Exploring the Effects of Service Recovery Strategies in the Electricity Supply Industry in Zimbabwe

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This study has been necessitated by challenges encountered in the electricity supply sector that has affected service delivery with high costs borne by the consumers. The authors attempt to address these challenges by way of service recovery. Literature shows that service recovery strategies can help organisations mitigate service failure effects. A positivist approach was taken to fully describe the events and data collected on the relationships between customer satisfaction and recovery process. The authors drew information from a sample of 384 respondents. Findings revealed that the power utility company used as a case study does not promptly attend to the following problems; power cuts that relate to non-critical sectors, dead connections and that the customers receive estimated bills before they are connected to pre-paid meters. The study therefore concludes that the power utility has failed to implement service recovery strategies effectively to reduce the effects of service failure.

INTRODUCTION

Service recovery is crucial to the survival of any business organization whether for profit-making or not-for-profit making. Failure by an organisation to meet customer expectations on services can contribute to a rise in customer complaints, spread of negative word-of-mouth and increase in litigations (Lovelock, Patterson and Walker 2007). The electricity supply sector in Zimbabwe pins its success from the supply of power to the urban and rural household consumers, manufacturing sector, retailing, mining and farming, local and district development sectors. The supply of electricity has been erratic and intermittent that consumers usually get less or no supply of power at peak period which brought challenges to the power supply utility and the disgruntlement of the consumers.

Zenke (1999) cited in Zeithaml, Bitner and Gremler (2009) asserts that dissatisfied customers may relate bad experience with the service provider to other people, thus eroding potential patronage, trust and commitment of the consumer. Gronroos (2003) recognized that once a service failure occurs, it becomes crucial that service recovery, be effectively carried out to reduce the damage in relationship and to pacify the dissatisfied customer. In view of this, Kau and Loh (2006) coined that effective service recovery has an effect on customer satisfaction compared to a service that had been correctly performed on the first time.

Researches were carried out in the global arena on service recovery with a variance in focus and scope. In Ghana Akwensivie, Narteh and Affun (2013) carried research on service failure, recovery and
recovery outcomes in the Ghanaian Banking Industry from the customer’s perspective to determine whether recovery measures adopted by the banks in response to failure were adequate in leading to customer satisfaction. Huang and Hailin Qu (2011), focus their research on evaluating the effects of compensation and interpersonal communication on airline passengers’ response after service recovery in the United States.

Nilsson and Sandberg (2010) also carried out their research whose purpose and scope was on exploring if it is possible for Swedish grocery retail companies to create emotional loyalty by effective service recovery and to understand how dissatisfied customers act and to use that knowledge to further explore how negative attitudes can be transformed into positive ones. Most of the researches were mostly engineering related and there is little research found in Zimbabwe through online journals on marketing related topics. Kaseke (2013) carried out research in the electricity supply sector focusing on the emergence of electricity crisis in the country, response reform and cost implications. Kaseke and Hosking (2012) also carried out research in the electricity supply industry directing their effort on establishing the estimated costs of load shedding to the mining sector in Zimbabwe. The researchers found out that poor state of electricity supply in Zimbabwe has imposed huge cost (cost of production) on the mining sector.

The regulatory authority in the energy industry-Zimbabwe Energy Regulatory Authority (2012) had studies on cost of service for electricity supply industry focusing on determining the cost of service for the electricity value chain in the generation, buying, transmission and distribution and supply of power using an agreed tariff methodology (www.zera.co.zw). Other researches carried out in Zimbabwe were mainly focused on co-generation of power through investment in the sugar industry (Mbohwa 2002 and Nyamuzihwa 2000) to offer a bridging and realisable alternative for electricity generation in Zimbabwe.

The Zimbabwe electricity supply sector falls under the ministry of Energy and Development mandated with the prime function of supplying power public, domestic, industrial and commercial consumption. Figure 1 illustrates the structure of the ministry under which the electricity supply sector is currently working under and the functions under the ministry whose roles will be briefly discussed to have an appreciation of the mandate of the players in the electricity supply industry.

The Zimbabwe electricity supply industry is currently under the Ministry of Energy and Power Development (MEPD). The Ministry is mandated to formulate policies, instigate performance monitoring and regulation of the energy sector, as well as research and promotion of new and renewable sources of energy and energy conservation. The sector is governed by the Electricity Act of 2002 which prompted the restructuring and unbundling of Zimbabwe Electricity Supply Authority (ZESA) into subsidiary companies under armpit of ZESA Holdings. The Zimbabwe Power Company (ZPC) is responsible for all generating stations and power supply to the transmission grid, Zimbabwe Electricity Transmission and Distribution Company (ZETDC), ZESA Enterprises responsible for projects, and Powertel which provides communication services to both the successor companies and the general public. The ascension of the Rural Electrification Fund Act [2001] saw the birth of the Rural Electrification Agency (REA), mainly responsible for grid extension in rural areas and for supplying specific institutions, such as schools, clinics, government offices, and community-initiated projects. ZERA is responsible for the enforcement of policies and the formulation of such policies in conjunction with the ministry.

Capacity of Power Generated by ZESA

Electricity is generated through hydro-power and thermal power stations dotted around the country including Kariba Hydro-power station which has the capacity to generate 750MW per month, Hwange Thermal-power station (920MW), Bulawayo Thermal-power station (90MW), Harare Thermal-power station (80MW) and Munyati Thermal-power station (80MW) and all having the installed capacity of 1 920MW (ZETDC Report 2013). The country has been endowed with the indestructible power of the land where conventional energy sources for electricity generation of coal, hydro, coal-bed methane are in abundance including the solar radiation and wind. However, the supply of power has been intermittent owing to the age of the plant(s), lack of constant maintenance and unsteady supply of coal (Kaseke 2013). In preceding years, the company has failed to generate enough energy to meet demand. ZESA produced an estimated 1 200 kWh in 2013, while demand has been estimated to be at 2 100kWh (ZESA Report
In general, the power generation capacity in Zimbabwe is too small to meet demand. Figure 2 shows the deficit between supply and demand from 2010 to the projected supply-demand level up to 2030.

The deficit in electricity supply made the power utility to import electricity from surrounding countries including South Africa-ESKOM, Mozambique-Cahora Bassa, Democratic of Congo and Zambia. The effort by ZESA in expanding and maintaining stage II-units 5 and 6 at Kariba station in 2007 forced the company to borrow US$40 million from Namibia Power utility (NamPower) with a damning close in the agreement of making repayment through the supply of 150MW for 5 years. The settlement increased shortages to the domestic supply and load shedding has been used on a routine basis since the utility has been struggling to meet an estimated demand of 2100MW (www.zesa.co.zw).

**Pricing Structure for Electricity Services**

ZERA is responsible for the setting of pricing policies in consultation with the Ministry of Energy and Power Development determining the standard tariffs to be charged for electricity consumed. The current structure separates residential consumers who pay a fixed charge and a variable increasing band charge based on the level of consumption. The charges give a subsidy of one US cent per kWh for the first 50kWh per month for all residents. This may imply that if a consumer does use power for lighting, have one plate stove and a wire-less radio can pay for electricity at the given rate. Research by ZERA has shown that current rates being charged by the utility are low against the backdrop of an estimated economic cost of service provision of 9.8 US cents per kWh (ZERA Study 2012).

**Nature of Electricity Consumption**

Consumers have been using different sources of power and according to the Zimbabwean Report on Rehabilitation and Recovery in the Power sector (2011), wood and coal use accounted for 47 percent, coal and coke 21 percent, motor fuels 20 percent and electricity 12 percent. An estimated 81 percent of households in urban are connected to the grid and 10 percent of the rural households had access to electricity in 2009 (ZESA Report 2010). The estimated number of customers account holders with the Transmission and Distribution company as at February 2014 stands at 640 000 (National Control Centre 2014). In the rural, the Rural Electrification Agency (REA) had managed to connect 6 083 rural centers across the country including 1 523 primary schools, 580 health clinics, 888 secondary school by October 2010 (REA Report 2013) and the number is predicted to be more than that at the time of this research. At least 222 mini grid solar systems have been installed at remote rural schools and clinics.

**Challenges in the Zimbabwe Electricity Supply Industry**

The challenges faced in the electricity supply sector are somewhat derived since the whole Africa’s power sector has faced many challenges including under investment, lack of infrastructural facilities which has resulted in insufficient generation of power, inadequate supply and rising fuel prices leading to high production costs (African Development Bank Group 2013). The sector in Zimbabwe encounters non-settlement of large bill arrears especially by government, large commercial, industrial and domestic consumers yet there is growing demand of the same product (ZESA Report 2013). The country has a staggering electricity debt owed to the regional power utilities with other members of the Southern African Power Pool (SAPP) cutting power supply (Kaseke 2013).

The sector had been crippled with financial constraints owing to non-cost reflective tariffs, collection inefficiencies and vandalism and/or thefts (Kaseke, 2013). The industry lost experienced staff in the last decade which culminates in the delivery of sub-standard performance, lack of maintenance and rehabilitation that have eroded the capacity to meet demand and snail pace in the improvement in the billing system. The challenges drove the utility to be characterised by power interruptions through load shedding, faults and power cuts; over-billing of accounts; loss through injury or death due to coming into contact with live electricity cables and electrocution and damage to property as a result of fire and; malfunctioning of pre-paid meters. The above mentioned problems bring misery to the already crippled companies who are equally facing viability problems because of liquidity crunch that has been
experienced at national level and the unavailability of economic enablers like electrical power
Confederation of Zimbabwe Industries (CZI) Survey Report, (2013). ZESA challenges are by no means a
novelty.

The utility is in dire need of recapitalization in order to give a new lease of life to its power station,
expand its electricity generation and an urgent replacement of vandalized equipment (Kaseke and
Hosking 2012). To mitigate the level of demand, the power utility provider resorted to load shedding
where schedules could be designed and published to the consumers (www.zesa.co.zw) so that they could
plan ahead of the power cuts. However, the power utility also implements unplanned load shedding where
customers can be cut outside scheduled time (see table 1) especially at peak period and encourage
consumers to use electricity during off-peak periods which are usually the weeks of the day.

Consumers of the electricity services generally raises concern about shoddy services offered by the
service provider. Consumers usually receive estimated bills on electricity consumed, incessant power cuts
that does not confirm to the load shedding schedules, inconsistence in the billing system and hic-ups in
the pre-paid metering facility (CZI Survey Report 2013). The case studies have been put forward
substantiate service failures at the power utility.

The electricity supply sector is faced with perennial power outages, vandalism, inconsistent billing
system, under capitalisation, loss of property and life through abrupt power cuts and electrocution that
seems to have brought problems in delivering the core service. In view of these challenges in the sector
the question will be “Can service recovery strategies in the sector replenish relationships with the
customers for the firms to remain competitive?”

SERVICE RECOVERY CONCEPT

Service recovery has been defined by Gronroos (1988), as the actions taken by a service provider to
address a customer complaint regarding a perceived service failure. The definition of Gronroos has been
reiterated by Zeithaml, Bitner and Gremler (2009) and Buttle (2009) who regarded service recovery as the
actions taken by an organization in response to a service failure. Piyali Pal (2011) also defined service
recovery as the process of putting things right after something goes wrong in the service delivery. Miller,
Craighead and Karlvan (2000) also contributed to the understanding of service recovery by regarding it as
actions designed to resolve problems, alter negative attitudes of irate customers and to ultimately retain
these customers; moreover, it includes situations in which a service failure occurs but no complaint is
lodged by the customers.

The above proffered definitions have common aspects and features that zeroed in on reactive stance
to failures. It is evident from the definitions that service recovery involves those actions designed to
rectify problems after service delivery process which is attributed to service failure (Zeithaml et al 2009
and Buttle 2009) and/or from disgruntled customers who may complaint after experiencing shoddy
The above definitions have a striking thesis that organizations should accept that service failure or
problems are definite and that the companies must design systems and processes to enable service
recovery management.

The definitions embrace that service recovery strategies should be instigated only after experiencing a
service failure. It has been noted with concern in these definitions that the effort will be to leap-frog the
actions to only solve challenges bedeviling the company after service failure. The cited definitions imply
that service recovery paradox should be viewed as a reactive activity which surfaces only after
encountering service hic-ups. The definitions should have as well adopted a pro-active stance where
service failure will be nipped at the bud stage, (Skinner et al 2008 and Meuter and Michel 2008) than to
adopt a laisser-faire attitude which may prove costly when organizational resources are committed towards
service recovery.

Miller et al (2000) had added zest to the definition by incorporating that it can include situations even
if no complaint is lodged. The definition gives leverage on trying to cover the uncovered although there is
little proof as to how the service recovery can be employed if customers opt not to raise an alarm.
Although Zeithaml et al (2009) and Meuter and Michel (2008), gave their definitions that are pinned on service failure, they also argued that, even though they believe that the service recovery is a parsimonious and pragmatic strategy, in the long run the astute strategy is to ‘doing it right the first time’.

In view of the definitions analysed above and for the purpose of this study the definition by Zeithaml et al (2009) has been considered, but a chunk has been added (the word “prevent”) so that the definition recognizes the pro-activeness of service recovery. The working definition of service recovery for this study therefore, has been partaken as “the actions taken by the organisation to prevent and respond to service failure”.

Service Recovery Practice

Bamford and Xystouri (2005) in Nilsson and Thurow (2010) expounded that service recovery arises when customers experience dissatisfaction (Zeithaml et al 2009) with the service providers’ service delivery. The main purpose of service recovery has been to redress and replenish relationships with dissatisfied customers (Gronroos 2008, 2007, 2004, 2003). Service recovery serves to make customers satisfied regardless of service failures and if possible to maintain customers as well as creating long term profitability instead of creating short term cost saving (Gronroos 2008: 130). The practice focuses on managing complaints and a strategy to handle errors, failures and problems in maintaining customer relationships after a service failure.

Firms should not only make frantic effort to ensure quality service all the time but embark on measures to recover from errors or problems when they emanate (Kotler and Keller 2009). Related researches have shown that dissatisfied customers could wreak havoc; be rebellious and become mercenaries to the organisation (Chokera and Dube 2011, Tschohl 2010, Vesel and Zabkar 2010, Kau and Loh 2006 and Harari 1997). The dissatisfied customers can negatively affect the morale of the boundary staff, gossip negative word-of-mouth and destroy the bottom-line of the organization (Tschohl 2010). Service recovery if well-orchestrated can turn angry customers into loyal ones which call for the organization to provide good services when recovering from service mistakes (Brown 2000) which makes it easy to handle than recovery from multiple service failures (Michel, Bowen and Johnston 2009). The reputation of the organization can improve after customers experienced excellent service recovery process.

Prospect theory suggests that excellent service recovery process will become a masculine tape to protect the organization from negative outcomes of service failures (Nikbin, Ishmaili, Manimuthu and Abu-Jarad 2011). However, the organization must avoid scenarios where service recovery efforts will outweigh the benefits of doing business with the customers. Service recovery should not be done at the expense of productivity and profitability especially where customers may be overcompensated after a service failure (Michel et al 2009). Research has shown that service recovery can convert disparaged customers into loyal ones (Kotler and Keller 2010). Kotler and Keller also added that, companies should take measures not only to provide good service every time but also to recover from mistakes when they occur.

Service Recovery Elements

Service recovery according to Spreng et al 1995 (as cited in Johnston and Michel 2008:89) has been branched into customer recovery, process recovery and employee recovery to achieve the ultimate financial performance goal. These elements are the enablers of service recovery in order to get maximum results.

Customer Recovery

Customer recovery holds that the company should be highly empathic, make frantic effort to acknowledge; apologise; fix the problem and give an assurance and where necessary compensation (Johnston et al 2009). Buttle (2009) argues that recovery processes on customers should encompass the nature of the loss experienced by the customer and try to come up with an effort that matches the kind of the loss. In view of the above statement, Worsfold et al (2010) augment that customers who experienced
financial loss expect to be compensated financially; those who experienced loss of a social resource prefer to receive psychological, social or symbolic recognition as part of the recovery strategy.

**Process Recovery**

Research has it that process recovery is focused on improving systems and processes of recovering a disgruntled customer (Gummesson 2008, Lovelock et al 2007). However, prescribes that organisations should invent the use of technology to allow the customers to exercise independence in finding solutions and solving their own problems (Hoffman and Bateson 2010) unlike having the paranoiac approach to spend effort as an organization to improve the systems and processes that will be implemented from the firm’s point of view (Gummesson 2002).

**Employee Recovery**

Employee recovery deals with the nurturing of employee behaviour that is critical in the customer service recovery process. Employees should be trained on how to effectively handle problems to enhance improved knowledge of the situation and the role they play in service recovery (Zeithaml et al 2009). Apart from training research recommends that employees should be empowered in their areas of responsibility to make decisions that will facilitate quick recovery (Buttle 2009). Pal Piyali (2011) argues that employees being the corner stone to service recovery should understand the life time value of their customers so that they accord these same customers the appropriate treatment and focus on building long lasting relationship with those customers that keeps them in business.

The posits by Zeithaml et al (2009) and Buttle (2009) that employees should be trained and empowered on the roles they should play in service recovery has been countered by Piyali (2011) whose conclusions of employee recovery processes where inclined differentiated treatment that matches the life-time value of the customer. However, Kotler (2010:303) and Strydom (2011) had other ideas in-addition to Spreng et al (1995) by recommending pro-activeness and planning as other enablers or elements of effective service recovery apart from training. However, Kotler (2010), Strydom (2011) and Spreng et al (1995) cited in Johnston and Michel (2008) concurred on the development of skills and empowerment of employees in the development of solutions to customer problems.

It has been noted that employees should be given autonomy in making decisions in their respective work environments to facilitate quick and effective handling of service recovery process. Employees should have bounded empowerment when serving disgruntled consumers in-order to increase the chances of building long last relationships from the same customers who have experienced service failure (Marshall, Nguyen and DeWitt 2008). Firms should try to limit the negative ‘spillover’ from the employees to customers (Michel et al 2009). When employees perceived the treatment that they get as unfair, the tendency is usually to engage in behavior that will further dent the relationship with customers.

**HOW SERVICE FAILURE ARISES**

Gronroos (2007) manifested service failure as a breakdown in the delivery of service; service that does not conform to the customer expectations. Service failure occurs when the experienced service does not match the expected service (Zeithaml et al 2009 and Nilsson and Sandberg 2010:190). Though, Kim, Kim and Kim (2010) shows that service failure from a customer perspective relates to a perceived service-related problem or where something has gone wrong in the acquisition and consumption processes. Service failure increases the chances of risk of failing in attempting to win back the disgruntled customer.

Service failure as professed by Mostert, De Meyer and Van-Rensburg (2009), is inevitable since there is human involvement in the service production and consumption as well as the inseparability and intangibility of the services. This was also reiterated by Buttle (2009) that service failure occurs because of many different reasons that lies in the technical and functional service quality; the company and the customer. Recent research shows that today’s customers are becoming difficult to please hence that
challenge is now of delighting and ‘wowing’ them to enjoy top-of-mind-awareness not just meeting their expectations (Pal Piyali 2011).

The customers usually consider the zone-of-tolerance between delivered service and adequate service. Service recovery when applying the above principle is likely to be fruitful if the service failure is being dealt with for the first time not when the customer experienced the same service failure for more than once (Michel et al 2009). Zeithaml et al (2009) on the other hand included the unavailability of promised services as the major contributor to service failures. Service delivery in the firms may degenerate into service failure when customers report on fault services but getting assistance may be highly delayed and at a snail pace compounded by half-baked service and rude or uncaring employees. Gronroos (2007) argued that the company should manage service failure even much better than only to spent effort on managing service quality.

The company should attach meaning on the response of the consumers to service failures and appreciate how service recovery replenishes the customers’ relationship with the organization (Diamantopoulos and Schoefer, 2008). Service failure may be due to the delivery system failure which Bitner, Booms and Mohr (1994) cited in Skaalsvik (2013) stressed will be as a result of employee responses and problematic customers’ behaviour. It has been noted that employee responses can take different dimensions to service delivery system failure like service failure that occurs in the offering of the core service, failure to recognize the needs and requests of the customers and unprompted and unsolicited employee actions.

**Reaction of Customers to Service Failure**

Research shows that customers develop different emotions following service failure including discontent, disappointment and verge of anger, self-pity, and at times anxiety (Zeithaml et al 2009). Fitzsimmons and Fitzsimmons (2006) cited in Akwensivie, Narteh and Affum (2013) found that some customers may complain after encountering a problem which presents the organization with the chance to recover. Customers may engage in behavior directed against the organization that culminates into customer deflection and attrition (AuBuchon 2012; Chokera and Dube 2011; Zeithaml et al 2009; 2006, 2003); negative word-of-mouth (Gronroos 2007, Kau and Loh 2006); decrease in employee morale and performance and dissatisfaction with the service provider (Skaalsvik 2013, 2011, Tschohl 2010 and Bramford and Xystouri 2005). The spread of negative word-of-mouth has a damning impact on the reputation of the organization which negatively affects business continuity.

Fornell and Wernerfelt (1957) cited in Pal Piyali (2011) concluded that service failures and failed recoveries are a leading pack of customer switching behavior and therefore, well-executed service recoveries are a panacea to enhance customer satisfaction, building customer relationships and preventing customer deflections. Research has it that, although customers may choose to switch service providers for some reasons, service failure and poor service recovery are often the cause of such behavior (Zeithaml et al 2009). Akwensivie et al (2013) further argued that, although service failure has the potential to destroy customer loyalty, the successful implementation of service recovery strategies may prevent the defection of customers who have experienced a service failure. Service recovery that proved to be rich in experience and credence qualities allows customers to take time to adapt to it and once they are accustomed to the service provider they are likely to spread a positive word-of-mouth and tend to purchase more over a period of time (Pal Piyali 2011).

**Service Recovery Process**

The organization has to follow recognized steps in instigating service recovery. Heskett, Jones, Loveman, Sasser and Schlesinger (1994) developed a process that encompasses the identification of the service failure before resolving the customer problems to realize satisfaction from both customers and employee and maintain loyalty from the same stakeholders. The organization should make frantic effort to clarify and communicate service failure; integrate data and improve the overall service to gain satisfaction and loyalty from individual customers and employees in order to realize the overall goal (profit) of the organisation.
An effective service recovery could result in a win-win situation for the customer and the organization (Ngai, Heung, Wong and Chan 2007 and Magnini, Ford, Markowski and Honeycutt Jnr 2007) and is crucial for the preservation and improvement of customer satisfaction (e-Cunha, Rego and Kamoche 2009). The illustration below depicts the image of the service recovery process as developed by Heskett et al (1994). Research suggested that service failure and service recovery provides a platform for the organization to communicate commitment to the consumers/customers and cement bonds (Parasuraman, Zhu and Sivakumar 2004). However, inadequate response to service failures will amount to double deviation from service delivery promises that may counter customer satisfaction (Michel and Meuter 2008).

It has been observed that customers who experience a recovery episode that surpass the service recovery expectations are definitely more satisfied (Bolton and Smith 1998 in Michel et al 2009) than those who experienced just a satisfying initial service encounter without failure (Kandampully and Kim 2010). It has been noted that service recovery process is vital to customer evaluations. Customers are usually bandaged to the recovery and highly observant of the service recovery than when experiencing normal services (Parasuraman and Berry 2004). Bitner, Booms and Tetreault (1990) in Pal Piyali (2011) added that customers are also incensed by the organisation’s failure to excellently recover than the service failure itself.

**Service Recovery Strategies**

Researches have shown that service failure is inevitable (e-Cunha et al 2009, Lovelock et al 2007, Bramford and Xystouri 2005, Lewis 2001), at times errors do occur hence service recovery action is required to combat the problem and restore customer satisfaction (e-Cunha et al 2009). Service recovery strategies should be employed when errors like server-based and customer-based have took their toll order (Ghasemaghaei and Shahin 2010 and Tax and Brown 2000, 1998). Server-based errors encompass incorrect performance by the service provider, treatment and tangible dimension of the service. Service recovery results according to Lovelock et al (2007, 2004) is dependent on the severity and recoverability of the failure, for instance where an individual would have the highest degree of burns or amputation of limbs due to coming into contact with naked electricity wires, the relationship might take long to replenish.

The severity and nature of the service failure will definitely influence the recoverability of the failure. The above case assist in determining the work that the company should input after recording such a failure which cost precious life of the employee who happens to be a breadwinner not only to the nucleus family but to some extent the extended family. Compensation if it is to be considered by the organisation as a recovery strategy, then the heated argument will be on equating the loss to the compensation given.

Success of service recovery will largely depend on the actions, decision making skills and judgment of the employees (Magnini et al 2007). Kandampully and Kim (2010) reiterated the importance of training and empowerment (bounded theory) of employees if an organisation wants to effectively deal with the service failure. Different scholars have come up with different service recovery strategies that include apology, correction, compensation, managerial intervention, exceptional treatment, follow-up, acknowledgement, and explanation (Lewis and Spyrrakopoulos 2001, Miller et al 2000, Tax et al 1998, Hoffman et al 1995, Johnston 1994, Kelley et al 1993 and Bitner et al 1990 all cited in Ghsemaghaei and Shahin 2010).

The organisation should avoid the adoption of the “one-size” fit all approach to service recovery but to employ policies that are unique to each service failure and that allows flexibility on the part of employees involved in the recovery process (Kandampully and Kim 2010). Zeithaml, Bittner and Gremler (2009) developed eight recovery strategies which had common aspects in it to the single phrasing strategies like compensation, apology, explanation, acknowledgement to the use of phrases to fully outline what actions should be taken to mitigate the failure including acting quickly, encouraging and tracking complaints, failing-safe the service, cultivating customer relationships, treating customers fairly, learn from lost customers, learn from recovery experiences and providing adequate explanation.
Organisations should embark on programmes that ensure the customers get desired outcome anyway and later revisit its own systems, processes and procedures to avoid the occurrence of the same problem in the near future. Service recovery strategies if well executed will provide the organisation with an opportunity to retain the same customers which is supported by the fact that keeping customers who have experienced failures becomes considerably more profitable than to try to recruit new customers (Chokera and Dube 2011).

Research shows that customer retention after encountering a service failure is dependent on the ability and agility of the organisation to successfully implement recovery strategies (Piyali Pal 2011, Buttle 2009, Lovelock et al 2009). In overall, the impact of service recovery strategies is contingent upon a variety of contextual framework such as the sector of the industry in which the failure occurs, the severity of the failure, the nature and criticality of the service and the kind of the service failure.

Acting quickly entails performing without delay or promptly offering service when they are required by the customers. It has been noted that acting quickly does not only take the line of the service provider but encroaches the path of the customers where they are also expected to make prompt actions so as to limit the effects of service failure and also to assist the organisation to recover. The organisation should quickly respond to the service failure to alleviate the suffering of those affected and get on the road to recovery (Hoffman & Bateson 2010 and Smith, Dole & Martinez (2005). Time on this service recovery strategy is of paramount importance to achieve a full service recovery (Kotler and Keller 2010).

The firm should avoid delays in solving problems of the customer for this will compound their woes that may affect customer patronage. Research by Heffner, Goldman, Kirby and Kintner-Meyer (2007) in the electricity supply sector has shown that the power utilities should have automatic controls that respond rapidly to operator requests and track or correct fluctuations in the system load and generation output. Companies should not encourage and welcome complaints without having the muscle to act on them quickly as possible to avoid further customer disappointment (Pal Piyali 2011). When customers file a complaint they expect the organisation to promptly respond to the problems.

Christian Alers (2014) added that acting quickly in the energy utilities requires companies to quickly respond to the needs of the market and requirements of customers by providing direct and reliable partners that guarantees supply all the times. Research has shown that companies must be well prepared prior to the occurrence of the failure in-order to provide the best opportunity to identify those that are highly exposed to risk and to move them to safety in the shortest possible time (Smith et al 2005). Pal Piyali (2011) outlined the facets that enables the operationalization of the service recovery strategy (acting quickly) as the training and empowerment of the employees.

Training and empowerment of employees removes anxiety on the part of employees in dealing with the failure and build confidence that will give an assurance to the customer that the problem will be successfully solved. Training gives employees a better understanding of the service failure situation and the part they should play in the recovery process (Pal Piyali 2011). Employee empowerment although it may be bounded, gives employees the right to quickly respond to the problems bedeviling the customer (Kandampully and Kim 2010). Prospect theory suggests that employees must be empowered in their respective areas of responsibility to quickly process transaction (Zeithaml et al 2009).

However, it is of concern that organisations should have a recruitment policy that ensures the employees have necessary skills and/or personality to handle service failures. Research shows that electricity suppliers should have systems and procedures like the black start, replacement reserves and reactive power to allow quick reaction to service failure (Heffner et al 2007). It has been noted that there should be generation able to start itself without support from the grid and with sufficient real and reactive capability and control in system restoration.

The power utility as per the findings of Heffner et al (2007), should have reactive power support to reduce voltage collapse and cascading blackouts, have capacitors embedded throughout the grid together with dynamic reactive support in form of generators, synchronous condenses or dynamic transmission devices. Firms should ensure that quick response is considered when addressing customer concerns in-order to reduce the effects of service failure. In view of the sentiments of Heffner et al (2007), the
processes that the organisation has should enable quick decision making and not to promote red-tape when implementing recovery processes.

CUSTOMER SATISFACTION

Customer satisfaction which is regarded as an overall attitude towards a service or reaction by the customer towards the difference between customer’s expectation and what is received concerning the satisfaction of the needs is vital in service recovery processes (Gummesson, 2008). Research shows that customer satisfaction is essential in any form of business and those companies that failed to satisfy customers are likely to lose business to competition (Okunu, 2012 and Buttle, 2009). Okunu (2012) further reiterates that companies should understand the practice of customer satisfaction in order to improve or exceeds the expectations of the customers. It has been proven that satisfied customers are likely to remain loyal and continue patronising the organisation than dissatisfied customers (Skaalsvik 2013, 2011; Okunu 2012; Zeithaml et al 2009).

Kotler and Keller (2009), argues that the organisation should not only exhaust its effort on improving quality of service like acting quickly to increase satisfaction but should continuously revisit the needs and wants of the customers to ensure 100 percent satisfaction from customers. Mazur (2010, 1996) added the incorporation of the voice of the customer (VOC) and quality functional deployment (QFD) as important aspects to maintain the momentum in offering services that will continue delighting the customers. Of concern the authors (Skaalsvik 2013, 2011; Okunu 2012, Mazur 2010 and Gummesson 2008) failed to address the need to promptly respond to customer concerns especially when there is a service failure. Identifying the needs and wants of the customers and listening to the customers to develop service that commensurate the requirements of the customers alone will not succeed if the company fails to input urgency in its activities.

It has been noted that acting quickly will reduce the double suffering of the customers after service problem and at least positively influence satisfaction. The promptness in service customer after experiencing service failure, the more satisfied the customers will become and the opposite is true. Customer satisfaction should be measured to understand the key drivers of satisfaction or dissatisfaction with a service experience (Nikbin, Ismail, Marimuntu and Jalalkamali 2010). Factors that most influence customer satisfaction for a particular service are basically related to things that customers value in that service delivery including timeliness of service delivery, outcomes and fairness (Buttle 2009). Research shows that even if the organisation attempts to quickly respond to service problems, the impact of service recovery on customer satisfaction usually has been non-linear (McCollough 1992 cited in Nikbin et al 2010). In line with the above high recovery might not lead to high satisfaction while low recovery might not lead to low satisfaction (Nikbin et al 2010).

Effects of Acting Quickly on Customer Satisfaction

Research has shown that quick response to service failure reduces the double suffering of the customers and enhances satisfaction (Pal Piyali 2011). Firms should ensure that quick response is considered when addressing customer concerns in-order to reduce the effects of service failure (Heffer et al 2007). Previous researches show that satisfied customers are likely to remain loyal and continue patronising the organisation than dissatisfied customers (Skaalsvik 2013, 2011; Okunu 2012; Zeithaml et al 2009). McCollough (1992) cited in Nikbin et al (2010) argued that although the organisation attempts to promptly respond to service failure, the effects of service recovery on customer satisfaction have been linear that might lead to high satisfaction even if there is low recovery and low satisfaction while there are high recovery efforts.

Encouraging and Tracking Complaints

The concept of poka-yoking or safe-failing the delivery of services although proving to be a vital cog in mitigating costs through rework, negative word of mouth, deplorable employee morale and defection of customers; failure is inevitable due to server interface factors, processing errors and even customer
induced errors. The company should encourage and track complaints (Zeithaml et al 2009, Gronroos 2008) in order to augment other service recovery strategies like acting quickly, building relationships with customers and ensuring 100 percent quality service. DeWitt and Brady (2003) cited in Worsfold, Worsfold and Bradley (2010) argued that complaint behaviour is desirable from the perspective of service organisations; companies should encourage dissatisfied customers to voice their complaints so that the problems can be rectified and customers at the end will remain with the service provider.

Companies should not consider customers who raise complaint as mercenaries (Chokera and Dube 2011) that should be churned out; in actual fact companies should view them as the most valuable customers (MVC) who provides the company with priceless advice (Harari 1997 as cited in Nilsson and Sandberg 2010). Caruso, Conlin and Gross (2007) in their study posits that many organisations usually fail the acid test of squeezing information from customers and utilise that information for real improvements. Complaints raised by customers present the company with valuable and costless insights into the origins of the operations failures (Tax 2012). Firms that are labelled ‘award winners’ use failure data in arriving at a decision in improving service processes, harnessing service recovery with initiatives to increase future customer satisfaction (Thill and Bovee 2008).

The company should make complaining easy, be an active listener, solicit information for specific service issues from the customers to find out whether there are any gaps that need to be closed (Michel et al 2009, Meuter et al 2008,). Danilove and Hellgren (2010) and Ostgren (2005) cited in Nilsson and Sandberg (2010) have it that customers do not file complaints on issues they do not believe the boundary staff can handle. Customers usually make general judgment on the capability of the frontline staff as they seek recourse on the problems they would have encountered. Customers are likely to raise complaints on matters characterised by risk and involvement and less on relatively less expensive and fast consumer moving goods (Nilsson & Sandberg 2010 and Zeithaml et al 2009, 2006, 2003). Research shows that customers complain in anticipation of getting a positive result at times compensation and to prevent the occurrence of the same problem to similar customers in the future (Lovelock, Wirtz and Walker 2007).

Several authors among them Wiid and Diggines (2013, 2011), Mullins (2010, 2005), Zeithaml (2009), Kolb (2008) and Blackwell (2006), testified that complaint raised, typically resembles a tip of an iceberg. In line with the theory of the iceberg, the organisation should be seen hunting for problems that affect the customers during service encounter and thoroughly establish the root causes of the problems than to just deal with the complaint raised by the customer. Organisations should search for more leading evidence on other factors that could have contributed to the failure. Customers should be encouraged to make complaints on service problems since it is those customers that do not complain that are likely to switch on to other competing products (Kotler and Keller 2009, Marshall et al 2008 and Jobber 2004).

Firms should effectively handle customer complaints to build long-term relationships with the customers (Heffernan et al 2008 and Morgan and Hunt 2004). However, Harari (1997) in Nilsson et al (2010), Zeelenberg et al (2003) as well as Morgan and Hunt (1998) bemoaned the fact that the effectiveness of complaint handling is complicated and impeded by that only 5 percent to 10 percent of disgruntled customers ever bother to complain. Research has shown that companies should encourage and track complaints (Nilsson and Sandberg 2010) by telling customers how to launch a complaint and what they expect from the process of complaining and the use of technological support like the toll-free telephone call centre to handle customer complaints and establishment of complaints desk, use of suggestion boxes and subjective meetings (Nilsson et al 2010, Johnston et al 2009, Chang et al 2008 and Lovelock et al 2007).

In contrast to encourage and track complaints, Silverman and Etzel (1981) in Chang, Ju-Chung and Tseng (2008), prescribed the company to ignore complaints, make excuses, shield blame on suppliers and avoid responsibility. Contrary to the above prescription, it has been noted that customers would deflect to competing service if the organisation chooses to ignore their concerns which will expose the company to loss of business. Zeithaml et al (2009, 2006), reiterated that customers who had a bad experience with the organisation usually spread negative gospel to other people about their encounters that may result in the abandonment of the supplier. Loh and Kau (2006) added that dissatisfied complainants usually exhibit a
lower level of trust on top of negative word-of-mouth behaviour as compared to those initially dissatisfied but opted not to complain.

Zenke (1999) in Zeithaml et al (2009), also highlighted the need to effectively handle customer complaints due to the fact that dissonance may result in customers relating bad experience to ten-to-twenty other people, thus eroding potential patronage, trust and commitment of the consumer. Research shows that customers who happen to have a good rapport with the organisation are significantly less likely to complain as compared to those customers with strained relationships with the organisation (Worsfold et al 2010).

**Failing-safe a Service**

Service recovery is presumed to come into being when customers experience dissatisfaction with the actual service received from the organisation (Zeithaml et al 2009, Buttle 2009, Gronroos 2008). The suggestion has been argued by Zeithaml et al (2009) and Meuter & Michel (2008) who posit that even though they believe that the service recovery paradox exists, in the long-run the best strategy is to “doing it right the first time”. The notion has been derived from Total Quality Management guru Philip Bayard Crosby (1979) who invented the “Zero Defects” concept through his famous writing “Quality is free” and the robust approach to quality of design by Juran (1965).


The costs that the firm spent on doing the wrong things as provided by Crosby (1979) in Sharma (2011) is estimated to be 20 percent of revenue in manufacturing companies and 35 percent of operating expenses for service companies. The principle underlying service quality is ‘to do it right the first time’ (Chase and Stewart 1994 and Crosby 1979 all cited in Sharma 2011). The failure by organisations to observe the principle will culminate into damming inconveniences and result in the disruption of service delivery which has an adverse effect on customer behaviour. The firm should try to ward off pressure so that the server will avoid shortcuts and rushed work that will require rework later at the customer’s peril.

It has been proven that poor products and services cost the business in lost sales, lost customers and rework costs (AuBuchon 2012 and Bank 2000). In-addition, Sharma (2011), further alluded that companies should implement the fail-safe strategy to avoid incurring more costs and contamination of credibility and trust that could have been achieved with the customers. Service providers should examine the service operations to pick the likely pitfalls with the aim of building fail-proof service at the first time (Kau and Loh 2006). Ghasemaghaei and Shahin (2010) summed up that to balance that need for defect free service and the inevitability of service failure firms must adopt a pro-active (Centre et al 2010, Skinner et al 2008), stance so that they anticipate failures, complaints and the appropriate needs for recovery.

The failing-safe notion has deemed the Total Quality Management (TQM) inventors to recommend for Poka-Yokes (Ghasemaghaei and Shahin 2010, Kumar and Steinebach 2008 and Chase 1994) ensuring 100 percent defect free in the provision of services. Zeithaml and Bitner (2003) however, stressed that with the use of poka yokes service recovery can be deemed an irrelevant action in the organisation. In-addition to Zeithaml and Bitner’s (2003) condemnation, Sparks and Fredline (2007) argued that consumer evaluation of service depends on experiential aspects since the provision of services is spontaneous and immediate. The above argument renders the concept of zero defects to be difficult perhaps impossible (Sparks and Fredline 2007).

A Poka-Yoke has to be used with a mechanism to either prevent a mistake or defect occurring or makes any mistake or defect obvious at a glance (Ghasemaghaei and Shahin 2010). Kumar et al (2008) added that the device ensures self-checks and successive checks are applied to gain maximum feedback in the shortest possible time so that the servicing process is both understood and managed. The mechanism
of poka yokes has been designed to prevent mistakes and at times to eliminate the risk of errors (Chase and Stewart 1994). Chase and Stewart 1994 (cited in Kumar and Steinebach 2008) fingered server and customer errors that may require the involvement of poka-yokes. Customers’ perception of a service provider’s quality is usually determined by the frequency and the extent of recurring of similar problems and how the problems have been mitigated by the organisation (Ghasemaghaei supra).

It has been noted that errors that can be committed in the company may include performing tasks incorrectly and failing to observe the standard procedures in installing the major components. The employees of the organisation may be too slow in responding to the customer request. Faults when reported may take long to be attended to by the employees of the supplier of the services. It has been noted that fail-safe the service usually take the Korean theme “the park’s policy of sewing closed the pockets of the new employees’ trousers” to stop the new recruits from dipping their hands in their pockets and looking sloppy (Worsfold, Worsfold and Graham (2010). Lovelock et al (2007) added that organisations should invent physical fail-safe devices apart from the poka-yokes that control the behaviour of the customers so that the delivery of the service can be successful.

Lovelock and Wirtz (2007) highlighted that the organisation should also be concerned with the fixing of fail-safe methods for their customers at the preparation stage before the actual service encounter. Companies should provide service charter or communicate its promises (Zeithaml et al 2009 and Gronroos 2008) informing the customers on how they should access the company services correctly. Research indicates that although the immediate result of poka-yokes is that of identifying and preventing defects, the actual purpose is to modify the process so that eminent future defects are chickened out (Ghasemaghaei and Shahin 2010; Kumar, Strandlung and Thomas 2008).

In view of the poka-yokes, the firms should also include systems in place to guarantee customers of defects free services. The organisation can have quality assurance programmes like the ISO 1400 and 9000 certifications, quality teams or circles that deliberate on green areas on quality and critical incidents studies where investigations should be carried out to establish the major causes of service failure. Ofoegbu and Emengini (2013) observed that efforts should be made to block all illegal electricity connections as well as avoiding huge transmission and distribution losses. The above authors attributed poor performance to inadequate revenue collections and low tariffs and proposed that quality service in the electricity include regular supply of electricity in-order to motivate consumers and increase demand for electricity.

**Effects of Failing Safe the Service**

Failing safe the service proved to be the strategy that can only guarantee customers of a defect free service (Crosby 1979). Research shows that doing things right the first time prevents the likely problems that will cause unsettlement of the customers who usually respond by switching to other competing organisation in the event of service failure (Chokera and Dube 2011 and Zeithaml et al 2009). Sharma (2011) allude that companies that implement failing-safe strategy avoids incurring more costs and contamination of credibility and trust that could have been achieved with the customers.

**Treating Customers Fairly**

Treating customers fairly is geared at raising standards in the manner in which firms carry out business at times by bringing in changes that benefit consumers and increase customer confidence in the service delivery (Lovelock et al 2007). It is prudent for companies to pay due diligence to the interests of the customer(s) and treating the same customer(s) with kid and glove. Research has it that, customers must be fully aided to understand the features, advantages, benefits, together with the risks and costs of the products or services they purchase (Strydom 2011, Buttle 2009, and Lovelock et al 2007, 2004). Treating customers fairly requires that fair treatment of customers be considered as central to the organisational culture (Wirtz and Mattila 2004).

The company should avoid practices that result in unfair treatment to the customers like delivering products or service with latent defects or selling unsuitable products to the customers (Jobber 2010). Research has shown that treatment can be regarded as fair if customers get favourable outcomes, if the
service recovery process and interpersonal treatment has been according to customer expectations (Skaalsvik 2013, 2011, Nilsson & Sandberg 2009, Michel et al 2009 and Gronroos 2008). Service recovery outcomes, service recovery procedures and interaction treatment have a joint effect on post recovery satisfaction (Zeithaml et al 2009, Lovelock et al 2007, and Wirtz and Mattila 2004).

Research proved that companies should ensure that core consumer outcomes are evident as a result of the initiatives on treating customer fairly such as ensuring that fair treatment of customers is central to the corporate culture (Smit et al 2011; Lovelock and Wirtz 2007; Wirtz and Mattila2004), products/services are tailor made for the needs of the customers (Kotler and Keller 2009), clear communication of activities at all stages of the selling points, provide advice that will match the circumstances of the customer and that consumers should not encounter barricades when they want to switch to other service providers and file a complaint (Chokera and Dube 2011, Gilaninia et al 2011, Kandampully 2009 and Sheth and Parvatiyar 2002).

Kotler and Keller (2012) outlined that customers are concerned with products or services that ameliorates their circumstances and caters for their needs. Customers usually want justice in their complaint-handling process which according to Wirtz and Mattila (2004) include three dimensions of fairness as procedural (speed, convenience and follow-up), interactional (behaviour of service representatives) and the distributive (tangible outcomes of service recovery). Gilaninia et al (2011) supported the dimensions by elaborating the need to gain insight into the customers’ behaviour in-order to offer commensurate service or promote coordination with the customers.

Worsfold et al (2010) argued that negative effects of a poor outcome may be buffered if exchange process is perceived to be a fair and favourable one. Worsfold et al (2010) further elaborated that customers may receive inadequate compensation for a service failure (low distributive justice) but their dissatisfaction may be reduced by treatment characterised by high levels of courtesy and respect (high interactional justice). The organisation should decide on the way on how to deal with customers if service failure occurs for this have an effect on the behaviour of the customers. Research has shown that customers generally see apologising and making a sincere effort to solve the problem as fair treatment (Michel et al 2009, Nilsson and Thurow 2008). It is common cause that customers weigh their comparative sacrifices and the tangible benefits they accrue to sacrifices and actual benefits by similar customers. Customers usually apply the equity theory as advocated by Adams (1965), where customers always expect justice to prevail in the provision of service to different customers when they enjoy the same service. The equity principle advocates fair exchanges where all parties to the service failure receive outcomes in proportion to their contributions (Mullins 2009). Adams initially proposed that socially consumers perceived fair treatment in exchange relationship when there is a balance between inputs and economic outcomes. Inequity emanates from perceived exchange relationships where inputs like time, economic costs does not match with perceived service recovery tactics like cash refunds, apology or replacement.

Effects Treating Customers Fairly

Research shows that customers expect treatment that is equal to the loss they have incurred (Adams 1965) which result in customers remaining in a relationship (Kumar et al 2008) and driving customers toward partners and advocates in the ladder of loyalty (Skaalsvik 2013 and Chokera and Dube 2011). It has been noted that apart from loyalty and long term relationships; the organisation will benefit from the customers who may be recruiters of new customers by recommending the organisation’s products or service.

Cultivating Customer Relationship

Cultivating relationships with customers proved mettle on realising customer retention, repeat business, building trust and confidence (Sharma 2009, 2008; Chebat et al 2009; Sheth and Parvatiyar 1995). Gronroos (2003) indicated that customer relationships are the ‘raison de etre’ of the organisation and all efforts should be spent on building sustainable and mutually beneficial relationships with the same customers. In view of this parable, Chokera and Dube (2011) emphasised that the focus in cultivating
customer relationships should be on creating value relationships rather than value exchanges where firms should be considered as partners in providing value to the customers.

In line with the value creation Kotler and Keller (2009) noted that service providers should interact effectively with customers to create superior value during service encounters. Researches have shown that the company should involve and integrate its customers and other infrastructural partners in order to have close, interactive and long lasting relationships (Zabkar and Vessel 2009, Nusser et al 2009, and Heffernan et al 2008). Chokera, N wg enya and Njovo (2014) emphasised the importance of stakeholder co-operation in-order to cultivate long lasting relationship. Gilaninia et al (2011) also noted that building co-operative and collaborative relationships with customers seems to be a valuable way of continuously tracking the changes in the consumer patterns.

Strauss and Frost (2012) stressed the need for companies to have systems and measures that promote or attract intimacy and permanence in client-server relationships. The de-intermediation process in service delivery promotes the client-server intimacy that ultimately creates an emotional bond that will see parties maintaining and enhancing panoply relationship (Gilaninia et al 2011). Research critics the invention of the ‘fisherman’s approach’ when dealing with the customers or suppliers as well as taking customers as prisoners by increasing switching costs (Ojasalo 2001 in Chokera and Dube 2011) and left them with no option other than to get the service from the organisation even under unbearable conditions (Broderick et al 2008 and Gummesson 2002, 1993).

The company resources should be husbanded toward the accomplishment and fulfilment of the customers’ needs. A firm can improve the value of its customer base by managing and reducing the rate of promiscuity by its customers as well as increasing the longevity of the customer relationship (Chokera and Dube 2011; Westberg and Stavros 2009; Chang Hong-Sheng et al 2008). Westberg and Stavros (2009) further propounded that customer profit rate tends to increase over the life of the retained customer due to increased purchases, referrals, price premiums and reduced servicing costs. The argument brought in cycle on cultivating customer relationships by Gilaninia et al (2011) recognised the 80/20 Pareto principle where almost 20 percent of the customers generate 80 percent of the revenues of the organisation.

In support of pareto principle several authors (Chokera and Dube 2011, Zeithaml et al 2009, Lovelock et al 2007, Peppers and Roggers cited in Payne 2006) echoed the same sentiments indicating that companies should tailor programmes that match the life-time value of the customers since not all customers are equally profitable. Don Peppers and Martha Roggers (cited in Payne 2006) developed a customer typology that ranks customers using their potential lifetime value as Most Valued Customers (MVCs), Second-tier Customers (STCs) and Below-zero Customers (BZCs). Customer typology gave an upper hand to the organisation to implement cross-selling and or up-selling to a customer who proves to be loyal and committed to the company and its offerings (Gilaninia et al 2011; Chokera and Dube 2011). Adrian Payne (2006:140) specifically cited the United Electricity supplier where an observation was made to the effect that many business-to-customers organisations fail to differentiate their customer relationship management programmes at the segment level.

Companies contact each prospect with the same frequency instead of applying a level of effort consistent with the cost of acquisition and profit potential which may lead to wasted investment and cause annoyance among customers (Payne 2006). However, Chokera and Dube (2011) argued that the organisation one-way and/or the other may end up incurring costs in trying to maintain the same retained customers which may result in the relationship not mutually beneficial. At times the company needs to churn out the customers if relationships are no longer mutual and if the other party seeks concessional deals that may end up suppressing the other party in realising the fruits of the relationship.

Cultivating relationships with customers should be done with the thought of climbing the customers up the ladder of loyalty (Hill and Alexander 2003 in Chokera and Dube 2011), that entails the suspects, prospects, customers, clients, advocates and partners. Imperative research recommended companies to invest in building relationships with loyal and potentially loyal customers in order to increase return on investments (Ndubisi and Madu 2009; Ndubisi 2007). Companies should convert customers into apostles that will advocate for the good causes of the firm and avert the danger posed by mercenaries or terrorists
(Chokera and Dube 2011) who may be experts in gossiping negative word of mouth at the detriment of the company’s reputation.

Zineldin and Philipson (2007) stated that firms should focus on developing, maintaining and enhancing customer relationships over the customer life-cycle rather than spending effort on continually attracting new customers. Berry (2003) cited in Nilsson and Sandberg (2010) elbowed those companies that focuses on attracting new customers as having an intermediate approach to marketing than developing love marks (Lovelock et al 2007) with these customers so that it becomes easy to convert them into loyal customers. In addition to this, Tim (2001) cited in Nilsson and Sandberg (2010) found out that it costs five times or more to acquire new customers than the cost of satisfying and retaining the current customer.

Effects of Cultivating Customer Relationship

Building customer relationships should be used as a strategy to overcome service characteristics in particular intangibility and is recommended for credence services (Mousavian et al 2011 and Gilaninia et al 2011). Long term relationships with the stakeholders (like customers, suppliers) ultimately result in the relationship bonds that will see the cementing of relationships and overcoming promiscuity of customers from one supplier of the service to the other (Chokera and Dube 2011; Chattananon & Trimetsoontom 2009). Gronroos (2008) summed up that service recovery should serve the purpose of satisfying customers despite service failures and to maintain and if possible improve the long-term relationship to keep customers as well as realising long-term profitability instead of creating short-term cost saving relationship. Cultivating relationships with customers proved mettle on realising customer retention, repeat business, building trust and confidence (Sharma 2009, 2008; Chebat et al 2009).

METHODOLOGY

The research approach adopted is the positivist approach which sought to investigate the factors affecting service recovery strategies in the electricity supply sector. The approach uses the application of sensory threshold (sight, taste, smell, hearing and touch) to generate knowledge that can be experimented to prove or disprove the propositions and generate new theory by combining facts together to make decisions. Positivism is objective in nature rather than normative where valuable statements can be generated. The researchers attempt to look for and describe factors affecting service recovery in the electricity supply sector. The approach is an on-going process whereby positive findings form the basis for additional research. Data which does not support the theory may result in necessary revisions followed by additional testing.

Descriptive Research Design

Descriptive research design leverage the researcher on understanding accurate profile of persons, events or situations and can be used as a fore-runner or extension to a piece of exploratory research. The design casts light on the current phenomena and allowed the researchers to describe the situation more comprehensively than was possible with other designs (exploratory and causal). The research design is appropriate as the researchers managed to examine the circumstances, collect the data, analyse and interpret the data and reach at an informed conclusion.

A cross-sectional study was used; this involves drawing a sample of elements from the population of interest where the characteristics of the elements, or sample members, are measured only once. Descriptive research serves the purpose of describing the characteristics of certain groups, determining the proportion of people who behave in a certain way (For example, when a consumer files a fault report, the preceding behaviour), making specific predictions (the utilities company might want to predict the level of complaints received over a given period so that it can plan for the hiring and training of new electrical engineers, artisans and technicians), and determining relationships between variables.
Exploratory Research Design

Exploratory research had been employed to gain background information about the general nature of service recovery and the background situation in the electricity sector. The research design was bent on establishing more information about the problem and required additional information or desires new or more recent information.

The researcher has used existing relevant literature to get depth knowledge on the concept (service recovery), engage experts in the electricity industry in this particular case the electricity engineers engaged by ZESA and the regulatory authority (ZERA) who are acquainted with the necessary information on the industry and the subject under study and use of case studies that gives more insight into the problems. The case studies were related to the loading shedding and power outages challenges and the action of the affected consumers as well as the outcomes if any of the behaviour of the affected.

Sample Frame

The researchers managed to access the database of ZESA from the Head Office Distribution section were the names, addresses and telephone numbers are recorded about the consumers. The sample included all domestic and commercial consumers of electricity drawn from Harare industrial and residents. The employees were derived from departments that deal directly with the installation and transmission of electricity including Protection Unit, Billing Section, Communication, Risk and Safety and National Grid and Transmission in Harare only.

Sampling Procedure

Both probability and non-probability sampling procedures were used so that every known and unknown study unit would stand a chance to participate in the research. Simple-random probability sampling was used in order to select respondents from consumers who are registered on the national grid [account holders] from targeted locations in Harare as the study sample. The procedure requires only minimal advance knowledge of the population needed, presents easy to analyse data and compile on. The method also gave every unit of the target population an equal chance of being included in the study.

The researcher has collected data from a population that is easily accessible to the researcher. Convenience sampling was used in this research to collect information from respondents. The method allowed the researchers to use readily available respondents at their convenience, who provided relevant and meaningful information pertaining to the objectives under study. The technique enabled a large number of completed questionnaires to be collected quickly and economically from the most conveniently available participants.

Sample Size

The researchers adopted Krejcie and Morgan’s model at 95 percent significance level, to draw a sample from 128 000 consumers which stands as the population of interest, be it commercial and/or domestic. A sample size of 384 participants was drawn, of which 340 will respond to questionnaires and 44 will participate in interviews. Sample size has been adopted from Saunders, Lewis and Thornhill (2012) who set a minimum sample size of 30 for the sample size to be a true representation of the target population to select 30 employees from Harare depots as respondents.

Data Collection Procedure

- Drop-and-Pick Method

Questionnaires were personally distributed to the selected respondents’ companies and homes. An allowance of three days was given before follow ups were made. The method gives ample time to the respondents to complete questionnaires at the comfort of their homes and/or offices which increased the chances of quick responses. The questionnaires had mostly Likert scales with a 5point rating.
Interviews

- Mall Intercepts

The method was used by interviewing customers who visit the banking halls of ZESA at Megawatt buildings, Head Office and Kuwadzana Depot as they will be purchasing electricity bundles and settle their electricity bills. Participants were screened by asking filtering questions to establish whether the participant is paying the bills on behalf of somebody or own account. The researchers preferred to interview those that are paying bills for their own accounts to have a detailed account of the challenges they face during recovery.

Validity and Reliability of Research Instruments

The validity and reliability of the research questions were checked through pre-testing, and pilot surveys to check the understandability and completeness of the research questions.

Ethical Statement

The success of this research depended on the full participation from the selected respondents, where complete confidentiality and anonymity was guaranteed by including a clause in the questionnaire that the information collected would be used solely for the purpose of this research and that information collect will be kept confidential and anonymous. The researchers disclosed all the details of the research from the name of the researcher, the institutes from which the research has been instigated, and the purpose of the research. Copies of interview questions from the interviews and also completed questionnaires had been kept confidential for the duration of this study and were destroyed after.

DISCUSSION OF FINDINGS

The research yielded a 77% response rate on customers and 87% response rate on targeted employees, giving the researchers room to conclude that the results can be generalised at the end of the study since the response rate on questionnaires has been above 50 percent (Wiid and Diggines 2013).

Acting Quickly on Customer Complaints

The major finding on the aspect of the objective denotes that the power utility does not quickly attend to power cuts. 62 percent of the respondents stated that faults if reported would take weeks to be attended to by ZESA employees and 19 percent of respondents indicated that the utility company takes days to solve the faults.

Encouraging and Tracking Complaints

The organisation has been using different methods to encourage and track complaints which prove to be a welcoming strategy including the use of toll-free numbers, complaints desk and internal subjective meetings. Basing on the information collected customers resorted to different actions after encountering service failure mostly remaining loyal as shown by 28% respondents and complaining to family and 26% complaining to acquaintances.

Failing-Safe the Service

Findings revealed that most of the consumers were highly concerned with the unavailability of power through power cuts whether due to faults and/or load shedding since 89 percent showed concern on power cuts. The recovery strategy has been labelled as the most important in the electricity sector with all the employees (100%) who participated in the study. This is true since the recovery effort may fail to meet the social or economic justice in comparison to the loss/damage incurred.
Treating Customers Fairly

Findings revealed that consumers were not treated fairly when it came to compensation. Consumers related fair treatment mostly to compensation that matches the loss or damage incurred and on this a 31 percent response was recorded on lack of compensation as one of the factors that result in unfair treatment in the sector.

Cultivating Customer Relationship

The power utility has excelled in interacting with its consumers on its programmes be it communicating load shedding schedules, power cuts experienced and apologising. However, more work has to be done on empathy which recorded a total of 10 percent on excellent and 36 percent of respondents echoing that empathy of employees was extremely poor. It shows that from the consumer perspective, the power utility is insincere regarding the challenges faced by the same consumers.

CONCLUSIONS

It can be concluded that power problems in the sector are not given the same priority. Those problems that do not involve critical services are given less priority than those problems that occurred in the vital sectors of the economy. This can provide a canal to conclude that acting quickly is dependent on the criticality of the problem area. Information gathered allowed conclusion that acting on problems associated with live connections get prompt service than those with dead connections.

It is therefore concluded that encouraging and tracking complaints is an effective strategy in service recovery as the organisation will know problem faced by customers.

Failing safe is a very crucial service recovery strategy which embraces a zero defects TQM culture. However, from this research it can be concluded that the utility company had challenges in failing safe its services owing to the abrupt power outages mostly due to faults which according to respondents could be avoided.

The information gathered and analysed led to the conclusion the customers are against the fact that there is fair treatment in the industry after encountering service failure. The power utility may face a daunting task in the event of future recoveries as the above have an impact on the perceptions of the consumers who will then not play their roles in the event of future recovery process.

Due to the insincerity of the utility company and its employees as depicted in the findings; the researchers came to the conclusion that electricity consumers are not happy with the relationship they have with ZESA despite its communication efforts through media

RECOMMENDATIONS

The conclusions made allow the provision of recommendations that can be applied to mitigate the challenges faced in the electricity supply sector after service failure.

The power utility could promptly attend to power cuts due to faults or load shedding to minimise the damage that could have already caused by the intermittent power cuts.

The power utility might categorically split the manpower in accordance with the area to attend to in the event of service failure. Critical section of the economy should be given to a special section that primarily attend to the problems in that section and those that requires less priority should be allotted for other sections that may cover everyone with power problems.

The power utility may have a compensation committee that should quality looks into the causes of the problems and if need be quickly compensate than to wait for the aggrieved to seek recourse through the court which tends to rapture the image and/or reputation of the authority.

The power utility could invest heavily in training and development to try and ensure quality services are provided at the same time retain qualified staff so that there will be continuity in the provision of quality services.
The utility might fit in the shoes of the consumers by considering the plight of the consumers especially on the controllable factors like sticking to load shedding schedules unless anything beyond control occurs.

The firm may continuously regard acting quickly and failing-safe the service as the most critical recovery strategies to increase satisfaction on irate consumers. It is also prudent for the utility to integrate the five discussed recovery strategies in-order to maximise on effectiveness and efficiency.

Apart from the five recovery strategies included in this study, the sector is recommended to also employ learning from service recovery experiences, learn from the lost customers and provide adequate explanation as this according to Zeithaml et al (2009) will lead to the organisation not repeating the same problems that will affect the consumers.

AREA FOR FURTHER RESEARCH

The study on service recovery has opened a canal to see the need to investigate the area of Total Quality Management in the electricity supply sector. The study if carried out will help to trace the root causes of service failure and find possible solutions to limit the chances of service failure which in the industry bring catastrophic effects to the affected.

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APPENDICES

### TABLE 1
TIME OF USE PERIODS

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**Key**

- **P** -> Peak
- **S** -> Standard
- **O** -> Off-Peak

![Figure 1: Projected Power Supply Surplus/Deficit in Zimbabwe](image)

**FIGURE 1**
PROJECTED POWER SUPPLY SURPLUS/DEFICIT IN ZIMBABWE

FIGURE 2
WOZA MEMBERS DEMONSTRATING

Source: www.newziana.co.zw (23 October 2013)