



# Understanding The Impact Of Gestures To Mitigate The Negative Impact Of Service Failure

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## ARTICLE INFO

## ABSTRACT

This research paper delves into the significant role that gestures play in the context of service recovery tactics, exploring how they affect brand perception, customer happiness, and loyalty development. This study embarks on a journey to uncover their profound influence on forming customer perceptions after instances of service failure by engaging in a thorough exploration of a variety of gestures, including polite interactions, compassionate responses, active listening, and efficient service delivery. The study carefully examines the nuanced ways that various gestures affect emotional regulation, drive customer satisfaction levels, affect retention rates, direct online suggestions, and word-of-mouth referrals by using a meticulously designed approach. Customer satisfaction plays a crucial part in the inquiry which is considered as a key element that shapes repurchase intentions as well as loyalty. The study reveals particular behaviours through an empirical analysis that directly increase customer satisfaction, such as politeness and nice interactions, demonstrating their significant ability to improve the entire service recovery experience. Parallel to this, the research reveals deeper implications, showing how actions like empathy and engaged listening may develop good impressions through other channels even when they don't directly affect consumer satisfaction. This study provides organizations with practical knowledge to modify the service restoration paradigms by illuminating the nuanced subtleties of gesture dynamics in service recovery. Utilizing the consequences of this research, businesses may respond to service lapses with precision, tailoring their actions to the requirements of their customers. This comprehensive understanding equips companies to plan memorable client encounters, build long-lasting bonds, and solidify their positions in a cutthroat industry.

**Keywords:** Service recovery, gestures, customer satisfaction, emotional regulation, brand perception, repurchase intentions, word-of-mouth referrals.

**JEL classification codes:** L8, Mo,

## Introduction

Service failures are an unavoidable aspect of any customer-oriented business and despite the best efforts by businesses, occasional errors, shortcomings, and lapses can take place, leaving customers frustrated and dissatisfied. Service failures can negatively impact the reputation of the business, customer loyalty, and its overall success. However, how organizations handle these setbacks may have a big impact on their ability to win back the confidence and loyalty of their customers (Hess Jr. et al., 2003). In this situation, gestures are essential to service recovery because they provide a chance to repair damaged customer relationships and lessen the consequences of service failure.

The actions taken by the companies to rectify and address a service failure when it occurs are known as service recovery. Service recovery is a crucial stage where companies have the ability to convert a disgruntled consumer into a devoted supporter. Even though various strategies can be incorporated to mitigate service recovery, the use of gestures has shown to be particularly helpful in reducing negative feelings and regaining the trust of consumers.

Gestures involve both verbal and nonverbal actions that reflect upon the commitment of the organization to resolve service failure issues and provide an exceptional customer service experience (Marinova et al., 2018). Verbal gestures involve empathetic statements, sincere apologies, clear communication, and active listening regarding the steps needed to be taken to resolve the issue. Nonverbal gestures, on the other hand, involve facial expressions, body language, and other visual cues that communicate authenticity and sincerity (Marinova et al., 2018).

The objective of this study is to examine the impact of gestures in mitigating the negative significance of service failures and improving customer loyalty and satisfaction. Through this study, we want to obtain insights into how companies can successfully use gestures to develop favorable customer perceptions and behavioral intentions by examining the function of both verbal and nonverbal cues in the service recovery process.

### **Importance of Service Recovery**

Service failure is the result of various factors, including technical glitches, human errors, or communication breakdowns. Regardless of the cause, customers that experience service failures frequently experience elevated emotions, ranging from rage to disappointment. Rectifying and addressing these emotions quickly and efficiently becomes significant for the recovery of service (Amoako et al., 2021). Businesses that thrive at service recovery are frequently in a better position to keep consumers, generate good word-of-mouth, and establish lasting partnerships.

### **Verbal Cues in Service Recovery**

The perceptions of customers during the service recovery process are greatly impacted by verbal cues such as choice of words, tone of voice, and apology content. A sincere and individual apology could go a long way in calming client annoyances and fostering trust. Verbal signals can assist in handling customer feelings and lessen ambiguity by establishing specific requirements and timetables for issue resolution (Marinova et al., 2018).

### **Nonverbal Cues in Service Recovery**

Nonverbal cues are crucial in communicating authenticity and empathy in addition to accompanying spoken actions. Kindness, attentiveness, and a calming presence may help customers seem more at ease and that their concerns are being treated seriously (Marinova et al., 2018). Emojis and other digitally employed visual cues, such as personalized characters, might humanize digital interactions and have a positive effect on a customer's emotional response.

### **Literature Review**

(Arsenovic et al., 2022) investigated the influence of the compensation offered by the firms on customers' emotional responses and negative word-of-mouth behavior, which means the negative experiences shared by the customers with others. The effectiveness of compensation as a tactic for settling customer complaints in the retail industry is uncertain. In the research, the researcher examined whether the collaboration level during the service recovery process impacts the relationship between customers; emotional responses, and compensation. It investigates whether collective efforts affect the overall efficiency of compensation in minimizing adverse emotional responses and lowering derogatory behavior. The findings of the study indicate that collaboration throughout the recovery encounter is essential for compensation to successfully lower adverse emotional reactions and ensuing derogatory behavior. To put it another way, when businesses work together with consumers during the recovery process and provide compensation, it might encourage more positive emotional responses from the clients and discourage them from spreading bad rumours. Understanding the role of cooperation and compensation in the recovery process can have significant management and financial ramifications for retailers in terms of enhancing customer pleasure, brand loyalty, and general corporate reputation.

(Fu et al., 2015) conducted research to determine the impact of monetary or nonmonetary compensation when service failure occurs. The researchers investigated that when service failure happens, organizations incorporate various strategies to provide compensation to their customers to enhance their satisfaction. To arrive at the findings, the researchers conducted research on the hotel to look at the impact of monetary and nonmonetary compensation in case of service failure. The efficiency of various post-failure compensation mechanisms is investigated in this study using scenarios with diverse causal locations. Using the locus of failure in service to serve as the within-subject variable, the researchers used a 3 (locus of failed service: guest himself/herself, hotel, and other guests) x 4 (compensation type: monetary compensation, nonmonetary compensation, no compensation, and combined compensation) mixed-factorial experimental design. To avoid the consequences of sequence and tiredness, each one of the scenarios was done in a random sequence. By having 200, 225, 222, and 231 people respond to the four distinct kinds of questionnaires, respectively, a complete set of 878 valid questionnaires was collected. The study results indicated that in all the scenarios, the strategies that combined monetary and nonmonetary compensation led to higher customer satisfaction in comparison to other strategies. Additionally, when the hotel was at fault for the service failure, non-monetary restitution yields better satisfaction than monetary reparation.

(Huang et al., 2021) discussed in their research how verbal and nonverbal cues in computer-mediated communication impacts the behavioral intentions and perceptions of customers during the online service recovery process. The study investigates the influence of these signals on customers' perceptions of service chat agents' friendliness and competency as well as their desire to participate in resolving service difficulties. It does this by drawing on the compensating effect hypothesis. To conduct the research, the researchers used a 2x2 betweensubjects design in the study to manipulate the levels of message interaction signals (high vs. low) and visual cues (high vs. low) in order to look into the major impacts of verbal and nonverbal communication signals on consumer attitudes and behaviors. The results show that linguistic signals increase agent competency views while decreasing agent friendliness perceptions. In contrast, employing visual nonverbal signals leads to increased judgments of warmth but lower views of competence. Additionally, the combination of verbal and visual signals implies that each of them can make up for one another, leading to trade-offs between the judgments of friendliness and competence. The indirect effects of verbal and nonverbal signals on customers' willingness to collaborate with customer service representatives during the recovery process were shown to be moderated by perceived warmth and competence. The study offers both theoretical and practical consequences for online service encounters, emphasizing the significance of correctly balancing verbal and nonverbal cues in CMC to favorably affect customer views and boost cooperative intentions.

(Lim et al., 2016) conducted research to look at the similarities between the expressive and nonverbal behavior of frontline employees and the openness of consumers to nonverbally communicated emotions. In their study, the researchers demonstrate that when frontline service staff and consumers express themselves similarly, it benefits both the employee and the business, but conversely, it can work against the organization when the service is unsuccessful. The researchers backed up their findings by using four studies worth of evidence. Increased customer satisfaction, more overt appreciation, and positive word of mouth are all influenced by the greater verbal similarity between customers and service providers adhering to positive service encounters. A greater expressive similarity, on the other hand, increases customer annoyance and the desire to spread negative word of mouth while decreasing their inclination to directly complain following a service failure. Four research in a row shows conclusive and solid evidence that voice reactions and customer satisfaction are influenced by viewed expressive similarity. The researchers also demonstrate how consumer perceptions of connectivity and staff characteristic impressions might account for these effects. The research also indicates the connection induced by high expressive similarity appears to have broad effects on fulfillment, voice motives, and service recovery effectiveness. Nevertheless, the impact of trait impressions seems to be primarily restricted to service evaluations with very little impact on behavioral intentions.

(Shin et al., 2017) address the focus of service marketing research on proactive customer contacts to prevent service failure. The purpose of the study is to examine the effects of reactive and proactive interactions on patronage behavior and customer emotions as proactive interactions try to prevent service failures, while reactive interactions aim to rectify service failures. The author used survey responses from the two tests in a retail setting and gathered information to evaluate their hypothesis. In the context of preventing service failures, it looks at the effects of reactive and proactive contacts on consumer preferences and behavior. The findings of the study reveal that those service providers are preferred by the customers who approach them first rather than waiting for them to contact them. Furthermore, the study also identified moderating factors that can influence the effectiveness of proactive interactions for the prevention of service failure. These factors include situational involvement, quality of the relationship, and status of the contact person. In order to avoid service failures, the research papers' conclusion emphasizes the significance of being proactive while dealing with customers.

(Sparks et al., 1997) discusses the results of an empirical study that examines how service quality and customer satisfaction are affected when the authority to address the issues related to service is given to front-line personnel. The author examines two characteristics of the employees: the communication style of employees (accommodative and underaccommodative) and the degree of empowerment (full, limited, and none) with respect to service failures. The study involves presenting recorded service scenarios to the respondents who are asked to rate the service quality as well as the satisfaction of the scenarios based on their perceptions and observations. The findings of the study reveal that the staff who are fully empowered and provided a greater level of autonomy and authority for resolving service failures deliver high levels of customer satisfaction in comparison to the staff with no empowerment. It was also revealed that fully empowered employees have a positive impact on service quality and thus deliver a high standard of service. The research, therefore, suggests that when front-line staff has appropriate authority, it can lead to high customer satisfaction and better quality of service. However, it must be emphasized that the staff's communication style has a significant impact on how successful empowerment approaches are.

## Research Objectives

### Below provided are the research objectives that this research will address:

Determining the impact of gestures on the perceptions of customers by investigating how different types of gestures such as service quality, way of responding, apologies, problem-solving skills, etc affect the perceptions of customers of service failures.

- Exploring the role of gestures in managing the emotions of customers on service failures by investigating how gestures can assist in reducing negative emotions such as disappointment, anger, and frustration.

- Determine the sorts of gestures that customers prefer in reaction to service failures.
- Determine whether cultural or individual variations impact how customers react to particular gestures.
- Measuring how gestures can impact the level of customer satisfaction and how they perceive the effectiveness of service recovery.
- Determining whether the gestures have a lasting impact on maintaining customer loyalty during service failure.

### Analysis Framework

#### Independent Variable to be studied in Figure 1

Type of Gesture (service quality, communication skills, way of responding, apologies, problem-solving skills etc)

#### Dependent Variables to be studied

Perception of customers of service failure mitigation

- Emotional Regulation
- Customer Satisfaction
- Customer Retention and Loyalty
- Online Reviews and Word-of-Mouth recommendations
- Effectiveness of Service Recovery

Data Collection: The data will be collected using experiments and surveys in which participants who have experienced service failure will be involved. The impact of different types of gestures on the perceptions of customers will be determined by performing SEM Analysis.

#### 1) Measurement Model

The quality of constructs used in the study is analyzed on the basis of evaluation of factor loadings, construct reliability and construct validity.

#### A) Factor Loadings

Factor loadings (as in Table 1) represent the correlation coefficient and it represents the impact with which each indicator correlates with the given construct. It ranges from - 1.0 to +1.0. Ideally, a higher absolute value of factor loading represents a high correlation between the indicator with the underlying construct. It is recommended that the absolute value of a satisfactory factor loading should be higher than 0.5. In this study, the loading of all the constructs ranges between 0.533 to 0.934 as shown in Table 1, except for "Service efficiency-SE3" which is 0.443. However, this value is moderately close to 0.5. We may therefore proceed ahead with the measurement model without removing any indicators.

**Table 1: Factor loadings for constructs**

	COU	FA	EI	EM	SE	AL	C.S	C.L	RI
C.L1								0.851	
C.L2								0.710	
C.L3								0.712	
C.L4								0.666	
COU1	0.805								
COU2	0.835								
COU3	0.844								
COU4	0.671								
FA1		0.742							
FA2		<b>0.533</b>							
FA3		0.828							
FA4		0.691							
EI1			0.767						
EI2			0.607						
EI3			0.727						
EI4			0.678						
EM1				<b>0.934</b>					
EM2				0.734					
EM3				0.765					
EM4				0.737					
SE1					0.724				
SE2					0.714				
SE3					<b>0.443</b>				
SE4					0.661				
AL1						0.924			
AL2						0.769			
AL3						0.813			

AL4						0.750			
C.S1							0.932		
C.S2							0.783		
C.S3							0.695		
C.S4							0.782		
RES1								0.938	
RES2								0.780	
RES3								0.805	
RES4								0.718	

### B) Indicator Multicollinearity

The multicollinearity in indicators in Table 2 is analyzed with the help of Variance Inflation Factor (VIF). Ideally, a VIF less than 5 shows low correlation between indicators. A low correlation between indicators will eliminate the issue of multicollinearity. In this study, it is observed that the VIF of all the indicators is less than 5 as shown in Table 2, which is an ideal condition.

**Table 2: VIF for all the indicators**

	VIF
C.L1	1.73
C.L2	1.61
C.L3	1.86
C.L4	1.46
COU1	1.91
COU2	1.68
COU3	1.39
COU4	1.26
FA1	1.24
FA2	1.18
FA3	1.31
FA4	1.21
EI1	3.08
EI2	1.64
EI3	1.76
EI4	1.61
EM1	1.23
EM2	1.24
EM3	1.01
EM4	1.25
SE1	2.93
SE2	1.68
SE3	1.87
SE4	1.71
AL1	3.23
AL2	1.79
AL3	1.48

AL4	1.89
C.S1	1.72
C.S2	1.34
C.S3	1.34
C.S4	1.27
RES1	3.34
RES2	1.96
RES3	1.88
RES4	1.58

### C) Reliability Analysis

Reliability is defined as the measure of stability and consistency for the given measurement model. Ideally, if we use the same measurement model over and again, it should yield same results which proves the reliability of constructs. Quantitatively, we can measure the reliability of factors used in study with the help of Cronbach Alpha (referred as “alpha”) and Composite Reliability (referred as “rhoC”). The Table 3 presents the results of alpha and rhoC for this study. Ideally, these values should be greater than 0.7. For this study, alpha ranges from 0.510 to 0.833, whereas, rhoC ranges from 0.735 to 0.888. Since rhoC is greater than 0.7 for all factors, therefore, we may say the constructs are reliable.

**Table 3: Reliability Analysis**

	Cronbach Alpha (alpha)	Composite Reliability (rhoC)
COU	0.806	0.870
FA	0.684	0.796
EI	0.651	0.790
EM	0.805	0.873
SE	<b>0.510</b>	<b>0.735</b>
AL	<b>0.833</b>	<b>0.888</b>
C.S	0.812	0.877
C.L	0.718	0.826
RI	0.828	0.886

**D) Construct Validity**

The construct validity is statistically tested with the help of convergent validity (Table 4) and discriminant validity (Table 5).

**i) Convergent validity**

It is statistically measured with the help of Average Variance Extracted (AVE). This value is calculated by taking the mean of squared loadings of each indicator that we have used for a construct. The recommended value for AVE is higher than 0.5. In this study, the AVE is observed to be higher than 0.5 for all constructs except Friendly Attitude (0.499), Enjoyable Interaction (0.486) and Service Efficiency (0.417) as shown in Table 4. Two of these values are quite close to 0.5 and moreover, the rhoC for these constructs is greater than 0.7, therefore, we may consider that convergent validity is not an issue here.

**Table 4: Convergent validity**

	AVE
COU	0.627
FA	<b>0.499</b>
EI	<b>0.486</b>
EM	0.635
SE	<b>0.417</b>
AL	0.667
C.S	0.644
C.L	0.545
RI	0.663

**ii) Discriminant Validity**

It is statistically tested using FL Criterion, Cross loadings and HTMT ratio **a) Fornell-Larcker Criterion**  
According to F-L Criterion, discriminant validity is established if the square root of AVE for each construct is greater than the correlation of the construct with all the indicators. Table 5 reports the square root of AVE on the diagonal and correlation of constructs with all the indicators in the lower triangle. In this study, all the values on diagonal are higher than the values present beneath them on the lower triangle. Therefore, discriminant validity is established.

**Table 5: Fornell-Larcker Criterion**

	COU	FA	EI	EM	SE	AL	C.S	C.L	RI
COU	<b>0.792</b>								
FA	0.255	<b>0.707</b>							
EI	0.174	0.643	<b>0.697</b>						
EM	0.251	0.305	0.246	<b>0.797</b>					
SE	0.371	0.338	0.299	0.179	<b>0.646</b>				
AL	0.211	0.363	0.297	0.219	0.212	<b>0.817</b>			
C.S	0.268	0.411	0.337	0.220	0.287	0.236	<b>0.803</b>		
C.L	0.375	0.627	0.522	0.422	0.413	0.445	0.472	<b>0.738</b>	
RI	0.233	0.347	0.282	0.301	0.300	0.219	0.368	0.505	<b>0.814</b>

**b) Cross Loadings**

Cross Loadings help to assess the discriminant validity by quantitatively assessing the factor loadings of indicator on all the constructs. Ideally, the discriminant validity is established if the factor loadings of indicator is higher for the construct to which it belongs than the loadings of all the other constructs. In this study, the same is evident from the results obtained for the cross loadings as shown in Table 6, therefore, discriminant validity is established.

**Table 6: Cross Loadings**

	COU	FA	EI	EM	SE	AL	C.S	C.L	RI
C.L1	0.340	0.576	0.500	0.373	0.397	0.412	0.401	<b>0.851</b>	0.459
C.L2	0.221	0.413	0.361	0.226	0.293	0.364	0.345	<b>0.710</b>	0.340
C.L3	0.270	0.429	0.324	0.311	0.279	0.250	0.321	<b>0.712</b>	0.371
C.L4	0.267	0.416	0.334	0.331	0.230	0.273	0.323	<b>0.666</b>	0.303
COU1	<b>0.805</b>	0.186	0.143	0.189	0.221	0.170	0.197	0.287	0.177
COU2	<b>0.835</b>	0.217	0.153	0.198	0.372	0.119	0.262	0.302	0.251
COU3	<b>0.844</b>	0.212	0.120	0.246	0.304	0.255	0.231	0.347	0.131
COU4	<b>0.671</b>	0.201	0.153	0.147	0.256	0.116	0.113	0.241	0.177
FA1	0.196	<b>0.742</b>	0.357	0.265	0.284	0.281	0.286	0.496	0.245
FA2	0.101	<b>0.533</b>	0.232	0.188	0.145	0.167	0.109	0.301	0.130
FA3	0.256	<b>0.828</b>	0.667	0.243	0.337	0.297	0.389	0.558	0.317
FA4	0.120	<b>0.691</b>	0.424	0.176	0.134	0.256	0.279	0.362	0.232
EI1	0.108	0.514	<b>0.767</b>	0.212	0.216	0.273	0.296	0.454	0.250
EI2	0.162	0.370	<b>0.607</b>	0.149	0.194	0.155	0.176	0.283	0.152
EI3	0.075	0.482	<b>0.727</b>	0.174	0.232	0.221	0.224	0.362	0.186
EI4	0.159	0.410	<b>0.678</b>	0.141	0.195	0.156	0.224	0.327	0.181
EM1	0.263	0.341	0.270	<b>0.934</b>	0.201	0.256	0.232	0.438	0.319
EM2	0.131	0.256	0.172	<b>0.734</b>	0.107	0.107	0.150	0.287	0.246
EM3	0.236	0.210	0.184	<b>0.765</b>	0.141	0.127	0.147	0.322	0.202
EM4	0.152	0.132	0.131	<b>0.737</b>	0.100	0.174	0.152	0.268	0.166
SE1	0.222	0.255	0.251	0.104	<b>0.724</b>	0.199	0.195	0.319	0.236
SE2	0.170	0.250	0.192	0.129	<b>0.714</b>	0.173	0.194	0.327	0.226
SE3	0.479	0.184	0.159	0.172	<b>0.443</b>	0.028	0.176	0.224	0.171
SE4	0.074	0.165	0.154	0.047	<b>0.661</b>	0.131	0.164	0.167	0.121
AL1	0.216	0.411	0.307	0.236	0.270	<b>0.924</b>	0.244	0.469	0.247
AL2	0.173	0.282	0.251	0.115	0.180	<b>0.769</b>	0.178	0.372	0.108
AL3	0.176	0.238	0.217	0.193	0.125	<b>0.813</b>	0.187	0.319	0.194
AL4	0.102	0.217	0.169	0.154	0.073	<b>0.750</b>	0.141	0.254	0.142
C.S1	0.257	0.405	0.328	0.226	0.304	0.248	<b>0.932</b>	0.493	0.356
C.S2	0.201	0.354	0.318	0.185	0.215	0.208	<b>0.783</b>	0.351	0.277
C.S3	0.151	0.278	0.215	0.090	0.145	0.166	<b>0.695</b>	0.297	0.270
C.S4	0.241	0.264	0.203	0.185	0.232	0.116	<b>0.782</b>	0.343	0.270
RES1	0.259	0.350	0.277	0.337	0.322	0.239	0.385	0.553	<b>0.938</b>
RES2	0.183	0.239	0.242	0.214	0.232	0.157	0.237	0.356	<b>0.780</b>
RES3	0.139	0.267	0.223	0.216	0.213	0.138	0.326	0.348	<b>0.805</b>
RES4	0.153	0.254	0.163	0.175	0.185	0.158	0.220	0.337	<b>0.718</b>

**c) Heterotrait-Monotrait (HTMT) Ratio**

It is again used to establish the discriminant validity with the help of estimation of correlation between constructs used in the study. Ideally, HTMT ratio should be less than 0.9. Table 7 shows that HTMT ratio is less than 0.9 in all cases.

Therefore, we establish discriminant validity.

**Table 7: Fornell-Larcker Criterion**

	COU	FA	EI	EM	SE	AL	C.S	C.L	RI
COU	.	.	.	.	.	.	.	.	.
FA	0.318	.	.	.	.	.	.	.	.
EI	0.256	0.863	.	.	.	.	.	.	.
EM	0.298	0.398	0.324	.	.	.	.	.	.
SE	0.566	0.528	0.516	0.268	.	.	.	.	.
AL	0.246	0.448	0.381	0.249	0.310	.	.	.	.
C.S	0.311	0.492	0.447	0.259	0.436	0.274	.	.	.
C.L	0.483	0.847	0.738	0.544	0.664	0.555	0.608	.	.
RI	0.275	0.424	0.370	0.347	0.445	0.249	0.436	0.631	.

**E) Model Fitness**

The goodness of fit for the model is measured in terms of R and F values in Table 8

**Table 8: R Values**

	C.S	C.L	RI
R <sup>2</sup>	0.222	0.223	0.277
2 Adj R	0.209	0.221	0.273

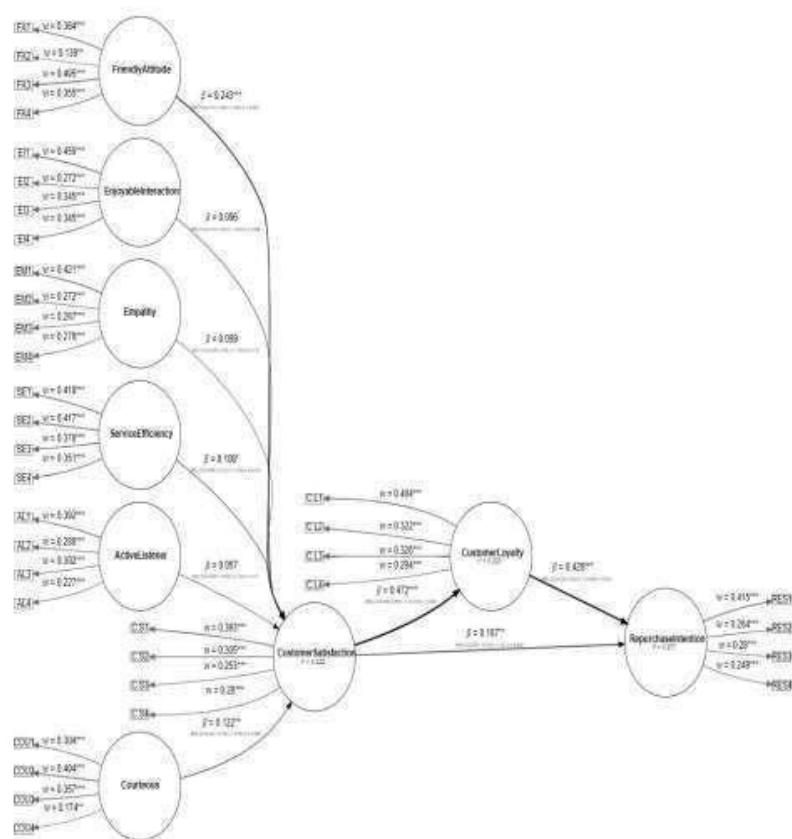
From Table 8, it is observed that, approx. 22% variation in Customer satisfaction (CS) is explained by the variables Friendly Attitude, Enjoyable Interaction, Empathy, Service Efficiency, Active Listener and Courteous. Similarly, 22% variation in Customer Loyalty (CL) is explained by Customer Satisfaction and 28% variation in Repurchase Intention (RI) is explained by Customer Satisfaction.

**Table 9: F Values**

	C.S	C.L	RI
COU	<b>0.015</b>	0.000	0.000
FA	<b>0.039</b>	0.000	0.000
EI	<b>0.007</b>	0.000	0.000
EM	<b>0.004</b>	0.000	0.000
SE	<b>0.012</b>	0.000	0.000
AL	<b>0.004</b>	0.000	0.000

Table 9 shows the F2 values which is used to study the effect size of removing an exogenous variable on dependent variables. In this study, the effect size is small.

## Structural Model



## 2) Hypothesis Testing

Refer to Table 10, where structural model is shown in Figure

**Table 10: Decision on Hypothesis**

Hypothesis	Impact Studied	Original Estimate	T Stat.	P-Value	Decision
H1	COU -> C.S	0.122	2.543	0.008	Accepted
H2	FA -> C.S	0.243	3.967	0.001	Accepted
H3	EI -> C.S	0.096	<b>1.572</b>	<b>0.058</b>	<b>Rejected</b>
H4	EM -> C.S	0.059	<b>1.183</b>	<b>0.120</b>	<b>Rejected</b>
H5	SE -> C.S	0.108	2.106	0.018	Accepted
H6	AL -> C.S	0.057	<b>1.220</b>	<b>0.110</b>	<b>Rejected</b>
H7	C.S -> C.L	0.472	12.473	0.001	Accepted
H8	C.S -> RI	0.167	2.870	0.002	Accepted
H9	C.L -> RI	0.426	8.256	0.001	Accepted

**H1. There is a significant impact of courtesy on customer satisfaction.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.122, with T stat of 2.543 and p-value of 0.008, which is statistically significant. Therefore, we can say that courtesy has a significant impact on customer satisfaction.

**H2. There is a significant impact of friendly attitude on customer satisfaction.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.243, with T stat of 3.967 and p-value of 0.001, which is statistically significant. Therefore, we can say that friendly attitude has a significant impact on customer satisfaction.

**H3. There is a significant impact of enjoyable interaction on customer satisfaction.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.096, with T stat of 1.572 and p-value of 0.058, which is statistically insignificant. Therefore, we can say that enjoyable interaction doesn't have significant impact on customer satisfaction.

**H4. There is a significant impact of empathy on customer satisfaction.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.059, with T stat of 1.183 and p-value of 0.12, which is statistically insignificant. Therefore, we can say that empathy doesn't have significant impact on customer satisfaction.

**H5: There is a significant impact of service efficiency on customer satisfaction.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.108, with T stat of 2.106 and p-value of 0.018, which is statistically significant. Therefore, we can say that service efficiency has a significant impact on customer satisfaction.

**H6. There is a significant impact of active listener on customer satisfaction.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.057, with T stat of 1.220 and p-value of 0.11, which is statistically insignificant. Therefore, we can say that active listener doesn't have significant impact on customer satisfaction.

**H7. There is a significant impact of customer satisfaction on the customer loyalty.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.472, with T stat of 12.473 and p-value of 0.001, which is statistically significant. Therefore, we can say that customer satisfaction has significant impact on customer loyalty.

**H8. There is a significant impact of customer satisfaction on the repurchase intention.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.167, with T stat of 2.870 and p-value of 0.002, which is statistically significant. Therefore, we can say that customer satisfaction has significant impact on repurchase intention.

**H9. There is a significant impact of customer loyalty on the repurchase intention.**

The results from PLS-SEM show that the original estimate of  $\beta$  is 0.426, with T stat of 8.256 and p-value of 0.001, which is statistically significant as in Figure 2. Therefore, we can say that customer loyalty has significant impact on repurchase intention.

**Findings****1. Positive Impact of Gestures on Customer Satisfaction**

- Courtesy (COU) and Friendly Attitude (FA) were discovered to have a crucial impact on Customer Satisfaction (CS), contributing to enhanced overall customer perceptions.
- Customer Satisfaction (CS) was found to be significantly positively influenced by Service Efficiency (SE), demonstrating the significance of prompt and effective service.

**2. Limited Impact of Certain Gestures**

- Customer satisfaction (CS) was not significantly impacted by enjoyable interactions (EI), empathy (EM), or active listening (AL). Their effects, however, could appear via other channels or interactions.

**3. The strong influence of Customer Satisfaction**

- Customer Loyalty (CL) and Repurchase Intention (RI) both showed substantial correlations with customer satisfaction (CS), underscoring the importance of this factor in fostering long-lasting client connections.

**4. Implications for Businesses**

- Due to the considerable influence these actions have on customer satisfaction, businesses should give priority to teaching staff to be courteous and helpful.

- Enhancing customer satisfaction levels with a service efficiency emphasis might help foster good attitudes in general.
- Even though some actions, such as engaging in pleasant conversation, showing empathy, and actively listening, did not show direct effects, they may nonetheless indirectly boost pleasure by means of other mechanisms.
- Businesses may establish effective assistance recovery methods with the help of a comprehension of the crucial role that customer satisfaction plays.

## 5. Future Research and Recommendations

- Future research should examine additional factors that affect service recovery and customer impressions as the study's focus was only on a few gestures.
- Future research might take into account qualitative research techniques to acquire a deeper understanding of consumer opinions and observations during service recovery as conclusions are dependent on survey responses.

## Conclusion

This study examines how gestures play a part in service recovery tactics, highlighting the value of addressing customer happiness, loyalty, and good brand impression. Key findings show that specific actions may have a big influence on customer happiness, which improves the whole service recovery experience. According to the survey, politeness and pleasant interactions are important factors that influence consumer happiness. The importance of prompt and effective service delivery was highlighted as a key aspect in positively impacting customer satisfaction.

Even though some actions, such as having fun while interacting, showing empathy, and actively listening, did not directly affect customer satisfaction, it is important to consider their possible indirect effects. The most important aspect is customer satisfaction since it is a key component of the interaction between actions, customer loyalty, and repurchase intentions. A happy client is more likely to stick with the company and endorse it in online reviews and word-of-mouth referrals.

These discoveries have important business ramifications. By educating staff members to exhibit politeness, uphold a positive attitude, and place a priority on service effectiveness, organizations may successfully adjust their service recovery tactics. Companies may concentrate on continual service quality improvements by acknowledging that customer happiness is the cornerstone of loyalty and future intents to repurchase.

This study provides organizations with a map for managing service recovery difficulties and strengthening client connections. It encourages further investigation of other factors leading to efficient service recovery and acts as a jumping-off point for future investigations. Organizations can encourage themselves to bounce back from service failures and prosper in the competitive market by providing great customer experiences by creating a deeper knowledge of the function of gestures.

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## QUESTIONNAIRE FOR RESEARCH PAPER

### Examining the Role of Employees' Gesture of Goodwill on Customers' Satisfaction and Loyalty - A Study of Select Apparel Retail Stores in Punjab

#### Dear Respondents

I am a Research student, at Mittal School of Business, Lovely Professional University, India. This questionnaire has been prepared as part of my research in the domain of “**Examining the role of employees' gesture of Goodwill on customers' satisfaction and loyalty - A study of select apparel retail stores in Punjab**”. I request you to spare some of your valuable time and fill up the questionnaire. The information provided by you will be used for research purpose only.

#### Section –I

##### DEMOGRAPHIC INFORMATION

<b>Name:</b>			
<b>Email:</b>			
<b>City:</b>			
<b>Gender:</b>	1. <input type="checkbox"/> Male	2. <input type="checkbox"/> Female	3. <input type="checkbox"/> Others
<b>Age (Years):</b>	1. <input type="checkbox"/> 18-25	2. <input type="checkbox"/> 25-32	3. <input type="checkbox"/> 32-39
	4. <input type="checkbox"/> 39-46	5. <input type="checkbox"/> 46-53	6. <input type="checkbox"/> 53-60
	7. <input type="checkbox"/> 60 & above		
<b>Education:</b>	1. <input type="checkbox"/> Matric	2. <input type="checkbox"/> Secondary	3. <input type="checkbox"/> Under-graduate
	4. <input type="checkbox"/> Postgraduate	5. <input type="checkbox"/> Doctorate	6. <input type="checkbox"/> Other
<b>Occupation:</b>	1. <input type="checkbox"/> Government	2. <input type="checkbox"/> Semi-government	3. <input type="checkbox"/> Public
	4. <input type="checkbox"/> Private	5. <input type="checkbox"/> Self-occupied	6. <input type="checkbox"/> Other
<b>Marital Status:</b>	1. <input type="checkbox"/> Unmarried	2. <input type="checkbox"/> Married	3. <input type="checkbox"/> Divorcee
	4. <input type="checkbox"/> Widow/widower		
<b>Monthly Income:</b>	1. <input type="checkbox"/> Less than 20000	2. <input type="checkbox"/> 20000-40000	3. <input type="checkbox"/> 40000-60000
	4. <input type="checkbox"/> 60000-80000	5. <input type="checkbox"/> 80000-100000	6. <input type="checkbox"/> 100000 & Above

#### Section –II

##### I. How frequently you buy from same apparel store?

1. Very Frequently                      2. Occasionally                      3. Rarely

##### II. On what time do you prefer to buy your apparels?

1. On Festivals
2. On wedding
3. On Sales Offer
4. On season ending/starting
5. All of the above

##### III. What is your main reason of buying apparels from stores?

1. To check the new collection in market
2. It makes you to feel happy when you go outside.
3. To check the product personally
4. To check how the outfit looks on you (size)
5. All of the above

#### IV. How long you travel to visit the store?

1. 1to less than 5km
2. 5km to less than 10km
3. 10km to less than 15km
4. 15km and above

#### V. Which retail store do you visit more frequently?

1. Reliance Trends
2. Shoppers Stop
3. Vishal Mega Mart
4. Pantaloons
5. Lifestyle Stores
6. Others

#### V. Do you check employees' behavior while buying from apparel store?

- 1.Yes
2. No
- 3.Maybe

#### Section –III

(A) To what extent you agree to the following statements where 1 stands for strongly disagree and 5 stands for strongly agree.

Service Efficiency	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
1. Employees of this apparel store are always willing to help me.					
2. This apparel store's employees give me individual attention.					
3. Buying from this apparel store is an efficient way to manage my time.					
4. When I think of this apparel store, I think of service excellence.					
5. Their employees provided prompt and quick service.					
6. Waiting time at the cash counter is short.					
7. In general, the service of this apparel store is much better than I expected.					

(B) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stand for strongly agree.

Enjoyable Interaction	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
1. In thinking about my interaction, I have a comfortable interaction with Employees on my every visit.					
2. Employees create a feeling of "warmth" in our relationship.					
3. Behavior of Employees instils confidence in me.					
4. Employees enjoyed assisting me with solving my problems.					
5. I got along well with the Employees.					
6. Employees make me feel delighted with their services at the store.					
7. Employees tell customers exactly what will be performed					

(C) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stands for strongly agree.

Empathy	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
1. Employees are willing to take my perspective and to understand my needs.					
2. Employees make you to feel special as you enter this apparel store.					

3. Employees of this apparel store do not pressurize me to buy a product in which I am not interested.					
4. Employees of this apparel store are always willing to handle my return and exchange.					
5. Employees of this apparel store make a good eye contact with customers.					
6. Employees are always ready to welcome feedback from customers in a positive manner.					

(D) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stands for strongly agree.

<b>Responsiveness</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Employees are willing and enthusiastic to respond to my request.					
2. Employees handle customers' complaint directly and immediately.					
3. Employees in this apparel store quickly corrected anything that was wrong.					
4. Employees have the required knowledge to answer customers' questions.					
5. Employees respond to customers' needs in a timely manner.					
6. Employees in this apparel store are never too busy to respond to customer's request.					
7. Employees in this store explain about refund policy very clearly to the customers.					
8. Employees in this apparel store sends email and messages for special offers frequently.					

(E) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stands for strongly agree.

<b>Active Listener</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Employees of this apparel store are always ready to listen to me carefully.					
2. Employees give me indications that they seriously consider my opinion.					
3. Employees encourage me to clarify a problem.					
4. I feel that Employees listen to me even when we disagree.					
5. Employees understand for more than just the spoken words.					
6. Employees are careful not to interrupt me while I speak.					
7. Employees use (comfortable) silences in the conversation.					
8. Employees prefer to hear facts and evidence.					

(F) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stands for strongly agree.

<b>Courteous</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Employees of this apparel store welcome me with smile.					
2. Employees of this apparel store apologize when mistakes are made.					
3. Employees of this apparel store exhibit proper etiquette when dealing with customers.					
4. Employees of this apparel store are trustworthy, believable and honest.					
5. Employees of this apparel store deal with customers in a caring and polite manner.					
6. Employees in this apparel store meet the special needs of handicapped customers.					
7. Employees of this store place a high value on customer service.					
8. Employees of this store consider the culture values of the area.					

(G) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stands for strongly agree.

<b>Friendly Attitude</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Conducive environment for conversation with Employees of this apparel store.					
2. The Employees are friendly communicator.					
3. Employees of this apparel store greet customers with a friendly welcome and big smile.					
4. The Employees tend to be tactful and encouraging to customers.					
5. The employees made broadband list of their regular customers to provide additional benefits to them.					
6. The employees of this store have extensive social skills.					
7. The employees of this store know how to treat a customer well.					

(H) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stands for strongly agree.

<b>Customer satisfaction</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. I'm satisfied with the employees' goodwill gesture.					
2. I'm satisfied with the service efficiency of employees.					
3. Employee exhibit proper etiquette when dealing with customers.					
4. Employees listen to the customers with empathy and responds in a good manner.					
5. I'm satisfied with employee's responsive behavior about dealing my needs.					
6. The employees fulfilled my expectations.					
7. On an overall basis, my experience with employees has been positive.					

(I) To what extent you agree to the following statements where 1 stand for strongly disagree and 5 stands for strongly agree.

<b>Customer loyalty - Repurchase intention</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. When I need to make a purchase, this apparel store will be my first choice.					
2. I am ready to travel extra miles to buy from this apparel store					
3. My choice to purchase from this apparel store was a wise one					
4. I expect to stay with this apparel store for a long period of time					
5. This apparel store stimulates me to buy repeatedly.					
6. I plan to increase my frequency of visits to this apparel store.					
7. I would classify myself as a loyal customer of this apparel store.					

THANK YOU