

ABSTRACT

The complexion of business operation has undergone significant changes during the concluding decades of the twentieth century and beginning of the third millennium. In the current era, the service sector has acquired more prominence in comparison to the manufacturing sector. Complaints regarding failures do occur and these can shoot down the restaurants or even a hotel faster than they can say they are sorry. A company's response can generate positive word-of-mouth and customer loyalty or destroy it.

The purpose of this research was conducted to study the Relationship between Service Recovery Strategies (Involves those actions designed to resolve service failures/problems, alter negative attitudes of dissatisfied consumers and to ultimately retain these customers) by Restaurants of Five Star Hotels, in Bangkok and Post Recovery Behavior of Customers (A state of one's future behavior in response to the service recovery used by restaurant for the service failure encountered).

A Self-administered questionnaire was used for 300 customers from restaurants in five star hotels, in Bangkok. There are 17 five star hotels, in Bangkok. Furthermore, *Quota sampling* was used whereby population of the respondent was assigned to three hotels. *Convenience sampling* was used to collect data from hotel customers nearby. The researcher used descriptive statistics to measure the frequency and percentages for analyzing personal data of

the respondents. Inferential statistics used were Spearman Rho, for hypothesis testing.

The results indicate that investments in service failures/complaint handling can improve evaluations of service quality, strengthen customer relationships and build customer commitment. *Compensation and Assistance* as service recovery strategies is significantly (positively) associated with spread of word-of-mouth and intention to revisit the restaurants. *No Action* as service recovery strategy is not positively related to spread of word-of-mouth and intention to revisit the restaurant in five star hotels, in Bangkok. From the above results, following recommendations can be given to the service providers: Train the employees, Empower and Reward them and encourage customer complaints. The restaurants can also have *Effective Problem-Tracking System so that Recurring Service Failures do not Occur Again*, but where key failures can be tracked and the information in the system is analyzed regularly to uncover new insights for improving the service quality

The research findings have important implications for service providers. It will help service providers in taking remedial measures, as deemed necessary, to improve/enhance the effectiveness of service delivery. Service managers will also be provided with information useful for the purpose of service delivery, suitable recovery strategies, policy formation, employee training and decisions pertaining to the improvement of customer complaints/service failures in restaurants of Five Star Hotels, in Bangkok.