is not adequately cooked.
	Service	Reservation taking	A failure occurs when a wrong reservation has been received or a reservation lost by reservationist.	A failure occurs when a wrong reservation has been received or a reservation lost by reservationist due to hectic daily operation. Also, restaurants rules are not taking reservations in the peak season.
		Seating service	The customer who reserved is taken to a wrong table. The customer who has not reserved is taken to a disliked table. The customer who has not reserved has waited for long period of time before dinning	The customer who reserved is taken to a wrong table. The customer who has not reserved is taken to a disliked table The customer who has not reserved has waited for long period of time before dinning. A failure occurs when there was no effective communication between hostess or hosts and reservationists
		Presenting menu	A failure caused by a damaged menu or incomplete menu. A failure occurs when a waiting staff handling menu with a negative attitude.	A failure caused by a damaged menu or incomplete menu.
		Taking food order	A wrong order has been placed by a waiting staff. A failure caused by waiting staffs' attitude, speed of service and serving sequence.	A wrong order has been placed by a waiting staff. Misunderstanding the customers' needs and wants. A failure to note the guests' special diet requests.

		Taking drinks order	A wrong order has been placed by a waiting staff. Insufficient beverage knowledge caused ordering barriers A failure caused by waiting staff's attitude, speed of service and serving sequence.	A wrong order has been placed by a waiting staff. Misunderstanding the customers' needs and wants. A failure to note the customer's special beverage requests. A failure caused by waiting staff's insufficient beverage knowledge
		Service during dining	A failure occurs when insufficient skills offered by staff to serve food and drinks.	A failure occurs when insufficient skills offered by staff to serve food and drinks.
		Billing	Errors in the bill because of the difference in two prices. The dish that not delivered is charged in the bill. The dish that not ordered is charged in the bill. Errors occurred by employee operating in the POS machine. The invoice could not issue in a split way.	Errors in the bill because of the difference in two prices (Management Errors). The dish that not delivered is charged in the bill. The dish that not ordered is charged in the bill. Errors occurred by employee operating in the POS machine. (System limitations). The invoice could not issue in split way (Management Errors).
		Farewell service	A failure caused by an unpleasant farewell.	N/A
	Ambience	Table setting	Errors related to absence or uncleanness of any tableware A failure occurred when customers feel uncomfortable sitting in the area where is too near with others.	Errors related to absence or uncleanness of any tableware A failure occurred when waiting staff were not convenient to serve because of the table setting.
		Noise	A failure occurs when a customer perceives that noise during meal consumption is higher than the acceptable level, and its cause is mostly linked to crowdedness of restaurant.	A failure occurs when a customer perceives that noise during meal consumption is higher than the acceptable level, and its cause is mostly linked to crowdedness of restaurant, electronic appliances, serving tools.

		Room temperature	A failure occurs when the room temperature is not satisfied by customers.	A failure occurs when the air conditioning system malfunctioning.
		Scent	A failure caused by existence of undesirable odors (e.g. smells from kitchen) in the meal consumption area.	A failure caused by existence of undesirable odors (e.g. smells from kitchen) in the meal consumption area.
	Problematic customers	Drunken customers	N/A	A failure caused by a drunken customer
		Fastidious customers	N/A	A failure to satisfy a extremely fastidious customers
		Rules or laws breakers	N/A	A failure caused by a customer who couldn't comply with policies or laws.
		Defrauders	N/A	A failure caused by total wrongdoing acted by defrauders
	Language barriers	Regional dialects	Errors in communication when regional dialect occurs.	Errors in communication when regional dialect occurs.
		Foreign languages	A failure caused by understanding a foreign language.	A failure caused by understanding a foreign language.

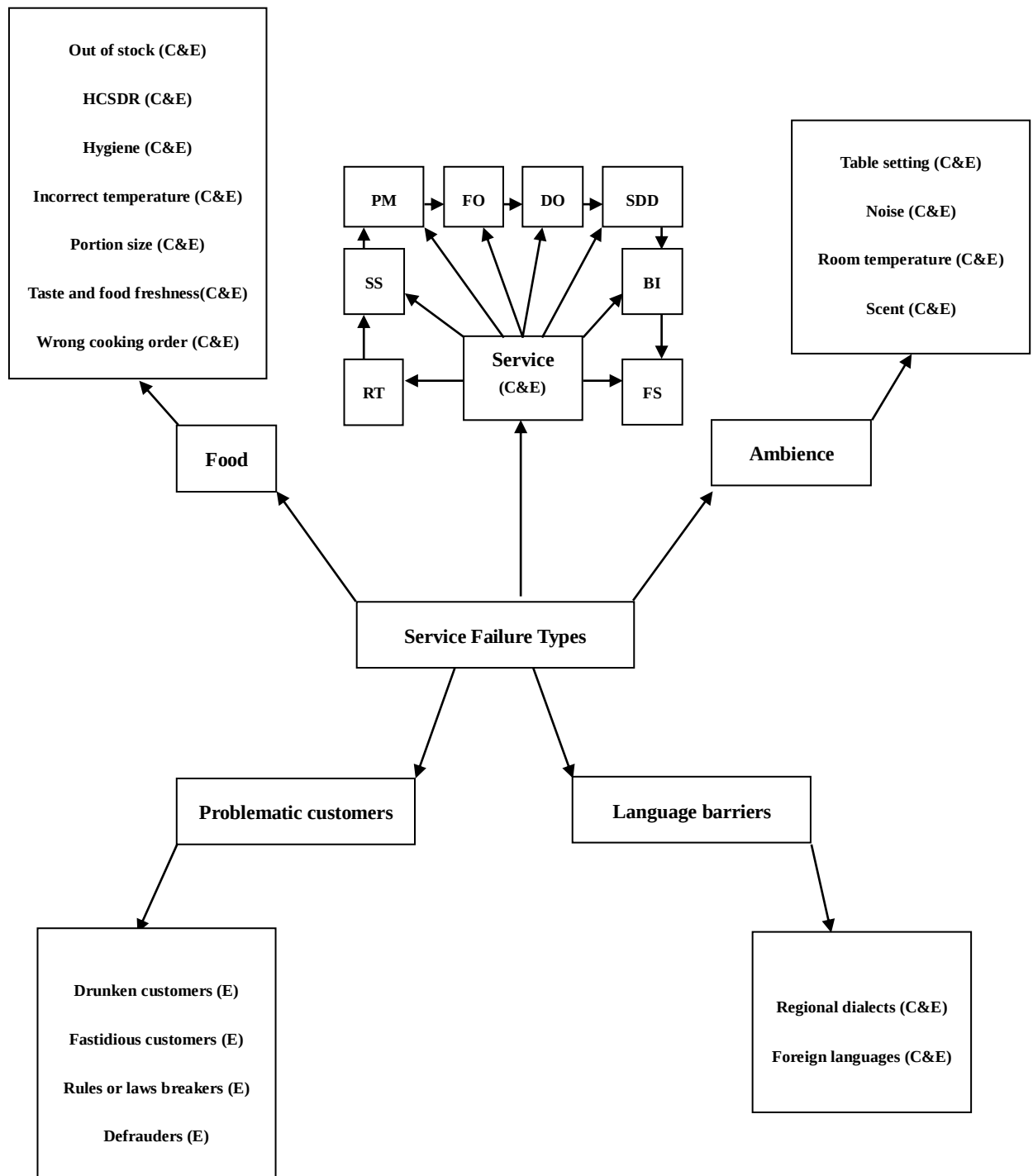


Figure 4-1 Conceptual Model of Service Failures Types

The second coding “Health consciousness and special diet request (HCSDR)” in the food sub-category from the customer perspective regards a failure that occurs when a customer requests a healthier style of cooking, such as less salt, less/no sugar, no monosodium glutamate etc., and the dish is not prepared properly to reach the customer’s special diet requests. However, from the employee point of view, a failure occurs when a customer requests a healthier style of cooking, but the employee (waiting staff) forgets to inform the chef or the chef neglects the requests. From this code, the importance of health consciousness is not carefully treated by employees while the demand for a healthier diet is increasing among customers. In the following quotes, participants mention about the failures in relation to “HCSDR”.

I was taking my grandparents to the restaurant, when ordering food, I specifically requested less salt for the dishes we ordered due to health issues (my grandpa has hypertension). Unfortunately, one dish was especially salty. (Male, 20, Customer)

I informed the chef about the customers’ special diet request, but the chef forgot to cook the dish in compliance with my request on behalf of the customer. I really could not do anything but listen to the complaints patiently and respectfully. (Female, 20, Employee)

I was too busy to notify the chef pertaining to the special diet requests from a customer. We have a computerized system to send the order through to the kitchen, but I was not very proficient in using it. (Male, 20, Employee)

The third coding “Hygiene” in the food sub-category indicates a failure caused by food spoilage or a foreign object detected by a customer in a dish and, in some cases results in food-borne illness. However, in general, the employees’ perspective is tantamount with the view from customers in this code. Some employees mentioned that a foreign object detected by a customer had been intentionally set up by the customer although some foreign objects were also due to employee’s carelessness. The finding was shocking. It is very peculiar that the customer may use this method in order to defraud which will be discussed in the latter part of this chapter, and it also gives a very negative influence regarding a restaurant’s reputation. Nevertheless, food hygiene training should be carried out in order to completely eliminate hygiene problems. In the following quotes, participants mention about the failures in relation to “Hygiene”.

I was having a bowl of soup; the soup was delicious. When I nearly finished it, I felt there was something from the soup in my mouth. Next, I was pulling a piece of soft plastic (plastic film for covering the dish while storing) from my mouth, which made me shocked. I

was extremely angry! (Male, 31, Customer)

There was a hair in the dish, I had never thought it was the case to detect a hair in my dish in such a time-honored restaurant. It was very hard to identify it due to the fact that the color of the dish was quite dark. I was extremely discontented. (Male, 20, Customer)

It is not my responsibility as a waiting staff to make sure there is no foreign object in the dish. My duty is only to deliver the dish to the customers. It is just not my fault. (Male, 19, Employee)

I found that there was a cockroach in the duck head that I was served at a table. The customers saw it as well and were so irritated and scared. They did not eat the rest of the dishes at all, and then left the restaurant shortly. (Female, 20, Employee)

The fourth coding “Incorrect temperature” in food sub-category illustrates that a failure occurs when a dish is served at a temperature that is not consistent with the level expected by customers. Results show that the employees’ perspectives are focused on the delivery speed of a dish from the kitchen to the dining hall and the customers delay in tasting the food. From two different groups’ perspective, the common understanding is that employees depicted the failure in a more specific detailed way than customers. The following quotes are the contents of participant’s recall.

When the soup was delivered by the waiter, I felt the soup was not warm enough. I like hot soups that make me warm. I was not satisfied, the restaurant was very busy, and then I did not bother to ask the waiting staff to heat it up. (Female, 35, Customer)

I am just in charge of delivering the dish to the service area where the waiter who looks after the table serves the dish to the customers. Once I saw that the dish I had delivered was being kept a very long time in there. Then customers complained that the dish was cold. (Male, 20, Employee)

The customers were talking for a very long time before starting to eat the dish that I had served a while ago. I told them to enjoy it while it was warm, but they did not care. (Female, 19, Employee)

The fifth coding “Portion size” in the food sub-category is depicted as a failure that is associated with the visible differences in the amount of substances among the several plates of the same dish ordered or inadequate amount of substances in one dish. In general, the two groups’ perspectives are similar in this code. However, from the employee’s perspective, the portion details were clearly displayed on the menu, but sometimes the customer might not

read or misread it. In the following quotes, participants mention about the failures in relation to “Portion size”.

The waiting staff asked if we wanted some duck soup made from the roasting duck we had ordered; we were happy to accept it. But when we got the soup, at least I was so disappointed. The soup was in a very small bowl, and the soup was tasteless like water. I thought the soup should be placed in a nice bigger bowl. (Female, 42, Customer)

There were 8 people in a private room when I was serving. A set of Quan Ju De roast duck includes 1 whole duck, 2 drawers of pancakes, 4 plates of scallions and 4 plates of sauce as per it is written carefully and clearly on the menu. I did not specifically mention it when they were ordering. However, the customer thought they could add more pancakes, scallion and sauce at no extra charge. They complained the sauce was not enough at all for 8 persons when I told them the extra charge for adding more sauce. (Female, 20, Employee)

A customer ordered a soup, when she got the soup she was discontented due to the size that was just for one. She mentioned the soup is quite expensive at 105 Yuan (About 13.3 Euro). She thought it was for sharing. However, we charge 105 Yuan for one person, which is written specifically on the menu but she did not notice. (Female, 19, Employee)

The sixth coding “Taste and food freshness” in the food sub-category refers to errors in the taste of a dish when the customers’ taste expectations are not satisfied especially because of excessive sweetness, fat amount and stinky taste of the meat and soup in the substances from the customer’s point of view. Similarly, the employee’s perspectives are generally complying with the customers’, but two extra details were that too much salt and sourness added in the dish caused uncomfortable taste for customers as shown in the following quotes.

I ordered a portion of sweet and sour duck served with pineapple; the dish was fairly good, but a little bit too sweet to have more. My friends considered the same as me (Male, 36, Customer)

I brought my mother to the restaurant and ordered a set of roasting duck at 238 Yuan (about 30 Euro). The reason I felt it was a disaster is because of the greasy duck skin. My mother had some, but she vomited when we left the restaurant. (Female, 28, Customer)

The customer mentioned that the dish, dry braised duck chest with bamboo shoots, was too salty. They did not like the dish, but they had nearly finished it when I received the complaint. (Male, 19, Employee)

The “sweet and sour duck” was too sour; it was not very tasty. I heard this from a customer who was dining with a group of people in the private room. (Female, 20, Employee)

The seventh coding “Wrong cooking degree” in the food sub-category is depicted as a failure when a main substance of a dish is found not to be adequately cooked by both customers and employees. In the following quotes, participants mention about the failures in relation to “Wrong cooking degree”.

I was taking my friends out for a dinner, we ordered roast duck, which was quite nice, but as to the other dishes like sautéed beef with black pepper sauce, I felt the beef was hard to chew. Maybe they did not cook it well. (Male, 46, Customer)

Customers requested me to split the fish for them; I was doing it in the restaurant pantry room. When I was splitting the fish, I realized that it was not cooked inside. I saw blood, but I had already cut it, it could not be brought back to the kitchen to be redone again. Then I poured more sauce on the fish to cover the blood. Finally, the customer did not notice, but I felt it was not right, I did not provide a good service. However, it was not my mistake that the cooking was undone. (Male, 19, Employee)

In the service, sub-category, there are eight codes classified through the sequential restaurant service procedures: Reservation taking, Seating service, Presenting menu, Taking food order, Service during meal, Billing, Farewell.

The first coding “Reservation taking” in the service sub-category is described as a failure when a wrong reservation has been received or a reservation is lost by the reservationist or by customers. However, the employee's perspectives tend to be focused on the hectic daily operation that causes mistakes when taking reservations. Besides that, some of the rules of the restaurant are not to accept reservations from any customer during the busy season. In the following quotes, participants mention about the failures in relation to “Reservation taking”.

I made a phone call to the restaurant to reserve a table because of a special dinner that I wanted to organize for my mother's birthday. However, the phone taker impatiently informed me that no reservation would be taken. I was very angry about her attitude. (Male, 23, Customer)

Honestly, I could not tell if I did not take the reservation completely or the customer did not request for me. I was too busy on that day. (Male, 21, Employee)

We do not take any reservations due to our restaurant's new regulation during the

summer season. I could not help the customer in taking the booking and this caused many complaints. I really cannot help. (Female, 20, Employee)

The second coding “Seating service” in the service sub-category reports many situations from the customers’ point of view, as for instance: the customer who reserved is taken to a wrong table; the customer who has not reserved is taken to a table he or she dislikes; the customer who has not reserved is waiting for a long period of time for dining. However, the employees deemed that some failures occurred when there was no effective communication between hostess or hosts and reservationists. In the following quotes, participants mention about the failures in relation to “Seating service”.

When an employee was leading us to the table, she seemed very upset about something, and the vibe made me uncomfortable. The table we had was not very suitable for us because of its small size. I asked to change, but she told me that the other tables were occupied. I felt embarrassed in front of my friends. (Male, 23, Customer)

Four customers were taken to a table in the corner, the table was fairly dirty, and the waiting staff had not cleaned it up yet. The customers were sitting at the table and waiting for the staff cleaning for about 10 minutes. (At about 19:55 pm, 4th June 2016, From Direct Observation)

I could not find the customer’s reservation on my reservation log book. I had not taken the reservation personally; I am only in charge of welcoming and seating the customers. The most important reason I was complained by the customers was that the reservationist did not note this reservation on the log book so that I could not find it. But I had to face the complaint directly; even if it was not my fault. (Female, 20, Employee)

The third coding “Presenting the menu” in the service sub-category is depicted by customers as a failure when they are presented with a damaged or incomplete menu and when the waiter hands the menu with a negative attitude. On the contrary, from the employees’ perspective they did not report any service failure under this caption. This might be due to an inclination that employees would not admit that they have a negative attitude when providing the service. Furthermore, cultural differences occurred under this code and caused the service failure. In western culture, each customer would get a menu in order to read and order because the way of having meals is individually carried out and sometimes paid separately. Whereas, in the Chinese culture, most dishes are shared during the meal, and the person who orders the meal pays the bill. Therefore, when foreigners dine in the restaurant, they expect

that the menu could be presented individually. In the following quotes, participants mention about the failures in relation to “Presenting the menu”.

I did not understand why the waiter just gave us one menu to be shared with 5 people. It was very inefficient. I felt it so different from where I am from. And there was no recommendation offered. For us, the menu was quite difficult to understand even if part of it was in English. (Female, 23, Customer, American)

The menu I got was not in a good form, and after a while, I was told that the menu I had was not the updated one. I had decided some dishes already on the old menu. It made me waste a lot of time. I could not believe this could happen in a fine dining restaurant. (Male, 35, Customer)

A customer requested to take a look at the drink list, but this list was not delivered until 10 minutes after the request. The customer complained verbally in front of the employee. (At about 13:05 pm, 18th June 2016, From Direct Observation)

Once, I was too busy to serve five tables by myself at the same time. Our restaurant was under staffed at that day. I really wanted to help, but I could not control the situation. I do not think I was the one should be blamed, however, the customers were not happy at all (Male, 20, Employee)

The fourth coding “Taking food order” in the service sub-category from the customers’ point of view refers to a wrong order that has been placed by a waiting staff and a failure was caused by the waiter’s attitude, speed of service, and/or serving sequence. However, the employees’ perspective is generally similar to that of customers, although they deemed that misunderstanding the customers’ needs and wants in diet requests could elicit their dissatisfaction. Oppositely, employees did not give any details regarding their attitude in handling the order taking. In the following quotes, participants mention about the failures in relation to “Taking food order”.

When we were ordering, the waiting staff was not welcoming and warm. I asked for recommendations, but the waiter was not very supportive. (Female, 35, Customer)

A customer ordered a roast duck to take away to the airport in order to bring it back home for his family; the waiter did not repeat the order after he ordered. It was about 30 minutes waiting. He could not wait any longer, and he was very upset and had to leave the restaurant. (At about 12:15 pm, 24th July 2016, From Direct Observation)

I ordered steamed mandarin fish, I was very disappointed because what they served me was a river bass which is slightly cheaper than the mandarin fish on the menu. I think they were trying to cheat me. I lost my temper with the one who took the order from me. (Male, 32, Customer)

I told the customer that a set of roast duck includes two portions of pancake and two plates of sauce and side dishes. However, the customer thought they could have pancake as much as possible. I was speechless. When they asked me more pancake, I told them there will be a small charge for the extra pancakes. They went rude and very unhappy. (Female, 19, Employee)

The fifth coding “Taking drink order” in the service sub-category is described when a wrong order has been placed by a waiting staff; insufficient beverage knowledge caused ordering barriers; and/or a failure was caused by waiting staff’s attitude, speed of service and serving sequence. However, employees reported “wrong order due to busy operation in the restaurant” but they did not mention employees’ attitude, speed of service and/or serving sequence. Furthermore, Employees’ insufficient beverage knowledge is a major factor that causes failure in the coding. In the following quotes, participants mention about the failures in relation to “Taking drink order”.

The waitress suggested me to order a jar of fresh fruit juice at 180 Yuan (about 23 Euro). It is very expensive. I asked if it is concentrated or freshly made. The answer was very cocky “of course, we make it freshly from fruit”. I was not comfortable regarding the way she made the recommendation. I felt her attitude was very bad; it seemed like that we could not afford to pay for the jar of juice. (Female, 23, Customer)

After ordering food, a customer wanted to order drinks. However, the waiter was gone for a long time. He could not get any service for about 5 minutes; he asked another staff who told him "I am not in charge of this table". He was totally unhappy and felt helpless. After about 10 minutes, someone served him. (At about 19:15 pm, 6th August 2016, From Direct Observation)

I was afraid of serving wine due to insufficient wine knowledge. Once, a customer asked me whether a certain wine was good with a certain dish or where it came from etc.... I always told very simple answers that were not able to satisfy the customer. I could see the customer was not too thrilled about it. (Female, 20, Employee)

I did not know which beers are good or not, and I do not drink alcohols at all. I always

say they are very good, or sometimes I will say the most expensive one is the best, maybe all the time. I can feel customers are not happy and I can do nothing about it. I wish I could give more advice. (Female, 19, Employee)

The sixth coding "Service during dining" in the service sub-category is described as a failure when a waiting staff has insufficient skills to serve food and beverages. The content of the data collected from participants indicates the insufficient skills are composed of five aspects: (1) lack of knowledge of ingredients of the dish; (2) lack of skills in serving wine; (3) carelessness when serving; (4) unfamiliar venue's facilities; and (5) service attitude when offering service during dining. Employees reported all the first four aspects mentioned earlier and blamed lack of training. However, service attitude was not involved in their accounts. In the following quotes, participants mention about the failures in relation to "Service during dining".

When the waiter was serving the dish, he did not tell the customer what the dish was. The waiter told the customer "I am not sure, let me ask the chef". However, he never came back to tell the customer. The customer asked another waiter who explained the name of the dish. (At about 19:30 pm, 21st May 2016, From Direct Observation)

The waitress serving the red wine for us was friendly but seemed to have lack of wine serving skills. She asked me if I wanted to try the wine after opening it. I said "yes". Then she poured at least one fourth full in my wine glass, and she did not wait my opinion about the wine, and then started to pour for others. It was very awkward. I could not explain it in Chinese to her directly since my Chinese was very limited. (Male, 23, Customer, French)

I remember that once a customer asked me which ingredients were in the dish. I told him to check the menu where the ingredients were written. The customer was not happy about it by the look on his face. But I cannot recall completely all the ingredients on the menu and I just did not want to lie to customers. I believe I needed more training on the menu. (Male, 19, Employee)

The seventh coding "Billing issue" in the service sub-category refers to errors in the bill because of four main reasons: (1) a dish that was not delivered is charged in the bill; (2) a dish that was not ordered is charged in the bill; (3) errors caused by the employee operating the POS machine and/or the Ordering Taking System; and (4) the invoice could not be issued. Employees illustrated that many failures in billing issues were caused by management errors and computer system limitations. In the following quotes, participants mention about some of

the failures under this coding.

I asked the bill, the waiter did not show it to me, and then asked which way I would pay. I emphasized to check the bill first. Then I found out there was a bowl of rice charged, but not served. It was not expensive to pay a bowl of rice, but I felt that I could not trust this restaurant. (Male, 23, Customer)

I ordered a portion of soup, it was 18 Yuan (about 2.3 Euro) on the menu, but it was charged on the bill at 28 Yuan (about 3.6 Euro). I was surprised by this. I asked the waiter who told me they did not change the price on the menu. It was just 28 Yuan. If it was 28 Yuan, I would not order it because it was not worthy paying. (Female, 25, Customer)

A customer did not order a beer, but it appeared on the bill. When he was settling the bill, he found out the error and angrily argued with the waiter who was in charge of his table. (About 20:00 pm, 10th July 2016, From Direct Observation)

We wanted to split the bill, and have it printed in order to pay, because different persons had ordered different dishes at different prices and we just wanted to pay the exact price individually. However, we were told that they could not do it. Finally, the waiter was very reluctant to agree to do so after we insisted on splitting the bill, but we were waiting for a very long time, about 20 minutes to get the bills. After that, we asked to get the invoice separately, we were told "no" as well. I felt the service was not very flexible and it was very slow as well. (Female, 20, Customer, American)

I was careless and forgot to delete the dish that a customer did not want anymore, and then it was on the bill again, which brought inconvenience to the customer. (Female, 21, Employee)

The actual menu was not complying with the computer menu system and this caused so many troubles when I was dealing with the customers. The computer menu system updated the price for certain dishes, but the actual paper version menu did not. The manager did not even notice that. (Male, 20, Employee)

The cashier was too busy to settle bills for so many customers, a group of customers asked me to separate the invoice. I asked the cashier who told me "impossible". I told the customer the same in an indirect way, which caused dissatisfaction. (Male, 21, Employee)

The eighth coding "Farewell service", in the service sub-category, is described as a failure caused by an unpleasant farewell to customers. No employees reported any issue under

this caption. Conversely, customers reported some failures as mentioned below:

When we were about to leave the restaurant, there was no one to help us to pack the food we had not finished, and no one said anything on our way leaving the restaurant. We felt that they wanted us to go out as soon as possible so that they could get new customers in. I was not happy about it. (Female, 21, Customer)

In the “Ambiance” sub-category, there are four codes classified from the data collected. They are table setting, noise, room temperature and scent. Each code has its specific description focused on certain issues.

The first coding “Table setting” in the ambiance sub-category is depicted from customers’ point of view as errors related to absence or uncleanness of any tableware and/or when customers feel uncomfortable sitting in an area that is too near to others. It was found that employees are more focused on the table layout that may not be convenient to provide service to customers while these have more diverse concerns. In the following quotes, participants mention about the failures in relation to this coding:

In such a time-honored restaurant, the tableware is just like the standard of a street snack market. The plates and glasses were too old, and some even chipped. I could not appreciate the tableware in the restaurant. I felt not worth paying for the service. (Female, 25, Customer)

I went into the restaurant; I felt the floor was filthy and dirty. The marble tiling was very greasy. The whole environment made me uncomfortable. (Male, 29, Customer)

A customer was drinking wine, and then he noticed that a lipstick mark was on the wine glass and complained it to an employee in order to get a new glass. He mentioned that the lip stick mark made him disgusted. (At about 18:00 pm, 5th June 2016, From Direct Observation)

I was serving three customers in a compact private room. It was a round table in the room, and the customer sitting at the inner side was very hard to reach to serve. I had to go and pass another customer from the back of the chair. But the table was quite big, which leaves a very small gap between the wall and the seat so that I could not easily pass it to reach the customer inside who was not happy about the service. I could not help her a lot. I reckon the failure is because of the table layout. (Male, 20, Employee)

The second coding “Noise” in the ambiance sub-category is described by customers as a failure that occurs when a customer perceives that the noise during meal consumption is

higher than the acceptable level, and its cause is mostly linked to crowdedness of the restaurant. Employees added that electronic appliances and serving tools could also cause disturbing sound that would cause service failure. In the following quotes, participants mention about the failures in relation to “Noise”.

The restaurant was fully packed. It was not like a fine dining restaurant. The place was very noisy, just like a vegetable market. I think most of the customers here are tourists who are from all over the places. They talked very loudly so that I could not even hear the waiter's suggestions clearly. (Female, 23, Customer)

I was serving a table that is beside the ventilator. The customers could not enjoy the meal because of the sound of the ventilator disturbing their talking. I could not do anything about it since I could not fix it. I am not an engineer. (Male, 20, Employee)

I was working in the restaurant, and I noticed a waiting staff handling the cutlery with a very loud noise in the dining hall. I found that a lot of customers looked over to the place where the waiting staff was working. They even told me to ask him to stop doing like that. It was very interrupting. (Female, 20, Employee)

The third coding, “Room temperature” in the ambiance sub-category, is described by customers as a failure when the room temperature is not satisfying to them. Employees deem that this failure is due to the air conditioning malfunctioning. However, customers mentioned that not only the air conditioning malfunction could cause the temperature problem, but that the restaurant design layout could also lead to a too cold or too hot atmosphere. In the following quotes, participants voice their views in relation to “Room temperature”.

It was a very humid and warm day, I supposed that the restaurant inside would be nice and cool, but I was totally wrong. I asked for a table where it was a bit cooler. Once we were seated, I could feel even warmer than outside due to the crowdedness. I had a really bad experience at this restaurant. (Male, 29, Customer)

It was a winter night; the restaurant was freezing cold. The air conditioning was working because I saw that 30 degrees Celsius was shown in the A/C system. The room should be warm, but I did not feel warm at all. The dining hall is so spacious that the warm air from A/C system could not cover all the places. Also, although the food delivered was hot at the beginning, but it became cold after just a few minutes. I could blame it due to the layout and size of the restaurant. (Female, 20, Employee)

The fourth coding “Scent” in the ambiance sub-category is described by customers as a

failure caused by the existence of undesirable odors (e.g. smells from the kitchen) in the meal consumption area. Besides that, customers also mentioned in their answers that the odors are sometimes from the employees' bodies or clothes. However, employees did not mention such issue, but except for that, their views were exactly the same as the general opinions from customers. In the following quotes, participants mention about the failures in relation to "Scent".

The waiter was not very well groomed, and the apron was wrinkled and seemed not to have been washed for quite a long time (also confirmed in Direct Observation at 13:00 pm on 13th August 2016). The smell from him was stinky. I could easily smell it because he was standing beside me when I was ordering the food. I felt very bad about it. It made me associate with the kitchen staff's personal hygiene and food safety. (Female, 35, Customer)

The smell from the tablecloth contained a strong disinfectant fluid odor as well as all the tableware. I believe they would have added too many chemicals when they were disinfecting them. I felt the smell quite disturbing. I think it might not happen quite often. (Female, 23, Customer)

In the problematic customers' sub-category, four codes have been classified from the data collected. They are drunken customers, fastidious customers, rules or laws breakers and defrauders (fraudulent customers). The details in this sub-category were solely generated from the data that employees indicated. Interestingly, no customer mentioned this caption or considered him/her or others as problematic customers. Each coding has its specific description focused on certain issues.

The first coding "Drunken customers" in the problematic customer's sub-category is depicted by employees as a failure when they need to deal with a drunken customer. In the restaurant context, it is common to see customers drinking too much, and it is inevitable in the food and beverage offering venue. However, the restaurant is not always wrong when a failure occurs. In the following quote, participant mentions about the failures in relation to "Drunken customers".

I remember that one customer drank too much and broke four wine glasses. According to the restaurant policy, he should be responsible for compensating the loss, however he did not say a word about paying for it when I asked him politely. Moreover, he started to complain about our service. Finally, the customer was very angry and paid the price of the wine glasses in the presence of two security guards of our restaurant. I strongly believed that it was not my

fault at all. The guest was too drunk to behave properly. (Male, 19, Employee)

The second coding “Fastidious customers” in the problematic customer’s sub-category is depicted by employees as a failure caused by an extremely picky customer. In a restaurant context, employees should be able to satisfy all legitimate dining requests from customers, however some customers’ ridiculous requests are far beyond what employees’ capacity can tackle. In the following quote, participant mentions about the failures in relation to “Fastidious customers”.

One day I was serving 2 customers at a table. The male customer was very kind and friendly; conversely the female customer was extremely mean when I was serving soup for them. They ordered two portions of soup. And then I heard the female customer shouting “there is a bug in the soup, come here to check! The food is not hygienic to eat in here”. I felt very awkward and came near her to check it immediately. I was not sure if there was a bug inside. So, I asked “May I take it away and check it through?” She responded “No, this is the evidence!” Finally, our manager solved it by replacing the dish and providing a complimentary fruit platter. I was very curious what object was inside the soup. After that, I took the soup that she complained about to the kitchen and checked it many times with another employee. We just did not find any foreign objects in the soup at all. I felt this failure was caused by the customer, not by our restaurant. (Female, 19, Employee)

The third coding “Rules or laws breakers” in the problematic customer’s sub-category is depicted by employees as a failure caused by a customer who cannot comply with the restaurant rules and even with the country’s law. In a restaurant context, customers should at least obey the law, but sometimes some customers just cannot do it. From this perspective, the rules made by the restaurant show even less power for certain types of customers. Therefore, the failure may not have occurred by a fault generated from the restaurant side, but from customers themselves. In the following quotes, participants mention about the failures in relation to “Rules or laws breakers”.

Our restaurant will charge an extra fee for opening wine that customers provide themselves at 50 Yuan per bottle. Ironically, most customers who take their own wine do not intend to pay for the charge and always argue with employees about it. Customers normally cannot be contented with it, but this is our rule. (Male, 19, Employee)

Our country issued the law of banning smoking in all public places including in any catering premises on 29th December 2013. But still a lot of customers cannot understand and

comply with it strictly. One day, I was serving 4 male customers in the private dining room. They asked me where the ash tray was. I kindly told them the restaurant is a nonsmoking restaurant, if you like to smoke, the designated smoking area is right beside the front gate of the restaurant. However, what they replied stunned me in a very bad way, they answered that “we do not know this law, we need to smoke now. Go and get your manager here”. Then the manager also failed to convince them not to smoke. They got an ash tray and smoked in the private room. The customers were not joyful because of my request of not smoking in the restaurant. However, it was definitely not my fault about it. What I did was trying to let them obey the law, which they should. (Female, 20, Employee)

The fourth coding “Defrauders” in the problematic customer’s sub-category is described by employees as a failure caused by total wrongdoing by defrauders. Although the incident reported is a frequent one in the data collected, it is unique and, as far as we know has not been discovered in previous studies. In the following quote the participant mentions about the failures in relation to “Defrauders”.

One day I was working at the restaurant. There were two female customers who ordered several dishes. When they had nearly finished the food, they called me and shouted loudly that there was a cockroach in the soup dish. I was very concerned about it and went to the table to know what happened. They told me that they had found a cockroach in the soup and picked it with their chopsticks. They strongly argued that it was very disgusting and how could they continue to finish the dishes. I looked around the table at the time and recognized that they had almost finished everything on the table. Then, I immediately reported to our manager who was very vigilant. My manager glanced the two customers who at that time did not notice her. She told me that they might be defrauders; then she went to the table and explained something. After that, those two customers paid the bill and left without complaining about the foreign object anymore. The manager informed me, after the two customers had left, that we had been notified by our group company that there were two customers who had used a similar way to cheat our brand’s restaurant twice this year in order to get benefits and compensations such as, free charge of the meal, or free roast duck coupon or free box of beers, etc. They took a fly or a bug by themselves from outside and deliberately put it in the dish to swindle the restaurant. Thus, our group company went into an investigation on these two customers and found that they intentionally added bugs to the dishes from CCTV footages, and then the group company framed the picture of them to forward to every restaurant in our group by

email. The manager told them that he would call the police to investigate the issue, and then they left without complaining. I felt it is shocking that customers could act as defrauders. (Male, 20, Employee)

In the language barrier sub-category, there are two codes classified from the data collected. They are “Regional dialects” and “Foreign languages”. The details in this sub-category were uniquely extracted from the data that employees specifically illustrated. It is intriguing that, to our knowledge, this sub-category has never been proposed in any other past research. However, it is a critical failure for the service in a restaurant. In our data, there are 18 foreign respondents who indicated that a foreign language barrier caused a core failure in their dining experience. Furthermore, the employees consented this failure and acknowledged their insufficient foreign language skills. More interestingly, a foreign language was not the only factor that caused the service failure both from the customers’ or the employees’ perspective, but regional dialects were also a significant factor in service failure encountered in the data.

Chinese language consists of accepted seven main dialects, Mandarin, Cantonese, Hakka, Wu, Min, Xiang, and Gan (Norman, 1988; Kurpaska, 2010). Mandarin is the official national language of mainland China and is called Pǔtōnghuà in Pinyin. The dialect used in Hong Kong and Macau is Cantonese. Six of the seven main dialects are in the southeast of China, south of the Yangtze River. Mandarin is spoken in most of northern China and part of western China. Chinese language is very sophisticated and although seven main dialects have been classified, Norman (2003) predicted that there might be hundreds of mutually unintelligible different Chinese dialects. From personal experience as a Chinese and a pure Beijing Mandarin speaker, we have been to many places in China including Shanghai, Hangzhou, Guangzhou, Chengdu, Guilin, Wuhan, Changsha, Xia Men etc. and the Chinese dialects in these places are indeed mutually unintelligible. For instance, a pure Mandarin speaker firstly going to Shanghai to visit Shanghai World Expo in 2010 would find it impossible to understand the Shanghai dialect. It would seem like speaking two different languages. However, if a Shanghainese uses Mandarin to communicate, it is fairly understandable and their Mandarin level is good enough to communicate.

In other places, such as Chengdu or Guangzhou, even when they try to speak Mandarin, sometimes it cannot be understood. From a personal experience in 2009 when attending training in Guangzhou the researcher asked an old lady where the subway stop was, she

replied in Mandarin with a very strange accent, which could not be fully understood. Furthermore, Quan Ju De Qian Men restaurant is located in a tourist attraction site that attracts few local customers, and mainly customers from other places in China and from all over the world. The language barrier failures reported in the data were not odd events. Considering the diversity of the dialects discussed, language barriers occur both with Chinese customers and of course with foreign customers as well.

The first coding “Regional dialects” in the language barriers’ sub-category is described as errors in communication when regional dialects are used either by customers and/or employees. In the following quotes, participants mention about the failures in relation to “Regional dialects”.

When I was ordering food, it was a very pleasant time at the beginning. I ordered a lot of dishes, because there were 8 persons in my party. However, when the waiter was trying to repeat the order to confirm, I just could not understand his dialect. His accent was with a strong southern accent or something I could not recognize. When I asked him to repeat the dishes again, he seemed offended. It was a very embarrassing moment and very unpleasant. I was wondering why he could not speak proper Mandarin to us. (Male, 31, Customer)

There were two customers having dinner in my working section in the restaurant. They did not speak Mandarin at all, I could recognize that they spoke Cantonese. However, I could only say thank you in Cantonese, which I learnt from the Hong Kong TV-series. When I was serving this table, basically I was communicating with them by body language. Fortunately, they could understand what I said and asked. In a word, the customers were a little bit discontented. I also do not think I should be the one to be blamed. Since Mandarin is the official accent in China, I have never learnt Cantonese. (Female, 20, Employee)

The second coding “Foreign languages” in the sub-category “language barriers” is depicted as a failure caused by a lack of understanding a foreign language. Employees reported that they could not understand and speak a foreign language so as to offer good service to foreign customers. Customers’ accounts focus on the fact that a time-honored restaurant should have someone who could at least speak basic English to communicate with foreign customers. In the following quotes, participants mention about the failures in relation to “Foreign languages”.

I was asking for a diet coke when I was having dinner in there. Instead of getting a diet coke, I got a normal coke opened and poured in my glass without asking my permission. I was

not happy. But I did not want to talk too much about it, even if I complained they might not understand what I said. (Female, 21, Customer, American)

I wanted to explain the method of having roast duck to the foreign customers, but I can speak very little English so that I was not confident to express the way of eating it. I could see from the customers' face that they did not quite understand what I meant. But I tried, I wish I could speak a bit more English. The customers were not really bothered by my language. However, I considered this to be a failure in the service I provided. (Male, 20, Employee)

4.2 Initial Evaluation Types

The second main category was labeled as "Initial Evaluation Types" which indicates the study respondents' initial perception of the failure before voicing their complaints. C represents customers' perception; E stands for employees' perception. As shown in Table 4-2 and Figure 4-2, the respondents consider two major factors while making their initial evaluations. These are failure severity and attribution. Company, frequency of past visits, restaurant's reputation, failure recurrence, recommendation and service charge are the basic considerations when the respondents form their perceptions of how severe the failure is. The failure severity pertains to occasions or encounters that aggravate the service encounter's failure.

A conceptual model was conducted in order to illustrate a clearer image regarding Initial Evaluation Types. Figure 4-2 shows the above details.

The first coding "Company" in the failure severity sub-category is described by customers as a customer who experiences a failure when being accompanied by friends, families and business clients or etc. However, the employees' perspective in this coding pales in comparison to customers. There is no obvious evidence to indicate that employees have similar considerations to those of customers in this coding. The comparison between these two groups' perceptions in this coding suggest that employees should pay more attention to the customer, especially the organizer of the meal in the group while serving, due to their sensitivity regarding perception of the service quality. In the following quotes, respondents mentioned about the initial evaluation in relation to "Company".

I was taking my girlfriend to the restaurant, I wanted to treat her a nice dinner. But the result turned to be very bad. The service was very bad, when she found a piece of hair in the dish my girlfriend blamed it on me. I was extremely angry at the restaurant. It made me feel so embarrassed. I wish I did not bring her to this restaurant. (Male, 24, Customer)

Table 4-2 Categories and Sub-categories of Initial Evaluation Types

Main Category	Sub-category	Codes	Short Description from Customer's Perspective	Short Description from Employee's Perspective
Initial Evaluation Types	Failure severity	Company	Failure experienced in the company of friends, families, business clients, etc.	N/A
		Frequency of past visit	A customer has frequent past visits to the restaurant where he/she is exposed to a failure.	N/A
		Restaurant's reputation	A customer experiences a failure happened in a time-honored restaurant.	N/A
		Failure recurrence	A customer experiences same or similar failure although he/she informs the waiting staff about the incidence when it firstly occurs.	N/A
		Recommendation	Some dishes or beverages consumed has been recommended by waiting staffs	N/A
		Service charge (10-15%)	The restaurants 10-15% service charge made customers feeling worse when there is a service failure occurred.	The restaurants 10-15% service charge made customers feeling worse when there is a service failure occurred.
	Attribution	Workload	Customer's attribution of workload, which leads their incapability to maintain with the tasks expected to be done in time.	Employee's attribution of workload, which leads their incapability to maintain with the tasks expected to be done in time.

		Understaffed service	Customer's attribution of understaffed service, which indicates insufficient service employees that cause the inability to deliver expected service.	Employee's attribution of understaffed service, which indicates insufficient service employees and inefficient management that cause the inability to deliver expected service.
		Undertrained staff	Customer's attribution of undertrained staff, which illustrates the quality of service provided by waiting staffs that result in their inability to deliver expected service.	Employee's attribution of undertrained staff, which illustrates the quality of service provided by waiting staffs that results in their inability to deliver expected service, and lack of orientation training offered by company
		Overtrained staff	Customer's attribution of overtrained staff, which indicates impersonal introduction and recommendation provided by staffs	N/A
		Underpaid staff	N/A	Employee's attribution of low salary, which causes negative working attitude and low enthusiasm.
		Customer's inappropriate behavior	N/A	Employee's attribution of customer's wrong behavior, which brings negative working mood and resistance to work.
		Lack of teamwork spirit	N/A	Employee's attribution of lack of teamwork spirit, which leads to inefficient working mode and stagnant operation.

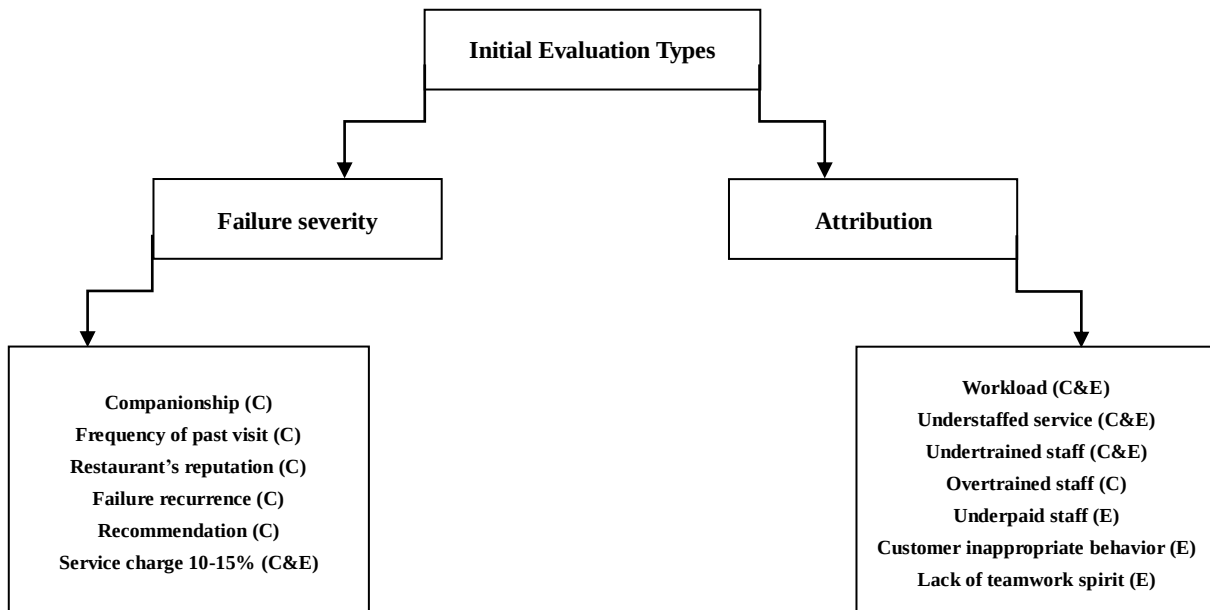


Figure 4-2 Conceptual Model of Initial Evaluation Types

My mother was visiting me in Beijing from Shanghai. We came to the restaurant near Qian Men walking street, which is a very famous tourist attraction in the city center. We had been waiting for about half an hour for the dishes to be served after ordering. Unfortunately, my mother could not be patient anymore and wanted to leave the restaurant immediately. I was very sad that I meant to organize an unforgettable dinner for my mother but it was a disaster. I felt so irritated about it. If I had been having dinner on my own, I might have not been that upset. (Female, 26, Customer)

The second coding “Frequency of past visit” in the failure severity sub-category is described by customers as a customer who has frequent past visits to the restaurant where he/she is exposed to a failure. The customers deemed that it would be extremely face losing if the service was not good. Furthermore, the frequent past visits will make it worse when evaluating the failure. Because they considered that they are VIP or regular customers they believe to deserve better service than others. In this coding, the employees’ perspectives were not shown from the data collected in this study. In the following quote, one participant mentions about the initial evaluation in relation to “Frequency of past visit”.

I have been to this restaurant many times, this time made me feel that I would never come back again. I was having a bowl of soup mixed with a piece of hair. The food safety was terrible. (Female, 24, Customer)

The third coding “Restaurant’s reputation” in the failure severity sub-category is described by customers as a customer who experiences a failure that happened in a time-honored restaurant or in a famous restaurant. The customers’ perspective indicated that the famous or time-honored restaurant was supposed to provide excellent service. They were less tolerant of the service failure happening in a famous restaurant. Besides, if the failure occurred in an unknown restaurant it would be considered less serious than happening in a famous one. However, the employee’s perspective in this coding is not shown from the collected data. In the following quote, participant mentions about the initial evaluation in relation to “Restaurant’s reputation”.

The food quality is too bad. To be honest, the roast duck served there was not even as good as other roast duck restaurants such as Jin Bai Wan, Bian Yi Fang etc. As the most famous and well-known restaurant serving roast duck, Quan Ju De is not carefully dedicated to preparing tasty food and offering excellent service. It was not worth having dinner here. (Male, 24, Customer)

The fourth coding “Failure recurrence” in the failure severity sub-category is described by customers as a customer experiences the repetition of the same or similar failure although he/she has informed the waiting staff about the incident when it firstly occurred. The data shows that this coding will strengthen the unsatisfying influence on customers. However, the employee’s perspective did not indicate this code with any serious point of view. In the following quote, the respondent mentions about the initial evaluation in relation to “Failure recurrence”.

I was asking the waiter to replace a plate that had dirt on. Unfortunately, the careless waiter brought back a chipped plate. I was very angry; I felt their working attitude was very laid back. I asked him again to replace it, he was not patient. I had extremely terrible dining experience. (Female, 23, Customer)

The fifth coding “Recommendation” in the failure severity sub-category is described by customers as some dishes or beverages consumed has been recommended by waiting staffs. It is clear that when the recommendation could not reach the customers expectation, the failure will be aggravated in customer’s perspective. However, this code in employee’s perspectives was not evident. In the following quote, participant mentions about the initial evaluation in relation to “Recommendation”.

I wanted to order a bottle of wine from the drink list. However, the employee strongly

suggested me to order a particular bottle that was the most expensive one on the wine list. I finally listened to her advice. However, when the wine was served, I was totally disappointed that it was like a very cheap wine that had a screw cap, not a cork even. Moreover, the wine wasn't as good as what she advised. I felt so bad and regretful to order this wine. I wish I had not listened to her at all. (Female, 28, Customer)

The sixth coding “10-15% Service Charge” in the failure severity sub-category is described by customers as the fact that the restaurant charges 10-15% for service makes customers feel worse when a service failure occurs. The data manifests that most of the customers would associate the service charge when there was a failure occurred in the restaurant. The employees' perspectives were uniformly in agreement with the customer's perspectives in this code. Generally speaking, the service charge system in China is an adoption from western restaurants as it is rare for Chinese restaurants to charge a service fee, except for those operating under 5-star hotels. Therefore, customers cannot understand why they should pay the service charge in a state-owned restaurant and they also do not like to pay for this charge due to the Chinese tradition. Furthermore, when a service failure occurs, it will be like an ignition to aggravate the failure. In the following quotes, participants mention about the initial evaluation in relation to the “10-15% Service charge”.

The taste of the food in this restaurant was excellent but the service quality was not the same as the food. The environment was quite noisy and not very clean. I think only people from outside Beijing would go there to eat. However, the service charge made me very uncomfortable. I did not feel the service at all, but paid a lot for it. (Male, 22, Customer)

The service charge is the company regulation. However, most customers are not happy to pay for this even when the service is good. That will make them very fastidious about our service and zero intolerance for our mistakes. If I go to a Chinese restaurant, I will not be willing to pay the service charge as well. Therefore, I could understand the customers' feeling, but I cannot change the rule. By the way, the service charge is not the tips from customers for employees, it belongs to company's revenue. We cannot be directly benefited from it. It is very paradoxical. (Female, 20, Employee)

In the attribution of the sub-category of initial evaluation, workload, understaffed service, undertrained staff, underpaid staff, customers' wrong behavior and lack of team spirit are the basic considerations when the participants form their perceptions of the reasons why the service could not reach the standards.

The first coding “Workload” in the attribution sub-category is described by customers as the heavy workload leading to their incapability to keep pace with the tasks expected to be done in time. The employees’ perspectives were consistent with customers’ points of view in this attribution. Furthermore, the employees’ attribution of this sub-category is emotionally stronger than customers. In the following quotes, participants mention about the initial evaluation in relation to “Workload”.

I went to the restaurant when it was fully packed. I could see the waiters were running around the restaurant in order to deliver the service. I asked to have an empty plate, however, I waited for a long time, and I even forgot my request later. My friend reminded that I had asked an empty plate that had not been delivered yet. I asked the waiter who was very honest to tell me that he forgot it. I was not happy at all. But I felt they were too busy to serve so many people at the same time. (Female, 23, Customer)

During a dinner time in summer peak season, we did not even have time to stop for drinking water. Sometimes, customers asked us something, for example, they wanted to get some napkins while other customers asked another thing at the same time. I could not remember it, and I think human beings have their limits. In such hectic situation, I could not tackle it smoothly. This is the reason why some customers complain about the service. (Female, 20, Employee)

The second coding “Understaffed service” in the attribution sub-category is described by customers as insufficient service employees that cause the inability to deliver the expected service. However, employees’ perspectives focused on exactly the same attribution. Additionally, some employees deemed that the attribution of understaffed service was due to inefficient management in arranging the working roster. In the following quotes, respondents mention about the initial evaluation in relation to “Understaffed service”.

We were having dinner in the private room. After being seated by a hostess, it had been a little while for us to see a waiting staff who came to us and help us ordering the food. I did not know the reason the waiter went away in the middle of food ordering. After a while, he came back to finish taking the order for us. I was just not happy about it. It was not respectful at all. However, I reckon they might have been short of staff on that day. (Female, 29, Customer)

Summer season is the most hectic season in the whole year. We had a lot of employees on duty. But staffs were not enough to serve extremely huge number of customers. I really wanted to serve better, however I do not have a third hand to look after customers. We received

countless complaints during the summer season. But we had already tried our best to help.
(Female, 19, Employee)

The third coding “Undertrained staff” in the attribution sub-category is described by customers as the quality of service provided by waiting staff that results in their inability to deliver the expected service. In the perspective of the employee, they consider the attribution of undertrained staff is due to lack of orientation training when they enter the company at the beginning. In the following quotes, participants mention about the initial evaluation in relation to “Undertrained staff”.

I do not think the waiter understands how to serve wine in this restaurant. I felt very disappointed. I ordered one bottle of red wine in the restaurant for our meal. When the waiter started to serve the wine, I found that he did not know how to do it. Especially, when he was supposed to let me try it, instead he poured a little wine in my glass. Without my approval, he had already started to pour the wine for others. It was very embarrassing. I am totally convinced that they did not receive any professional wine training in the past. I was not happy.
(Male, 36, Customer)

When I started our first day working in here as a trainee, I did not receive a proper orientation training, which could let me know more about the company's history and culture. As a result, I could not respond to customers' questions, for instance who was the first owner of this restaurant? How many Quan Ju De restaurants are in Beijing? And then I could see the customers were not happy about the answer offered by me when they were asking the questions. If I received proper training regarding the culture and history of the restaurant. I believe that I can provide good answers to the customers. (Male, 19, Employee)

The fourth coding “Overtrained staff” in the attribution sub-category is described by customers as impersonal and mechanical introduction and recommendation provided by staff. It is surprising to collect this attribution as a service failure. From this attribution, it manifests that inappropriate training provided to employees would cause a negative impact on service. In the following quote, a participant mentions about the initial evaluation in relation to “Overtrained staff”.

I realized that the waiter's recommendation for dishes and beverages was perfectly learnt from their training. They really got very excellent training. But it made me feel very impersonal. The waiter seemed so enthusiastic to suggest us to try their fresh juice. I reckon that they could get high commission by selling it. The recommendation made me very

uncomfortable. I did not like the service at all. (Male, 31, Customer)

The fifth coding “Underpaid staff” in the attribution sub-category is described solely by employees as the low salary, which causes negative working attitude and low enthusiasm. The data indicates that salary is a key attribution that leads to a motivated staff in work. In the following quote, a participant mentions about the initial evaluation in relation to “Underpaid staff”.

Whenever I thought about the salary I got paid, I would compare it with the amount of workload I did. They are not equal at all. When I was serving a customer, especially if the customer was not nice to me, I would feel not fair, and then I could become very negative and passive in the process of serving, which might cause some service failures. (Male, 21, Employee)

The sixth coding “Customer’s inappropriate behavior” in the attribution sub-category is described by employees as customers’ inappropriate behavior, which brings them negative working mood and resistance to work. For the employees’ perspectives, it is very common to find that customers’ inappropriate behavior caused service failure offered by employees. In the following quote a participant mentions about the initial evaluation in relation to “Customer’s inappropriate behavior”.

I was serving a table of 4, one of them called me to pour more water for them by saying “Hey, server. Come here to pour water for us quickly”. I was very unhappy about it because they did not show respect for me at all. They did not understand that they should use a respectful way of talking or requesting. We were trained to use respectful language to customers who did not appreciate it. This bothers me a lot when I am working. Therefore, I did not pour water right away when I heard their rude request. Of course, they complained the service to our manager. I felt that it is very contradictory that I should serve someone who is not respectful to me. (Female, 20, Employee)

The seventh coding “Lack of teamwork spirit” in the attribution sub-category is solely described by employees as lack of teamwork spirit, which leads to inefficient working mode and stagnant operation. In the following quotes, participants mention about the initial evaluation in relation to “Lack of teamwork spirit”.

The restaurant was very busy at the time when I was working. And then, I asked for help, but there was no one who was willing to give a hand. I was very disappointed about the management of this restaurant. A lot of customers asked for hot water that I could not serve

on time. I could not see my manager who was supposed to be in the restaurant helping the service when the restaurant was busy. The customers were whining about the service that I provided but I really did my best. (Female, 21, Employee)

4.3 Complaint Behavior Types

The data shows that study respondents used five channels to make their complaints. As shown in Table 4-3 and Figure 4-3, C and E represent customers' perspectives and employees' perspectives respectively. There are two sub-categories in the main category, named as customer complaint behavior, in voice and text; the voice sub-category consists of three codes, including complaining to server, complaining to manager, and finally complaining to service center. Besides, the text sub-category includes two codes that are complaining by e-mail and complaining through online application (Social Media). In fact, as revealed by the descriptions of these codes, it is possible to claim that most participants preferred taking a hierarchical approach to make the complaint when they were in the restaurant. Specifically, voicing a complaint follows a hierarchy that begins with the server (probably because of his/her availability in the immediate environment), and then continues through managers and/or service center (depending on their availability) if an expected outcome cannot be achieved with the former object of complaint. What is more, if managers or service centers' response cannot satisfy customers' expectation, they will decide to complain indirectly by texting (Email, Social Media) rather than continuously complain in the restaurant.

A conceptual model was conducted in order to illustrate a clearer image regarding Complaint Behavior Types. Figure 4-3 shows the above details.

The first coding "Complaining to server" in the voice sub-category is described by customers as the voicing of complaint directly to the server. The data displays that complaining to the server occurs when a customer encounters a service failure and directly calls a server who is available at the time in order to explain and complain regarding the failure. However, no employees responded to this sub-category regarding complaining to server. In the following quotes, participants mention about their complaint behavior in this regard.

Table 4-3 Categories and Sub-categories of Complaint Behavior Types

Main Category	Sub-category	Codes	Short Description from Customer's Perspective	Short Description from Employee's Perspective
Types of Complaint Behavior	Voice	Complaining to server	Customer's voicing of complaint directly to the server	N/A
		Complaining to manager	Customer's voicing of complaint to the manager, especially when he/she has initially complained to server and thinks that the server has not paid the expected attention	N/A
		Complaining to service center by phone calls	Customer's voicing of complaint to the service center, especially when he/she considers that the restaurant could not solve the problem efficiently by either server or manager	Customer's voicing of complaint to the service center, especially when he/she considers that the restaurant could not solve the problem efficiently by either server or manager
	Text	Complaining by E-mail	Customer's text of complaint to the restaurant by E-mail	Customer's text of complaint to the restaurant by E-mail
		Complaining through social media	Customer's text of complaint to the restaurant by social media. Such as Da Zhong Dian Ping, Mei Tuan, Weibo etc.	N/A

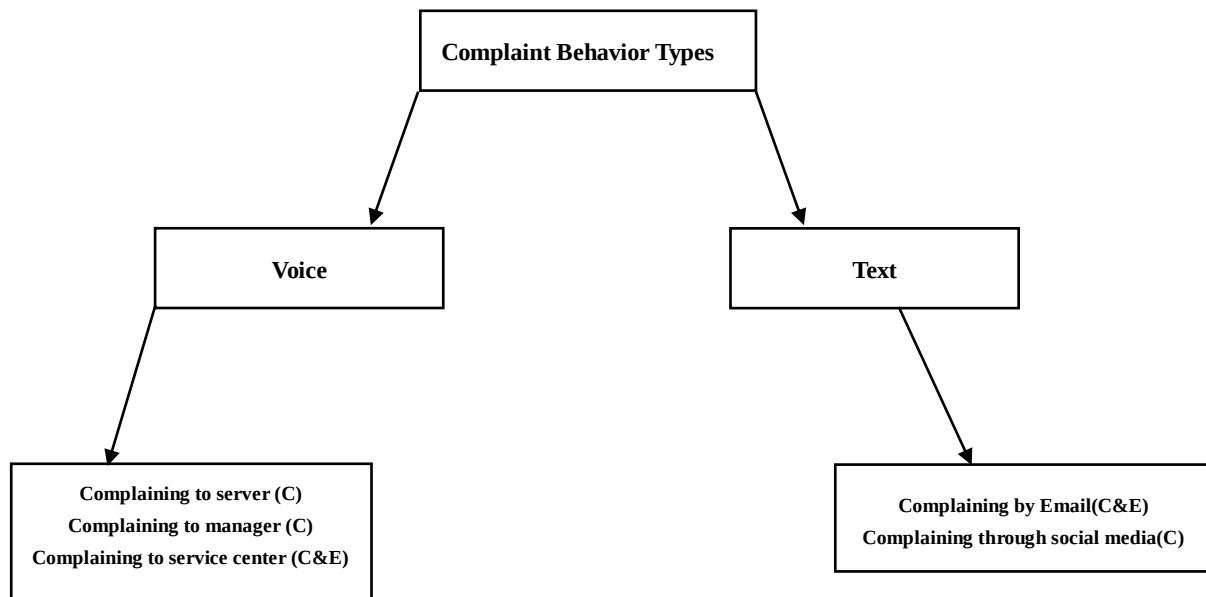


Figure 4-3 Conceptual Model of Complaint Behavior Types

A waiter served a bowl of duck soup that was part of the set roast duck meal to a customer. The customer complained directly to the waiter about the soup's temperature. Finally, the waiter heated up the soup and served it again on the table. (About 12:45 pm, 13th August 2016, From Direct Observation)

The restaurant was too cold and it seemed that the air conditioning system was not working or the waiting staff did not set it up in an appropriate temperature. I complained to the waiting staff who tried to change the setting on the air conditioning system. After a while, the restaurant was getting warm. (Male, 32, Customer)

The second coding “Complaining to manager” in the voice sub-category is described by customers as the voicing of a complaint to the manager, especially when a customer has initially complained to the server and thinks that the server has not paid the expected attention. Especially, voicing a complaint follows a hierarchy that begins with the server (probably because of his/her availability in the immediate environment), and then continues through manager (depending on their availability) if an expected outcome cannot be achieved with the former object of complaint. To be more specific, most of cases in this study indicate that customers will complain to the manager when they feel unfairly treated by the server who initially deals with the service failure. However, there are no employees’ responses regarding this type of complaint in the collected data. In the following quote a participant mentions about the complaint behavior in relation to “Complaining to manager”.

It was very unfortunate to notice a piece of hair in my dish. I told this to the waiting staff

regarding the incident. However, he did not know how to deal with it. And then, I asked if I could see the manager on duty in order to tackle this problem. The waiting staff informed the manager who came to us to understand the incident and apologized to us about what happened. (Female, 25, Customer)

The third coding “Complaining to the service center” in the voice sub-category this is described both by customers and employees as the voicing of a complaint to the service center directly organized by Quan Ju De Group, especially when customers consider that the restaurant could not solve the problem efficiently by either the server or the manager. Typically, voicing a complaint follows a hierarchy that begins with the server, and then continues through the manager, finally calls to the company’s service center if an expected outcome cannot be achieved with the former object of the complaint. In the following quotes, participants mention about the complaint behavior in relation to “Complaining to the service center”.

I was very disappointed about the service charge I paid. I felt I was cheated by this restaurant. I was not previously told by anyone who worked in this restaurant regarding the service charge. But when I was paying the bill, I saw the service charge was on the bill and it was 10%. It was quite a lot. The waiter told us this 10% service charge will be contributed to China National Tourism Administration. I just did not care about where it goes to. I asked the manager about this, he told me this was the rule in this restaurant. After that, I called to the service center to complain it. (Male, 40, Customer)

I received a complaint phone call from a customer who was still having dinner in the restaurant. She was not pleased to inform me what happened to her in the restaurant, and she wanted an immediate solution to her service encounter. She emphasized that the waiter helping them order the food was very impatient. What’s more, when she decided to change a server to help her to order the food the impatient waiter questioned her regarding the request. She felt insulted by the whole situation, especially the waiter. And then, she called the group service center where I received the complaint. (Female, 21, Employee)

The text of complaints in this research was evident. There are two kinds of text complaint classified, complaining by E-mail and complaining through online application (Third Party Social Media). Most of text complaints are from third party social media online application, such as Da Zhong Dian Ping, Mei Tuan or others. The respondents are more likely to complain failure through this method due to its privacy. It can totally protect the customer’s privacy when complaining the failures.

The first coding “Complaining by E-mail” in the text sub-category is described both by customers and employees as the text of complaint to the restaurant by E-mail. The customers mentioned that the E-mail can be directly sent to the group company, and they could thoroughly recall the details when they were writing it. However, the responses were slower from the group company than what customers expected. The employees recognized that E-mail complaints did exist but not a lot. In the following quotes, participants mention about the complaint behavior in relation to “Complaining by E-mail”.

I wrote an E-mail to the group company regarding the service failure I encountered. I have to admit that the roast duck was very delectable. However, I could not accept the service. The waiter was extremely rude to me and shouted at me while I was having dinner. I wonder the reason was that I no longer wanted a dish that I ordered due to extremely long waiting time. I felt his attitude and behavior was extremely irreverent. As a listed company, the service provided made me so disappointed, and the image of this company was ruined by its employees. (Male, 39, Customer)

I received an E-mail that was a complaint from a customer who had organized a party for her baby's 100-day celebration, which is a very important custom in China. She had reserved 9 tables in a big private function room. She ordered a lot of classic roast ducks for her guests. However, she noticed that the chef who was slicing the duck was not professional at all. The duck was sliced so differently and it could not reach Quan Ju De standard. She told the manager on the phone regarding what she experienced when she was still in the restaurant. Nevertheless, the manager on the phone denied it completely and told the customer that the duck of Quan Ju De is sliced just like this. The customer could not accept this explanation and wrote a formal complaint letter by E-mail to the group company. I personally received this E-mail. (Female, 20, Employee)

The second coding “Complaining through online application” in the text sub-category is described by customers as texting of complaint to the restaurant by online application. For instance, Da Zhong Dian Ping is a social media which has two forms that includes website form and Smartphone application form. Da Zhong Dian Ping is designed to disseminate restaurants' information, special promotions and customers' comments. Therefore, Da Zhong Dian Ping is a double-win platform which benefits both restaurants and customers as restaurants can promote their business on this platform. At the same time, customers can take the advantage of customer-based comments to make their final decision on choosing the most suitable restaurant to enjoy their dinner. However, employees did not provide them on this

issue. In the following quotes, participants mentioned about the complaint behavior in relation to “Complaining through online application”.

I had been waiting for 2 hours for the meal, and if you want to have a meal here, you have to pay service charge. I will not come back to this restaurant again for sure. (User name: Pang Pang Yi Zu, User is from Wu Han, Male, on 15th Oct. 2017 Da Zhong Dian Ping Mobile Application)

I used to have meals in this restaurant every year I came to Beijing. But I made my decision this time that I would never ever come back to have a meal in here. First of all, a 10% service charge is absolutely nonsense. The service is terrible as well as the food. I felt the waiting staff wanted us to leave the restaurant as soon as possible while we were still having a meal there. (User name: Shen Lan 2225, User is from A Bei, Female, on 1st Nov. 2017 Da Zhong Dian Ping Mobile Application)

4.4 Restaurant Recovery Types

Study participants stated different types of actions or no action taken by the restaurant as response to failures. These are classified into seven main sub-categories, as no action, empathetic responses, corrective responses, managerial response, compensatory, salary deduction and criticism in meeting, which are shown in Table 4-4/Figure 4-4, C and E represent customers' perspective and employees' perspective respectively. Thus, it is logical to claim that study participants either received no recovery (no action taken by the restaurant) or at least a kind of recovery adopted by the restaurant in order to handle their complaints.

A conceptual model was conducted in order to illustrate a clearer image regarding Restaurant Recovery Types. Figure 4-4 shows the above details.

When the restaurant took an action, and responded to a failure with a recovery strategy, customers might have received different types of offerings such as an apology, explanation, dish replacement, and/ or compensation. However, it is intriguing to recognize that, from the employees' perspective, a salary deduction and criticism in a meeting could also be considered service recoveries.

Table 4-4 Categories and Sub-categories of Restaurant Recovery Types

Main Category	Sub-category	Codes	Short Description from Customer's Perspective	Short Description from Employee's Perspective
Restaurant's recovery types	No action	Doing nothing	No response or no attempt at recovering a failure after customer's report	N/A
	Empathetic responses	Apology and explanation	Receiving an apology and explanation mostly as the first step of a recovery for the failure that has been declared by the customer through complaint.	Giving an apology and explanation mostly as the first step of a recovery for the failure that has been declared by the customer through complaint.
	Corrective responses	Food replacement	Receiving an offer to replace the failed dish with a new one without demanding any additional payment, mostly in cases when the customer complains about the food.	Giving an offer to replace the failed dish with a new one without demanding any additional payment, mostly in cases when the customer complains about the food.
		Service correction	Receiving a correction when the customer complains about the restaurant in many cases.	Providing an immediate correction when the customer failed to experience good service.
		Paying a visit	N/A	Paying a special care visit when the customer's belongings are accidentally damaged or polluted in the restaurant.
	Managerial response	Managerial interventions	Receiving a special attention from a management staff in the restaurant	Paying a special attention from a management staff in the restaurant
	Compensatory	Discount	Receiving a discount when the service failed to reach the customer's expectation	Providing a 10-20% off discount when the service failed to reach the customer's expectation
		Service charge deduction	Deducting 10-15% service charge when the customer strongly complains about the service	Offering 10-15% service charge off when the customer strongly complains about the service

		Complimentary fruit platter	Receiving a free fruit platter to mitigate the customer's anger regards to the service failure	Providing a free fruit platter to mitigate the customer's anger regards to the service failure
		Coupon	Receiving a roast duck coupon when the service failure is too serious to cope with	Offering a roast duck coupon when the service is not reached to customers' expectation.
		Complimentary gifts	Receiving a souvenir as a gift for the customer who encounters a minor service failure.	Giving a souvenir as a gift for the customer who encounters a minor service failure.
		Complimentary beverage	Receiving a free beverage when the service failed to reach the customer's expectation	Providing a free beverage when the service failed to reach the customer's expectation
		Free of charge	Receiving free of charge when the service extremely failed to reach the customer's basic needs and wants in the restaurant	Offering free of charge when the service extremely failed to reach the customer's basic needs and wants in the restaurant
	Salary deduction	Deducting staff salary	N/A	Deducting certain amount of salary in order to punish employees on duty who directly cause the service failure
		Deducting managerial staff salary	N/A	Deducting certain amount of salary in order to punish the management group on duty that indirectly causes service failure
	Criticism in meeting	Restaurant announcement	N/A	Publicizing an announcement in the restaurant daily meeting to criticize the employees who directly or indirectly involved in the service failure issue.

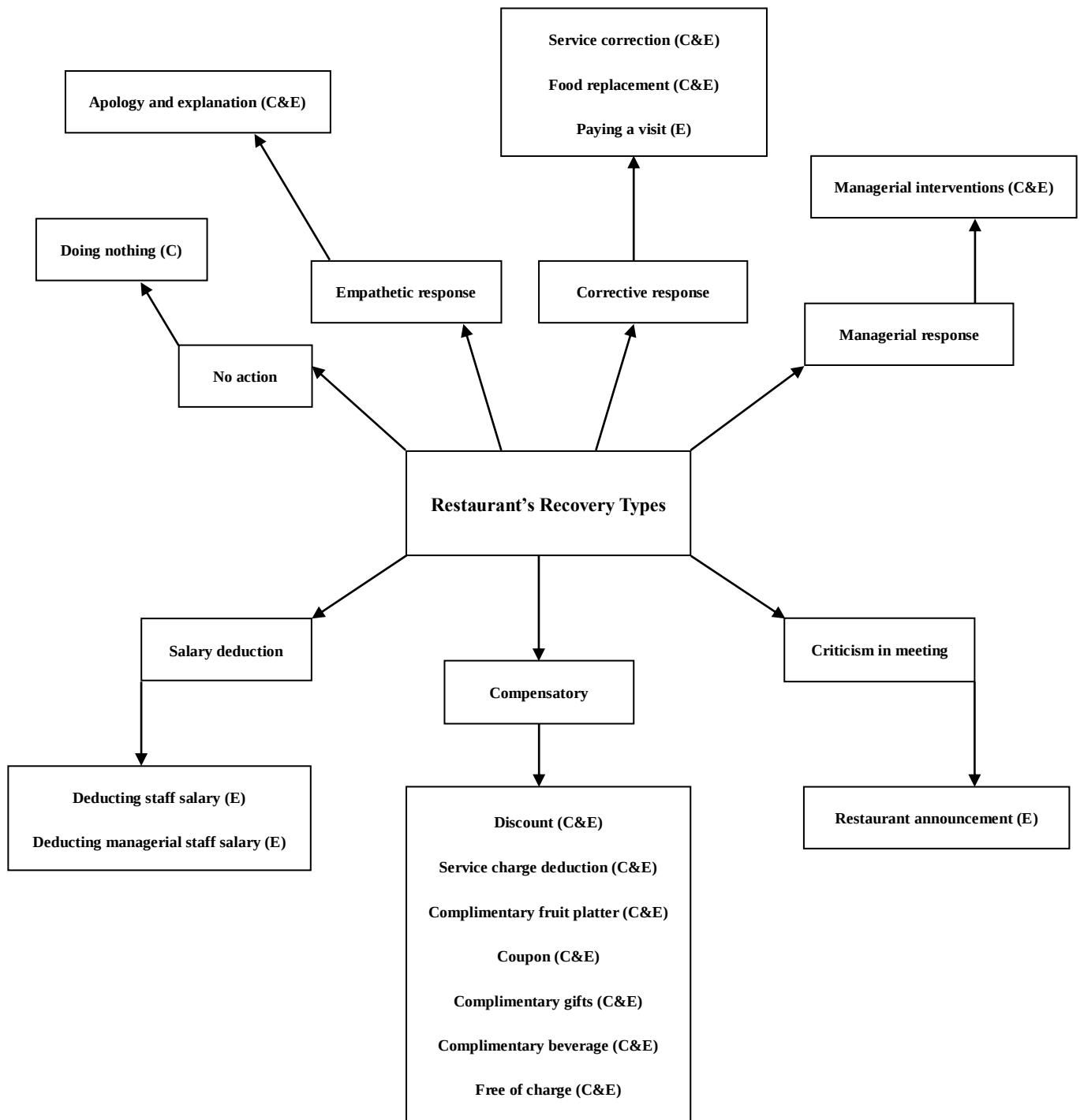


Figure 4-4 Conceptual Model of Restaurant Recovery Types

In order to avoid the similar mistakes and always provide professional service with a good service attitude, the restaurant top management group would seriously emphasize the service failure incident in the staff meeting and deduct the salary of the employees on duty and the management group on duty. These indirect recoveries from which customers would not directly benefit are critical as well as direct service recoveries that customers could receive since indirect recoveries could mitigate the frequency of similar service failures, which is very important for the restaurant's management and daily operation.

The coding in the "No action" sub-category in restaurant recovery types is "Doing nothing", which is described by customers as receiving no response or no attempt at recovering a failure from the restaurant firm despite the fact that a customer has reported his/her complaint to the server, manager, and/or owner. However, there is no data indicated that the employee's perspective is equal to the customer's point of view in this research. In the following quotes, participants mention about the restaurant responses in relation to "Doing nothing".

We ordered several dishes in this restaurant, some dishes were served quickly. We were very happy at the beginning. However, after a while, I realized there was a vegetable dish I had ordered and that had not been served yet. And then I asked the waiter to check it. The waiter came back to inform me that the vegetable dish was out of stock. I was shocked that he did not inform me at the beginning when I was ordering the dishes. I was very disappointed. Furthermore, he did not do anything to try to recover the bad service. I was very dissatisfied. (Female, 36, Customer)

A customer told the waitress that the cold dishes should be served first, followed by hot dishes and the roast duck could be served at the last. However, the waitress served the hot dishes first; the customer complained to the waitress about it, and the waitress replied that since the hot dishes were already served and you should take it and then left with doing nothing. The customer was extremely dissatisfied and discussed it with her group in the restaurant. (At about 19:35 pm, 28th August 2016, From Direct Observation)

The coding in the "Empathetic responses" sub-category contains "Apology and explanation", which is described by customers as receiving an apology and explanation mostly as the first step of a recovery for the failure that has been declared by the customer through a complaint. Similarly, the employees consider that the first step of a recovery is to apologize to the customers and explain what goes wrong in the middle of the service. In the following quotes, participants mention about the restaurant responses in relation to "Apology

and explanation”.

This was my third time to come to this restaurant to have dinner. The environment and food were good as usual. However, I was very disappointed about the service. We waited the duck soup to be served for a very long time. I complained it to the waiter who had apologized to me and explained that there were too many customers on that day. I was not satisfied. (Female, 32, Customer)

I had to take care of five tables at the same time since the restaurant was very hectic on that night. I took the order for one table, in the meanwhile, customers at another table asked me to order food for them. I could not help two tables at the same time. I was very worried and anxious if they would complain it to me. As soon as I finished ordering dishes for one table, I came to another table to firstly apologize the delay of ordering service and explain the situation that the restaurant at that time was very busy. (Female, 21, Employee)

Three codes classified in the “Corrective responses” sub-category are replacement, correction and paying a visit. The corrective responses are common when there is a failure that occurred in the restaurant. Most of the times, the restaurant will try to make it up to its customers with this recovery.

Corrective responses are also showing an attitude that the restaurant would be willing to bring back customers from a failure encounter. However, paying a visit is a unique code discovered in this study, which was not found in previous studies. It is very unusual and costly among the other codes in this sub-category. Furthermore, in this study, the corrective responses have the second largest range of codes in all sub-categories, a manifestation that this recovery strategy is very popular in order to make it up for customers.

The first coding “Food replacement” in the corrective responses sub-category is described by both customers and employees as receiving/giving an offer to replace the failed dish with a new one without demanding any additional payment, mostly in cases when the customer complains about the food. In the following quotes, participants mention about the restaurant responses in relation to “Food replacement”.

I was having dinner with my friends in this restaurant. When the chef was showing the presentation of slicing the roast duck in front of us, I saw blood coming out of the duck. It was not cooked well. I felt so disgusting. Then the chef embarrassedly took it away. I did not even want to eat it anymore. I complained this to the waiter who went back to the kitchen and a new roast duck was served again. (Male, 20, Customer)

A customer complained the flame-touched duck heart, a chef's special dish, was over-cooked and tasteless. The waiter saw the dish and took it back to the kitchen and a newly cooked duck heart was served after a little while. (at about 12:55 pm, 30th July 2016, From Direct Observation)

I informed a chef about a customer's special diet request, but the chef forgot to cook the dish in compliance with my request on behalf of the customer. I really could not do anything about it but listen to the customers' complaints patiently and respectfully. And then I took the dish back to the kitchen where I was blamed again that I did not tell them earlier, but I was sure I did. I was not happy as well. The chef recooked the dish and I brought it back the customer. (Female, 20, Employee)

The second coding "Correction" in the corrective responses sub-category is described by both customers and employees as receiving/providing a correction when the customer complains about the restaurant in many cases. In the following quotes, participants mention about the restaurant responses in relation to "Correction".

The air conditioning system was working but it was still quite hot because the restaurant is very spacious. A customer complained about it. The waiter apologized and moved him to a table closer to the air conditioning system. (At about 12:40 pm, 18th June 2016, From Direct Observation)

I was careless and forgot to delete the dish on the bill that customers did not want anymore, which brought inconvenience to them. When I recognized the failure, I immediately asked the cashier to change the amount of the payment and returned to the customer with a correct bill. (Female, 21, Employee)

The third coding "Paying a visit" in the corrective responses sub-category is described by employees as paying a special care visit when the customer's belongings are accidentally damaged or polluted in the restaurant. This code is uniquely and solely categorized by employees, though it is not frequent to happen in the recovery strategies. In the following quote a participant mentions about the restaurant responses in relation to "Paying a visit".

I was working in the restaurant and serving for a private room of 10 people. The customers ordered a lot of dishes that could not be easily placed on the table. Thus, I offered to replace some dishes into smaller plates. The customers were happy to agree with me. However, I was very careless to splash the soup completely on the suit of a customer when I was moving a bowl of soup in order to leave a wider space for other dishes. The customer's suit, especially the lower part of the jacket, was totally wet. Fortunately, the soup was not hot

anymore otherwise it would definitely burn the customer. I apologized to the customer who requested to see a manager on duty. The customer was very embarrassed and dissatisfied because he was having a business dinner with his clients. I felt very guilty about what I had done. The manager on duty offered a 20% discount on the bill and to waive the 15% service charge. Furthermore, the manager decided to send the jacket to a special laundry for a dry clean and would personally deliver this jacket to the customer's home. The customer agreed the resolution of this awkward accident. Eventually, my manager and I together delivered the cleaned jacket to the customer's home and apologized sincerely again. The customer was satisfied with the service recovery. (Female, 21, Employee)

The only coding in “Managerial response” sub-category is managerial intervention, this is described by customers and employees as receiving/paying a special attention from a management staff in the restaurant. When the waiting staff could not solve the failure promptly, the customers normally would request a presence of higher-ranking employees. Customers want to feel that the restaurant really pays attention to their failed service encounters. Therefore, managerial intervention is an efficient way to mitigate customers' perception towards the service failure. In the following quotes, participants mention about the restaurant responses in relation to “Managerial response”.

A customer found out that a dish served was not the dish he ordered and asked the waiter to change it. But the waiter was impatient and told the customer that was not his mistake. The customer was very upset with the waiter's manner. And then, the customer called the manager who apologized and corrected the failure. (At about 18:35 pm, 15th May 2016, From Direct Observation)

A customer was drunk and he could not speak and listen probably. He asked me for a glass of beer, I asked him what beer he would like to order, he just said a beer. We generally serve 5 kinds of beer at different prices therefore we would ask the customer before bringing it. However, he could not listen to me at all. I brought him the cheapest one that he did not like, and then he complained about it to my manager who solved the problem. (Female, 20, Employee)

Six codes classified in “Compensatory” sub-category in restaurant responses are discount, service charge deduction, complimentary fruit platter, complimentary gift, complimentary beverage and coupon. The compensatory is a recovery strategy that restaurant would not be willing to apply at the beginning stage of handling the service failure due to its cost. However, when the failure severity reaches a certain degree, the restaurant has to utilize

this method in order to satisfy a customer. Nevertheless, the compensatory measure is not always effective, especially when the customer cannot experience a sense of justice during the process of receiving the compensation for service recovery.

The first coding “Discount” in the compensatory sub-category is described by customers and employees as receiving/providing a discount when the service failed to reach the customers’ expectations. The description collected implies that the more deduction on the bill the customer gets when a failure occurs, the higher satisfaction will be received by customer. In the following quotes, participants mention about the restaurant responses in relation to “Discount”.

I was extremely angry about a waiter who almost smashed the menu on our table in front of us, and left no words. The waitress seemed distracted from something, and she was very rude. We could not accept her attitude and behavior. And then I complained directly to the manager. She changed his attitude later. I also informed the manager on duty regarding what I had experienced so that the manager decided to offer 10% discount for us. (Female, 23, Customer)

I found a cockroach in the duck head when I was serving it on the table for the customers. The customers saw it as well, and were so irritated and scared. They did not eat the rest of the dishes at all, and then they requested to see a manager on duty who finally agreed to offer 20 percent discount, but it was very obvious that the customers were not happy and left the restaurant shortly after. (Female, 20, Employee)

The second coding “Service charge deduction” in the compensatory sub-category is described by customers and employees as deducting 10-15% service charge when the customer strongly complains about the service. A 10% service charge applies to every table in the public dining hall and 15% service charge to the private dining room. Service charge deduction is a common way of making customers satisfied in this restaurant. The service charge in social catering industry in China is very difficult to be well-recognized by people because most of the restaurants in China have no service charge system. Likewise, tipping is not a common behavior. However, Quan Ju De restaurant is one of few Chinese restaurants that applies this charge. Therefore, as long as the service quality cannot meet the customer’s expectations, this service recovery strategy will have its influence in mitigating the service failure. In the following quotes, participants mention about the restaurant responses in relation to “Service charge deduction”.

I asked the waiter many times to bring the wine list for me, but I did not get it until we

nearly finished our cold dishes. I felt so annoyed by this. Finally, I refused to pay the service charge which was approved by a senior employee in this restaurant, but I was still not happy with the dining experience (Female, 24, Customer)

I was too busy to notice the chef pertaining to the special diet requests from a customer. We have a computerized system to send the order through to the kitchen, but I was not very proficient in using it. The customer was so disappointed and rejected to pay the service charge. I was very upset as well, and I felt I needed to learn more about the computerized system in the restaurant. (Male, 20, Employee)

The third coding “Complimentary fruit platter” in the compensatory sub-category in restaurant responses is described by customers and employees as receiving/providing a free fruit platter to mitigate the customer’s anger regarding the service failure. Fruit platter is a very popular dessert served at the end of a meal in Chinese restaurants, which most people enjoy. However, the price of the fruit platter on the menu is normally very high, conversely the cost of the fruit is comparatively low. Therefore, on the one hand, serving complimentary fruit platter will make customers feel that the restaurant paid attention to their problems due to its high price on the menu. On the other hand, the fruit will not cost a lot to the restaurant so that it will not terribly suffer from the profit loss. In the following quotes, participants mention about the restaurant responses in relation to “Complimentary fruit platter”.

I did not understand that we needed to pay extra for the side dishes and sauce, because other restaurants serve this roast duck with no extra charge for sauce and pancakes. I asked again the waitress who did not even wanted to talk to me anymore and then left to other tables to serve. I was very disappointed about the service quality. I could not accept it so that I complained it to a senior employee in this restaurant who offered a big portion of complimentary fruit platter for us. (Female, 43, Customer)

The fourth coding “Coupon” in the compensatory sub-category is described by customers and employees as receiving/offering a roast duck coupon when the severity of service failure is high. Coupon in this restaurant is similar to a cash voucher that could purchase a set of roast duck to take away, and this coupon does not allow customers to exchange for cash or use for in-house dining. Normally, when the restaurant uses the coupon in order to recover the service failure, the failure must be very severe and difficult to solve. In the following quotes, participants mention about the restaurant responses in relation to “Coupon”.

When the chef was slicing the duck, we saw the blood coming out. It was apparent that

the duck was not cooked well. I really do not understand how they had training in cooking roast ducks. Ironically, when the chef replaced the uncooked roast duck with a newly cooked one, it was still slightly uncooked, which made me furious. I was really irritated at that point. I directly complained to a senior manager who apologized and offered discount and a coupon to us. (Male, 29, Customer)

I was trained to open the white wine at the table for the customers. But the customer asked me open it in the ice bucket. I was very confused and still opened it on the table as how we were trained. I did not understand why the customers were so dissatisfied and gave me a lecture of opening white wine. I was not happy to learn it. I was trained opening it on the table. I really blame it on our training class of wine service. Moreover, I was really sorry that I spilt a little wine on the table while serving it. The customer was not happy at all and told my manager what happened. My manager provided a coupon for them as compensation. The customer asked if they could use this coupon this time, the answer was “no” from me. They seemed very disappointed. (Female, 20, Employee)

The fifth coding “Complimentary gifts” in the compensatory sub-category is described by customer and employees as receiving/giving a souvenir as a gift for the customer who encounters a minor service failure. The complimentary gift is normally an artwork of the roast duck model made of plastic which is a lovely souvenir. This complimentary gift generally is given for the VIP customers or extremely nice customers who treat employees respectfully, but for some minor service failures, this gift is a good cure for customers who are not satisfied regarding the service. From the data collected, this service recovery is only focused on the service aspect in service failure. In the following quotes, participants mention about the restaurant responses in relation to “Complimentary gifts”.

I booked a table in advance, because the dinner was very important for me, I was taking my girlfriend out for dinner. However, when we arrived at the restaurant, the table we got was very small. I was not very happy about it. At the end of the dinner, the waiter packed a gift bag for us to mitigate the dissatisfaction. (Male, 24, Customer)

Once, I was too busy to serve 5 tables by myself at the same time. Our restaurant was under staffed at that day. I really wanted to help, but I could not control the situation. I do not think I was the one who should be blamed, however, the customers were not happy at all. Finally, our manager decided to offer a gift bag for each table in order to mitigate the service failure severity. (Male, 20, Employee)

The sixth coding “Complimentary beverage” in the compensatory sub-category is

described by customers and employees as receiving/providing a free beverage when the service failed to reach the customers' expectations. Generally, low cost tea such as chrysanthemum tea, jasmine tea or green tea and concentrated juice would be considered as the best choice for the complimentary beverage. An alcoholic beverage was not found in the data as a service recovery for compensating customers. In the following quotes, participants mention about the restaurant responses in relation to "Complimentary beverage".

I have been waiting for 40 minutes just for a table. Even worse, the table we got was not big enough for 4 people. I complained to the waiter who nicely offered us a pot of chrysanthemum tea that could be shared and refilled for the four of us. It was a nice offer from the waiter in order to let us feel fair enough for seating at this small table. (Female, 26, Customer)

The customers had been talking for a very long time before eating the dish that I had served a while ago. I told them to enjoy it while it was warm, but they did not care. They complained that the food, especially the roast duck, was completely cold. I took the dish back to the kitchen to heat it up and brought it back to the table. At that time, I was told by my manager to prepare a pot of chrysanthemum tea for the customers who had complained about the cold dishes. (Female, 19, Employee)

Two codes classified in the "Salary deduction" sub-category are deducting the staff salary and deducting the managerial staff salary. Salary deduction as a punishment was identified from the data only by employees. The punishment result will be directly informed to the customer who had experienced the severe service failure by phone. The objective of this punishment is to warn employees that good service should be always offered. The data collected clearly shows that the salary deduction is from 100 Yuan (about 13 euro) to 500 Yuan (about 65 euro) depending on the severity of the service failure and the responsibility direct or indirect towards the failure. The direct responsibility will be punished stronger than indirect encounters. However, from the data, the salary deduction is rare.

The first coding "Deducting staff salary" in the salary deduction sub-category in restaurant responses is solely described by employees as deducting a certain amount of salary in order to punish employees on duty who directly cause the service failure, which will let other employees understand that they should always provide good service to customers; otherwise the punishment will be implemented. In the following quote, participants mention about the restaurant responses in relation to "Deducting staff salary".

Once I was on duty to serve a private room for 10 people in the restaurant. The

restaurant was not busy at the time. However, when the roast duck was served the chef was pushing a service cart with a roasted duck on the cart. The chef looked very confused and impatient. And then, an unbelievable action happened that the chef was furious and threw the duck on the floor and left away. I was shocked as well as the customers. The customers were very frightened and called to see the manager on duty. As far as I know the chef was punished with a salary deduction of 500 Yuan (about 65 euro) and a written warning. (Female, 20, Employee)

The second coding “Deducting managerial staff salary” in the salary deduction sub-category is also solely described by employees as deducting certain amount of salary in order to punish the management group on duty that indirectly has caused the service failure. Deducting managerial-staff salary is to emphasize the importance of teamwork spirit in order to balance the staff’s perception towards the sense of impartiality. In the meanwhile, the managerial staff has a strong responsibility to train the employees’ skills on the job and keep the smooth daily operation in the restaurant. Thus, the punishment of the managerial staff is considered as a recovery strategy. Furthermore, the punishment will directly be informed to the customer who has encountered the service failure in order to make customer feel that the service recovery is fair enough and the company pays much attention to customer’s service. In the following quote, participants mention about the restaurant responses in relation to “Deducting managerial staff salary”.

I was working in the group service center that receives complaints and compliments. Once, I received a phone call from an emotional customer complaining that one of the waitresses had been extremely rude to them in the restaurant. She mentioned that the waitress, who was absolutely impatient and irreverent, took the order with no explanations to their questions regarding the dishes. In addition, the dishes were served in a very terrible manner. The waitress heavily placed the dishes on the table with no introduction. What is more, one of the hot dishes was not served until the customer nearly finished the meal. The customer called the service center when she was still in the restaurant. The restaurant general manager handled the complaint and apologized to the customer sincerely and explained about the employee’s trainee status who had been only one month on her job. After this incident, I collected the report from the manager; it indicated that the waitress on duty was fully responsible for this service failure and 500 Yuan (about 65 euro) was deducted from her salary and 200 Yuan (about 25 euro) was deducted from a supervisor on duty and 100 Yuan (about 13 euro) was deducted from a senior manager. (Female, 20, Employee)

The only coding identified from the “Criticism in the meeting” sub-category is the “Restaurant announcement”. The restaurant announcement is a method to notify all the employees that good service quality should be provided at all times. The service failure caused by employees is important to be learned by all the employees and the announcement is to warn the employees that this service failure should not happen again. Furthermore, although this service recovery is an indirect method, the management team will report the result to the customers who encountered the bad service by phone. This sub-category was solely collected from employees’ data. In the following quote, participants mention about the restaurant responses in relation to “Restaurant announcement”.

There were 8 people in a private room when I was serving. A set of Quan Ju De roast duck includes 1 whole duck, 2 drawers of pancakes, 4 plates scallion and 4 plates sauce. All of these were written carefully and clearly on the menu. I did not specifically mention it when they were ordering. However, the customer thought they could add on these items at no extra cost. When I told them that there was an extra charge for adding more sauce they complained that the sauce was not enough for 8 and then complained about me to my manager. The customer complained that my service attitude was not warm and patient. I had two private rooms to look after, I was hectic to satisfy all customers at the same time. Moreover, I was a trainee and had started this job for just one month. The manager deducted 50 Yuan from my salary as a punishment. I felt it very unfair. Moreover, I was criticized in our staff meeting. It was very embarrassing and a shame to be named in this issue. (Female, 20, Employee)

Interestingly, it seems that Quan Ju De restaurant preferred to respond to a failure with a combination of recovery strategies rather than offering a single solution. The following anecdotes clearly show the different types of recovery strategies and how the restaurant combines them when responding to a failure with a bundle of offerings.

I was working in the restaurant and serving for a private room of 10 people. The customers ordered a lot of dishes that could not even squeeze on the table. Thus, I offered to replace some dishes into smaller plates. The customers were happy to agree with me. However, I was very careless to splash the soup completely on one of the customers’ suit when I was moving a bowl of soup in order to leave a wider space for other dishes. The customer’s suit, especially the lower part of jacket was totally wet. Fortunately, the soup was not hot anymore otherwise it would definitely burn the customer. I apologized to the customer who requested to see a manager on duty. The customer was very embarrassed and dissatisfied because he was having a business dinner with his clients. I was very guilty about what I had

done. The manager who on duty offered 20% discount on the bill and do not charge 15% service charge. And the manager decided to send the jacket to special laundry for a dry clean and would personally deliver this jacket to the customer's home. The customer agreed the resolution of this awkward accident. Eventually, my manager and I together delivered the cleaned jacket to the customer home and apologized sincerely again. The customer was satisfied the service recovery. (Female, 21, Employee)

4.5 Post-Complaints Evaluations and Outcomes' Types

The last key category of this research findings emerged as customers' post-complaint evaluations and behavioral outcomes. The narratives of study participants showed that post-complaint evaluations of complainants are related to two dimensions of their justice perceptions, perception of justice and outcomes that are shown in Table 4-5 and Figure 4-5. The first sub-category of post-complaint evaluations and outcomes is perception of justice. There are two codes identified from the data collected, interactional justice and procedural fairness (Tax. et al. 1998; Smith et al. 1999; Patterson et al. 2006; Wang et al. 2011; Ha & Jang, 2009).

A conceptual model was conducted in order to illustrate a clearer image regarding Post-Complaints Evaluations and Outcomes' Types. Figure 4-4 shows the above details.

The first coding in the perception of justice sub-category is "Interactional justice", which is described by customers as customer's perception of justice that is related to the interaction with the server or manager during and following the voicing and recovery episodes of a complaint, especially whether the person to whom the complaint was addressed is inattentive or disregarding. Interactional justice (Tax. et al. 1998; Smith et al. 1999; Patterson et al. 2006; Wang et al. 2011; Ha & Jang, 2009) focuses on the interpersonal treatment received during the complaints or service failures process. It involves the manner in which information is exchanged and outcomes are communicated. The restaurant customers form their perception of interactional justice by relying on their evaluations about quality of interaction with the server, manager, or service center representative at whom the complaint was addressed, depending on their belief whether he/she was inattentive or disregarding during and following the voicing and recovery episodes. In the following quote, participants mention about the post-complaint evaluations and outcomes in relation to "Interactional justice".

Table 4-5 Categories and Sub-categories of Post-Complaint Evaluations and Outcomes' Types

Main Category	Sub-category	Codes	Short Description from Customer's Perspective	Short Description from Employee's Perspective
Post-complaint evaluations and outcomes	Perception of justice	Interactional justice	Customer's perception of justice that is related to the interaction with server, manager, or service center representative during and following the voicing and recovery episodes of a complaint, especially whether the person at whom the complaint addressed is inattentive or disregardful.	N/A
		Procedural justice	Customer's perception of justice that is associated with the procedure of complaint especially whether the customer can easily manage it and obtains an immediate result.	N/A
	Outcomes	Satisfaction	Customer's level of (dis)satisfaction derived from the recovery offered by restaurant following a complaint.	Customer's level of (dis)satisfaction derived from the recovery offered by restaurant following a complaint.
		WOM (Word of mouth)	Customer's positive or negative word of mouth endorsements depending on his/her satisfaction with recovery received or overall meal experience.	N/A
		Pre-patronage	Customer's revisiting or switching behavior depending on his/her satisfaction with recovery received or overall meal experience.	N/A

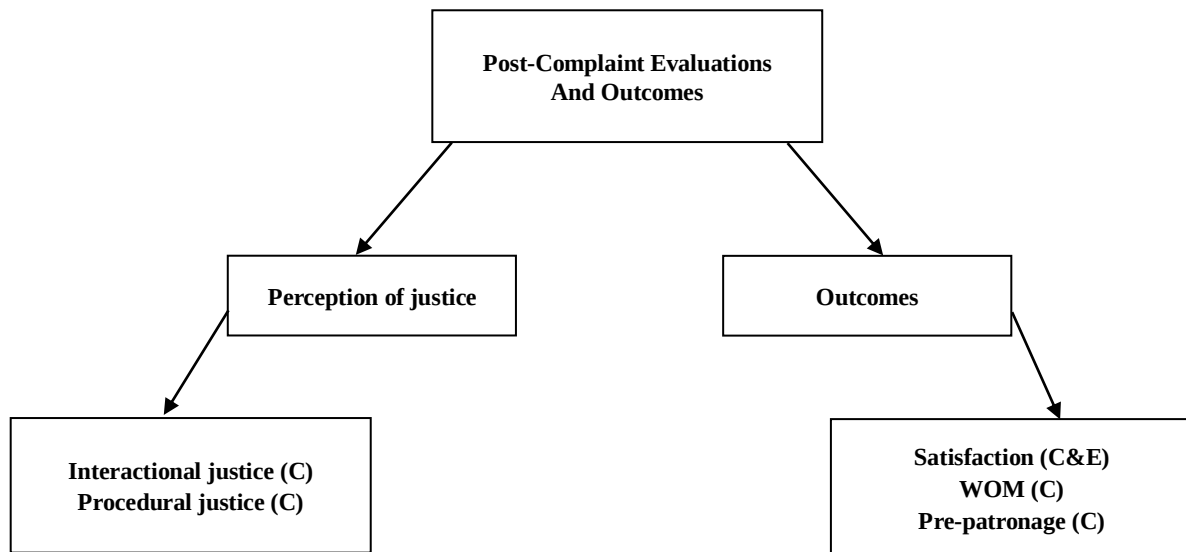


Figure 4-5 Conceptual Model of Post-Complaints Evaluations and Outcomes' Types

I asked a staff where the restroom was. Surprisingly, he had no idea where it was. I complained directly to him that “you are working in here, how come you do not know where the restroom is?” The waiter responded emotionlessly that “I am new, I do not know, go to ask somebody else!” Therefore, I had to ask another one. I was very disappointed about the service in this restaurant. (Female, 23, Customer)

The second coding in the perception of justice sub-category is “Procedural justice”, which is described by customers as customer’s perception of justice that is associated with the procedure of complaint especially whether the customer can easily manage it and obtains an immediate result. Procedural fairness refers to the policies, rules and timeliness of the complaints or service failures process. Procedural justice, which involves the means by which decisions are made and conflicts are resolved (Leventhal 1980; Lind and Tyler 1988; Thibaut and Walker 1975). In the following quote, participants mention about the Post-complaint evaluations and outcomes in relation to “Procedural justice”.

Obviously, a famous restaurant would always bully its customers. The waiter was not happy that I did not order expensive dishes. Should two people order a lot of dishes? The waiter had been unhappy for our whole dining experience. The dishes were served very slow. I complained the service to the waiter who handled it carelessly taking a long time to respond. It was a disaster. I had never had this kind of torture dining experience. (Female, 25, Customer)

“Outcomes” as another sub-category in the post-complaint evaluations and outcomes main category are reported by study participants with three major behavioral outcomes. They are satisfaction, word-of-mouth (WOM), and/or re-patronage following their post-complaint evaluations

The first coding “Satisfaction” in the outcomes sub-category is described by customers and employees as customers’ level of (dis)satisfaction derived from the recovery offered by the restaurant following a service recovery strategy. However, not every customer will agree and be satisfied with the service recovery strategies applied by the restaurant and focused on their service failures. Despite the effort a restaurant may make, some customers still are not content when a food safety failure occurs. On the contrary, other customers will feel satisfied when the right or combined service recoveries are implemented. In the following quotes, participants mention about the post-complaint evaluations and outcomes in relation to “Satisfaction”.

Although I was a regular customer, I would never come back again after this dining experience. I was having a bowl of soup with a piece of hair. I complained it to the manager directly who offered us a fruit platter in which I was not interested. I requested to deduct the 10% service charge. The manager agreed and apologized to us sincerely. After the service recovery, I still feel not satisfied. The food safety was terrible. (Female, 24, Customer)

The second coding “WOM” is described by customers as positive or negative word of mouth endorsements depending on his/her satisfaction with the recovery received or the overall meal experience. Especially, when customers from other places in China encounter a service failure, they would negatively tell their story to others. Ironically, local customers who encounter bad service would strongly and negatively report it to others as well. In the following quotes, participants mention about the Post-complaint evaluations and outcomes in relation to “WOM”.

We were 7 people in a private dining room in the restaurant, we ordered a portion of fried duck breast dish (cannot remember the name), It was a very little portion, I think it was just for 2 people to share. The waiting staff did not inform us in advance. It was very embarrassing, because it was my treat for my friends. The portion of the dish made me stingy. I would definitely tell my friends about it and not recommend this restaurant to any of them! (Male, 24, Customer)

The third coding “Pre-patronage” in the outcomes sub-category is described by

customers as customer's revisiting or switching behavior depending on his/her satisfaction with the recovery received or the overall meal experience. Pre-patronage is analyzed basing on the theory of service recovery paradox (Etzel & Silverman, 1981; McCollough & Bharadwaj, 1992) which described that service recoveries could build loyalty quicker than if no failure had occurred. Moreover, Liao's (2007) field study demonstrated dimensions of service recovery paradox which are: making an apology, problem solving, being courteous, prompt handling and positively influencing customer satisfaction. On the other hand, an inappropriate response or no response to a service failure complaint will magnify a negative evaluation, also referred to as "double deviation" (Bitner et al. 1990; Hart et al. 1990). In the following quotes, participants mention about the Post-complaint evaluations and outcomes in relation to "Pre-patronage".

I had been waiting for about 1 hour just for getting a table. I have never waited that long in a restaurant. I was not happy at all. I complained it to the manager who took it seriously. The manager was very polite and helpful and offered us complimentary tea while explaining the reason why we had to wait for long time. At that point, I nearly forgot that we waited for 1 hour to get the table. What I could think about was the manager who was extremely nice to us. I will come back here again for dinner. (Female, 26, Customer)

I was having a bowl of soup that contained a piece of hair. I complained it to the manager directly who offered us a fruit platter which I was not interested at the end of the meal. The manager did not apologize to us sincerely in my perspective and I still did not feel satisfied. The food safety was terrible; I will never come back to this restaurant again and. I will also tell others about what we experienced. (Female, 24, Customer)

4.6 Summary

In this chapter, we analyze the data from five different aspects for both employees and customers. In the first aspect, five subcategories were found in the category of service failure types, and 25 codes were discovered in five subcategories. It is intriguing to compare the perspectives between employees and customers so as to know the real cause of the service failure. For example, when customers complained that their special diet requests were not reached such as low sugar or low salt, a service failure occurred. However, customers do not know the cause of the problem. The direct comparison between the two perspectives suggests that a better training should be provided for the staff and a system should be deeply

considered in order to avoid this problem.

Besides, the service subcategory in the first aspect was designed and analyzed in a new sequential system which followed the procedures of service tasks in the restaurant. Through this system, the restaurant management team could easily detect the failures' source and quickly tackle it in the training process. This sequential system that categorizes the service failure could be a good way for future researchers to test and apply because it is closely connected to the daily operation in restaurants.

In the second aspect, two subcategories were found in the category of initial evaluation types, and 13 codes were discovered in two subcategories. It is interesting to comprehend from the data that mandatory service charge will increase the service severity in customer's initial evaluation since there is not a tipping culture in the context of Chinese restaurants. In addition, over trained personnel can be an attribution of a service failure which we could not find in previous research. Some staff may have been trained to promote certain beverages in order to gain commission which may be a good point both for customers and employees. However, if the staff advises customers to order drinks regardless of the customer's decision, this is an attribution of a service failure.

In the third aspect, two subcategories were found in the category of complaint behavior types, and 5 codes were discovered in two subcategories. It is found that most customers tend to use a hierarchical approach to make the complaint in the restaurant. When their complaints are not probably handled by the restaurant, they are more likely to write negative comments on social media or emails to the company. From the data, the "voicer" type of complainer is the most common. A small number of "irate" and "activist" customers were discovered due to the high service severity. Besides, "Passives" have not been found in this study because the design of our research only targeted "voicer" participants.

In the fourth aspect, seven subcategories were found in the category of service recovery types, and 16 codes were discovered in seven subcategories. The data indicate that direct recoveries are as important as indirect recoveries. Direct recoveries can immediately mitigate the influence of the service failure, such as food replacement or discount. However, indirect recoveries can be considered as a system thinking which affects the restaurant in a long run. For example, if an employee is criticized in the staff meeting due to some severe service failure caused by him or her, other employees observe it and will know the consequence if this service failure is repeated again so that they will try their best to avoid it and improve their service quality. Furthermore, if the service failure severity reaches a very high level, the

employee's salary will be deducted, and the punishment will be made known in the staff meeting and to customers as well in order to warn other employees and comfort customers.

In the last aspect, two subcategories were found in the category of post-complaints evaluations and types of outcomes, and 5 codes were discovered in two subcategories. In this aspect, only two justices (interactional justice and procedural justice) have been found, although a large number of studies regarding justice theory have found three justices: 1. interactional justice, 2. procedural justice and 3. distributive justice (Sparks & McColl-Kennedy, 1998; Tax et al. 1998; Smith et al. 1999; Ha & Jang, 2009; Wang et al. 2011). Nevertheless, in fact, even though the restaurant tried any possible way to recover the failures, most of the study participants unfortunately did not make very clear and precise assessments regarding whether the compensation they received was fair or not. Therefore, it was not likely to discover a specific category as distributional justice.

However, the remaining findings in this aspect are consistent with previous studies (Sparks & McColl-Kennedy, 1998; Tax et al. 1998; Smith et al. 1999; Ha & Jang, 2009; Wang et al. 2011; Yunus et al. 2012; Ozdemir et al. 2015).

In the next chapter, we are going to illustrate the conclusions, future research directions and limitations of the thesis.

Chapter 5: Conclusions and Recommendations

5.1 Conclusions

In the past, massive attention has been paid to comprehending the factors of service failure, complaint behavior, and service recovery strategies in many different forms in the restaurant industry, such as in fast food, chain or hotel restaurants. However, there has been lack of evidence supporting the theory from Chinese time-honored restaurants. Therefore, this thesis is a pioneer research into taking a deeper look at the service failure, service recovery and process of customers' complaint behavior in Chinese time-honored restaurants in order to enhance the service quality and complaint handling ability so that restaurants (and in particular, Chinese time-honored restaurants) may not only attract more domestic but also foreign customers in order to disseminate Chinese traditional food and beverage culture. Particularly, this thesis presents empirical evidence that demonstrates unique service failures and recovery strategies which have an impact on the decision making of restaurants in handling service failures and offers contributions to existing literature. Furthermore, the study also follows a conceptual model in which restaurant customers' complaint behaviors (voice) are connected to their evaluations of failures and recovery processes, and the results are meaningful and significant for similar styles of restaurants as well as for any other restaurants in the catering industry.

There are two sections – service failure and service recovery – in this empirical research model. The thesis focuses on identifying service failures and recovery strategies, while constructing a framework in the process of voicing a complaint in Chinese time-honored restaurant settings.

Within the prior described framework, one of the most important findings of the current thesis is the identification of different types of failures in a particular time-honored restaurant – Quan Ju De Qian Men Beijing – in Beijing, China. According to the findings the main service failure types in the Quan Ju De Qian Men restaurant were classified as food, service, ambience, problematic customers and language barriers. In fact, the first

three types of these findings are almost in complete consistency with previous studies. From the prior research, there are three major failure categories identified: food, service, and atmosphere within restaurant experiences (Weiss, Feinstein, & Dalbor, 2004; Ozdemir et al. 2015). To be more specific, previous studies regarding service failures in the catering industry also recorded specific failures experienced by restaurant customers such as product defects or food/beverage spillage, incorrect temperature, slow service, out of stock, unclear policy, dishes not delivered orderly, facilities problems, seating problems, wrong order, lost order, mischarged, and inappropriate employees' behavior (Hoffman et al. 1995; Mack et al. 2000; Nguyen & McColl-Kennedy, 2003; Hoffman et al. 2003; Ok, Back, & Shanklin, 2006; Yang, 2005; Silber et al. 2009; Tsai & Su, 2009; Chua, Othman, & Abkarim, 2010; Namkung & Jang, 2010; Ozdemir et al. 2015; Hoffman et al. 2016) and categorized them into three main factors as food, service, and ambience (Susskind & Viccari, 2011).

However, the last two types (problematic customers and language barriers) identified in our research have rarely been singled out in other studies excepting the research conducted by Biter et al. (1994) who demonstrated that problematic customers are one of the service failure types when judged from the employees' perspective. In this thesis, problematic customers were key to service failure from the employees' point of view. It is deemed that the wrongdoing or problematic behavior from a customer can be a very critical factor that causes service failure. Furthermore, to our best knowledge, the "defrauder" as one problem customer type coded in this sub-category has never been identified in previous research. The "defrauder" features an interesting social phenomenon whereby some Chinese customers deliberately add foreign objects into the dishes in order to blackmail restaurants so as to benefit from the compensation that may be offered. Customers who have wrongdoing behavior will lead to the accumulation of anger and negative emotion in employees so that they cannot perform well on duty.

Language barriers as a sub-category of service failure, especially concerning natives of the same country, is also a completely new factor that we could not find in other studies. This unique factor may inspire researchers who study linguistic theories and may consider integrating applied linguistic studies and service failure and recovery studies in order to conduct new perspectives in this field. The evidence of this study shows that language

barriers may cause severe service failures. Two codes have been classified: regional dialects and foreign languages. Quan Ju De Qian Men restaurant is very famous for serving Peking roast duck that is considered one of the most popular Chinese delicacies in the world. Therefore, it is a typical tourist restaurant not only serving people from all over China as well as people around the world. However, Chinese language has many different dialects that may cause misunderstandings in explanations and may prompt customer dissatisfaction. In the meanwhile, a large number of foreign tourists usually go to this restaurant every year in order to experience the famous and popular Peking roast duck. Therefore, the language barrier is a serious issue for both customers and employees as many mistakes made by employees lead to a very low level of satisfaction.

Previous research has often investigated the predictors of complaint behavior and specifically studied the hidden rationale of restaurant customers' choices when voicing their complaints (Cheng, Lam, & Hsu, 2005; Cheng and Lam, 2008) and linked the behaviors of complainants with their sociodemographic characteristics (Heung & Lam, 2003; Kim & Lynn, 2007; Sujithamrak & Lam, 2005) rather than concluding and devising the process aspects of complaining, which has been a purpose in this thesis.

Besides that, very few previous studies have concentrated on studying Chinese time-honored restaurants. It is a breakthrough to have a deeper understanding of the types of service failure and service recovery in this specific type of restaurants. The unique service failure types indicate that service recovery strategies should be implemented in a particular instead of in a generalized way. Although substantial research (Hoffman et al. 1995; Mack et al., 2000; Nguyen & McColl-Kennedy, 2003; Hoffman et al. 2003; Yang, 2005; Ok et al. 2006; Silber et al. 2009; Tsai & Su, 2009; Namkung & Jang, 2010; Chua et al. 2010; Ozdemir et al. 2015; Hoffman et al. 2016) has studied the classification of service failure types and recovery strategies, few has made comparisons between the perspectives of customers and employees. This is also the focus of this thesis where it was found that, when the same occurrence is considered, employees emphasize more subjectively the attribution of the failure while customers focus on the failure more objectively.

Another crucial finding of our research is related to customers' and employees' initial evaluation of the failure prior to voicing a complaint. Failure severity and attribution are

key factors that were found to determine whether customers will complain or not. This thesis also shows how customers and employees assess the severity of a failure and how they attribute its causes to the restaurant and others. Furthermore, if customers perceive that the severity of the failure is high and blame the restaurant, then, they are more likely to complain directly at the restaurant instead of doing it at a later time or elsewhere. This finding supports the findings of previous studies (Mattila & Ro, 2008; McQuilken & Robertson, 2011; Ozdemir et al. 2015). Additionally, our study contributes to the literature with evidence that uncovers factors of failure severity (company, frequency of past visits, restaurant's reputation, failure recurrence, recommendation and service charge) and attribution (workload, understaffed service, undertrained staff, over trained staff, underpaid staff, customer's inappropriate behavior and lack of teamwork spirit).

The thesis also demonstrates that Quan Ju De Qian Men restaurant's customers use five different ways to voice complaints: complaining to the server, complaining to the manager, complaining to the service center by phone call, complaining by Email and third-party complaint. It is intriguing to find that voicing a complaint may follow a hierarchy that begins with the server, and then continues through manager and/or group service center if an expected outcome cannot be achieved with the former subject of complaint. From this research, a new finding revealed that social media comments (third party) edited by customers through the internet can be considered an efficient channel in order to voice complaints. Some customers are not willing to voice their complaints directly in the restaurant (Sujithamrak & Lam, 2005; Wei et al., 2012) especially when they are with their guests (e.g. business partners, friends, relatives) as well as if they are paying the bill, as this would show that the dinner they organized is a disaster. In such instances and in order to keep face, customers prefer to voice their complaints anonymously through third party dining guide websites or mobile apps instead of complaining to the restaurant directly.

In addition, the thesis exposed that Quan Ju De Qian Men restaurants respond to a complaint in a variety of methods such as: apology and explanation, food replacement, service correction, paying a visit, managerial interventions, discounts, service charge deduction, complimentary fruit platter, coupon, complimentary gifts, complimentary beverage, free of charge, deducting staff salary, deducting managerial staff salary and

restaurant announcement. The restaurant also responds to a failure by using a combination of recoveries rather than solving it by a single one. Previous research (Bitner et al. 1990, Bitner et al. 1994; Hoffman et al. 1995; Mack et al. 2000; Nguyen & McColl-Kenedy, 2003; Hoffman et al. 2005; Ok et al. 2006; Tsai & Su, 2009; Chua et al. 2010; Namkung & Jang, 2010; Yunus et al. 2012; Ozdemir et al. 2015) is consistent with this particular finding.

However, this thesis also revealed three new findings of service recovery strategies. One of them is to inform the customers who encountered a failure in the restaurant that the wages or salaries would be deducted from the employees who have been directly (waiting staffs) and indirectly (managerial staffs) involved in the failure incident in order to emotionally improve the customers' sense of justice. In addition, another new finding in this thesis is the "restaurant announcement", which means that the restaurant will inform all employees of the occurrence in the ordinary employee meeting in order to warn all employees that the failure should not happen again. The third new finding is "paying a visit to the customer's home." This new finding is unique and rare and is especially used when the service failure is extremely severe and compensations or other combinations of recovery strategies cannot mend the problem. The data showed that paying a visit is a very effective method to mend the problem and it is the sincerest way to show the willingness that the restaurants want to retain the customers' loyalty.

Finally, another important finding is that two perceptions of justice – interactional justice and procedural justice – were formed. Additionally, the thesis also demonstrates three behavioral outcomes – satisfaction, WOM, and/or re-patronage – following post-complaint evaluations of customers. This finding is consistent with the findings of the service recovery paradox reported in previous studies whereby researchers indicated that customers who receive a good remedy or a combination of remedies after a service failure will have improved satisfaction levels and will increase the rate of revisits and positive recommendations (Leong & Kim, 2002; Warden et al. 2008; Susskind & Viccari, 2011; Ro, 2015). The findings in this thesis also support previous findings regarding the service recovery double deviation theory according to which an inappropriate response to a service failure complaint will magnify a negative evaluation. (Bitner et al.1990; Hart et al. 1990).

Over time, a great deal of attention has been paid to justice theory (interactional justice, procedural justice and distributive justice) within academia as a theoretical framework for service recovery (Sparks & McColl-Kennedy, 1998; Tax et al. 1998; Smith et al. 1999; Ha & Jang, 2009; Wang et al. 2011). Nevertheless, in this thesis only two types of justice – interactional justice and procedural justice – have been found. In fact, even though the restaurant tried any possible way to recover failures, most of study participants unfortunately did not make very clear and precise assessments regarding whether the compensations they had received were fair or not. Therefore, it was not possible to discover a specific category as distributional justice. In our perspective, the first reason why distributional justice as a separate category has not been found in the data might be because the study participants who received satisfactory recovery did not make any evaluation about whether the recovery was impartial. Secondly, the study participants who received dissatisfied recovery might not have a chance to compare it with other similar situations. Based on this incomplete information retrieved from the data, we have opted for excluding justice theory from this thesis.

In a word, in this thesis we have mainly concentrated on identifying service failure categories, service recovery categories in the Chinese time-honored restaurant Quan Ju De Qian Men. As a conclusion of the findings, a new method of coding the service category of service failure encounters has been proposed, which consists in a sequential coding system that provides a better understanding of failure sources. This is particularly useful to enhance training programs for employees. Besides, new service failure categories and recovery strategies have been identified which provides contributions to the existing literature.

5.2 Limitations and Academic Recommendations

As a qualitative research, some limitations are inherent to this approach. First of all, interpretations can be varied because multiple meanings might be hidden in the texts (Graneheim & Lundman, 2004; Ozdemir et al. 2015). Besides, researchers have different experiences and abilities which may affect the interpretation of the texts so that the understanding of a scenario may be distinct. Furthermore, in this thesis, an existing theory

used in a deductive way to study the service failure and recovery has some limitations. Due to the deductive approach, researchers might particularly seek for evidence that strongly supports the theory rather taking a deeper consideration regarding other non-supportive data. Therefore, in the future, researchers could combine qualitative and quantitative data to analyze a similar issue, and multiple researchers could cross examine the data in order to consider all aspects in the context.

Another limitation of this thesis might be in relation to the source of the thesis data, which were collected from only one Chinese time-honored restaurant. Although the number of respondents is sufficient to study the issue, more similar restaurants should be studied so as to better comprehend the phenomenon. In the future, researchers might investigate more time-honored restaurants in the same group company in order to examine the precision of the data. Researchers may also conduct a comparative study regarding this issue, examining two different time-honored restaurants so as to understand the differences.

Most of the current studies regarding this area concentrate on service failure, recovery strategies and complaint behavior from both customers' and employees' perspective, which is also the focus of this thesis. Few studies have concentrated on the management of complaints from the restaurant perspective (Hoffman et al. 2016). Many service companies have their own process of handling complaints, however, how effective the process/steps/procedures of handling complaints are, can be an intriguing issue to be thoroughly studied in the future requiring researchers to conduct a field study through interviews and observations and questionnaires during a longer period of time in both qualitative and quantitative ways.

Moreover, few studies regarding service failure and recovery are associated with linguistic studies. The evidence in this thesis particularly points out the dilemma that language can be a problem that leads to service failure. The limitation is that the amount of data regarding this issue should be enlarged so as to give more supportive evidence in the future. For instance, because there are different ways to say the same thing in every dialect in every language, thus linguistic experts might be able to find out some commonalities in different dialects in Chinese languages in order to enable employees to better communicate with customers who speak different dialects. Therefore, we

recommend other researchers could focus on linguistic studies when investigating the service failure.

Finally, cross-cultural service failure and recovery research pertaining to time-honored restaurants could be a new opportunity when thinking about similar studies in the future. For instance, in terms of cultural differences, to conduct a comparative study between a restaurant with over 100 years' history in China and Portugal may provide novel information in relation to service failure and recovery.

5.3 Managerial Recommendations

In a word, this study also indicates many managerial recommendations. First, managerial employees of the kitchen section in the catering industry should not only focus on preparing delectable food with artistic presentation, but also provide food with health consciousness. Second, the sequential coding system for service category of service failure types in this study could be applied in all full service restaurants in the catering industry in order to enable managers to have clear mind regarding the sequence of the service procedures so as to tackle the failures specifically. Third, management level should pay special attention to situations when customers complain about foreign objects in the food because it might be a fraud. Fourth, Chinese Mandarin and service English training could be carried out for all level of employees in order to provide better service for people from different parts of China and the world. Fifth, deducting service charge might be a fair solution to mitigate the service failure severity for customers since tipping culture is not part of Chinese culture. Sixth, paying a visit as a service recovery strategy can be used for some special cases so as to bring highly positive influence on restaurants reputation. Seventh, multiple service recoveries are better than only implementing a single service recovery when dealing with service failures. Last but not least, this study illustrates a complete process of conducting complaints base on perspectives from both customers and employees, which can be crucial for managers in the catering industry to know clearly what steps of this process they are in and how to tackle the failures in an appropriate manner.

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Appendix

问卷调查 Questionnaire

尊敬的女士/先生:

您好!我是电子科技大学与葡萄牙里斯本工商管理大学合作管理学博士项目的一名博士研究生,正在进行一项关于中华老字号服务失败与补救措施的研究,希望通过以下问卷得到您的帮助。回答问卷约占用您十分钟的时间,问卷答案并无“对”与“错”之分,您只需按照真实看法和感受,在适当的选项上打勾及描述细节即可。问卷采用不记名方式,本人承诺您所填写的内容仅供学术研究之用,请放心填写。

对您的热心协助和支持,本人表示衷心感谢!

服务失败指的是:在您餐过程中所遇到的不满意的方面。

服务补救指的是:在您对服务产生不满之后餐厅做出的补救措施。

1. 您有没有去过全聚德前门餐厅就餐? Have you had meal in Quan Ju De Qian Men Restaurant? 有 Yes ☐ 没有 No ☐

2. 您在全聚德前门餐厅就餐过程中有没有遇到过服务失败? Have you encountered service failures in Quan Ju De Qian Men Restaurant? 有 Yes ☐ 没有 No ☐

性别 Sex: 男 Male ☐ 女 Female ☐

年龄 Age: _____

教育背景 Education Background:

大专 College Diploma ☐ 本科 Bachelor Degree ☐ 硕士 Master Degree ☐ 博士 Doctor Degree ☐

来自国家 Nationality: _____

3. 请您具体描述出服务失败的细节:

Please describe the details in relation to service failures:

4. 请您具体描述出对该服务失败的感受评价:

Please make your evaluations about the failures

5. 您是否对服务失败投诉? Have you complained about it? 有 Yes ☐ 没有 No ☐

6. 如果有, 请您具体描述出服务失败后, 您是通过什么方式进行投诉的?

If yes, please depict how and who did you report or complain about the failures?

7. 请您具体描述投诉后, 餐厅是如何进行补救的:

Please describe which measures the restaurant took to recover from the failures:

8. 请您具体描述出对服务补救的感受?

Please describe how did you react to complaint handling and recoveries in the restaurant.