

The Effect of Service Recovery on Customers' Secondary Satisfaction in Banking Industry by Considering the Roles of Emotions

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Abstract. In recent years, a significant factor for success of service industry is the rate of meeting customers' expectation and after service recovery satisfaction especially in banking system. The aim of this study is to fill the existing gaps in the marketing literature by providing a comprehensive model to examine the impacts of perceived justice on secondary satisfaction through the mediating role of positive and negative emotions. Further, this study is an attempt to explore the factors which have effects on post recovery satisfaction based on the perceived justice theory in Iranian banking system. The total numbers of respondents were 384 customers of bank who had experienced at least one time service failure. The hypotheses of this research were tested and analyzed by structural equation modeling and LISREL and PLS software.

The findings suggest that the increase of distributive justice, procedural justice and interactional justice enhances post-recovery satisfaction as well as increases positive emotions and decreases negative ones. In addition, as well as positive emotions raises, the secondary satisfaction will grow while increase of negative emotions will result in reduction of secondary satisfaction.

Keywords: Service Failure, Service Recovery, Perceived Justice, Customers' Secondary Satisfaction.

1. Introduction

If companies fail to do their different kinds of promises (such as advertisements) to their customers and if they don't meet their raised expectations from themselves, this would lead to have negative effects on customers' mind toward the service providing company. In fact, unrealized expectations of customers are called service failure (Kelley & Davis, 1994; Chou, 2015). Due to the inseparable and intangible nature of services, service failures are unavoidable. In facts, Banks as subset of financial service industry is not far from service failures. Researchers have indicated that the service failures such as mistakes by staff negligence, faults in the systems of company are pervasive in the workflow of service organizations, and they will have negative effects on customers' satisfaction and their behavioral tendencies as it may cause moral and financial damages to them (Gohary et. al, 2016). Studies have also indicated that for customers who experience service failure, if it is not properly compensated for them, they wouldn't rely on the service organization and they wouldn't have any tendencies to return to that company again and beside that they would share their unpleasant experience of relationship with the company to their family and friends (McQuilken & Robertson, 2010; Kim & Jang, 2014). As a result, companies must be able to recover these kinds of failures in the best way so that they could increase the customer satisfaction even more than the thing it was before the failures (Kim & Jang, 2014). In fact, the service recovery is a process in which a company attempts to correct and recover its failures in service (Kelley & Davis, 1994; Chou, 2015). Customers' satisfaction after service recovery is different from their primary satisfaction and if a service company could recover the failure in

a desirable way for customers, a kind of satisfaction is formed in them that is far better than the primary satisfaction and it is called secondary satisfaction (Rio-Lanza et. al, 2009; Kuo & Wu, 2012). Also, during service recovery, customers experience a level of justice that would make positive and negative emotions in them that it would eventually have an impact on customers' secondary satisfaction (Rio-Lanza et. al, 2009; Gohary et. al, 2016; Lastner et. al, 2016). Despite the numerous studies on service failure and service recovery, most articles focus on physical features of service providers (Kuo & Wu, 2012). On the other hand, Justice Theory as well as service failure and service recovery has received many attentions too (Ha & Jang, 2009). An increasingly important issue to this research has been concerned with the impacts of perceived justice on outcome evaluations such as secondary satisfaction. However, there has been little consideration of emotional outcomes associated with post recovery satisfaction. So, the other part of this study is to investigate the role of customers' emotions on secondary satisfaction. Although the role of customers' emotions are widely studied in the service recovery literature (Mattila, 2001; Ozgen & Kurt, 2012; Ozkan-Tektas & Basgoze; 2017), our understanding concerning the direct and indirect impacts of emotions on the service post recovery satisfaction, is still limited. In this regard, the aim of this study is to fulfill these gaps by examining the mediating effect of emotions on after service recovery satisfaction. In fact, the main question of this research is to understand how the perceived justice by customers during the service recovery can have an impact on their secondary satisfaction. Therefore, this research is an attempt to explore and investigate the significant factors on customers' secondary satisfaction according to the perceived justice theory.

2. Literature review

Since the failure during service providing is a conflict-causing situation, because customers expect seamless services from service companies according to their previous experiences (such as advertisings, prior encounters) and they encounter failure or a problem during service, as a result in a situation like this there would conflicts happen. The perceived justice theory explains the individuals' reaction to the situations that have conflict in them (Kuo & Wu, 2012; Lopes & Silva, 2015; Gohary et.

al, 2016). For this reason in this research the perceived justice theory is used to investigate the role of failure recovery on the satisfaction that is formed in customers after the failure recovery. Justice theory is a commonly used framework in service recovery literature (Smith et al., 1999). Generally, the perceived justice theory is derived from the combination of social exchange theory and equity theory and it is based on the principles that the recovery for occurred failures in a service company is assessed and investigated by three types of justice that are called distributive justice, procedural justice and interactional justice (Schoefer & Ennew, 2005; Kim & Jang, 2014). In the following, different types of justice and their influences on customers' emotions in the process of failure recovery are investigated. Distributive justice is called the tangible benefits (such as refund, product replacement, and giving discounts for future purchases) that the service providing organizations holds and distributes them to the customers while failures occur (Kim et. al, 2009; Kuo & Wu, 2012; Lopes & Silva, 2015). According to the theory of social exchange, in relations based on exchange, the balance principle must be maintained. When a failure occurs, exchange relations become out of balance and the customers feels that their earned benefits are less than their offering to the company. The level of customer's perception of failure in an exchange relation depends on the importance and the rate of failure occurred. Thus, in order to retrieve and retain the balance, the service provider must pay a sufficient amount of benefit to the customers for compensating the loss occurred (Smith et. al, 1999). The results of studies which have been conducted about the role of perceived distributive justice on emotions, demonstrate that when customers' perception of distributive justice is low, company compensates the failure occurred financially in unfair procedure, therefore, negative emotions (anger, unhappiness, fear, regret) increase and the positive emotions (happiness, pleasure, pride) decrease, and conversely when customers' perception of distributive justice is high, the negative emotions decrease and positive emotions increase (Rio-Lanza et. al, 2009; Kuo & Wu, 2012; Lastner et. al, 2016). Therefore, the following hypotheses are proposed:

Hypothesis 1. Perceived distributive justice positively influences positive emotions.

Hypothesis 2. Perceived distributive justice negatively influences negative emotions.

Procedural justice means customer perception from the justice applied through different levels of problem-solving and the procedure that they may go through in order to recover from the occurred failure in the organization (Mattila, 2001; Lopes & Silva, 2015). Fair procedures must be constant, unbiased, just, and equitable, representing the interests of all groups, based on accurate and correct information, and according to the ethical standards (Blodgett et. al, 1997; Rio-Lanza et. al, 2009; Lopes & Silva, 2015). Procedures that cause the decrease of time in solving the problem, effective work approaches, organization flexibility in solving the problem, and controlling work procedures are all items that will result in perception of procedural justice in customers (Chebat & Slusarczyk, 2005; Kim et. al, 2009; Kuo & Wu, 2012). Chebat & Slusarczyk demonstrate that the slow procedure of service failure resolution in the banking industry would cause the increase negative emotions and also decrease positive emotions in customers (Chebat & Slusarczyk, 2005). Also, according to the role of perceived procedural justice on customers emotions, empirical evidence have indicated that low rate in perception of procedural justice will result in negative emotions and it may also cause in decrease or elimination of positive emotions and vice versa (Schoefer & Ennew, 2005; Rio-Lanza et. al, 2009; Lastner et. al, 2016). Thus, according to the mentioned points, following hypotheses are explained:

Hypothesis 3. Perceived procedural justice positively influences positive emotions.

Hypothesis 4. Perceived procedural justice negatively influences negative emotions.

Perceived interactional justice in recovering the service failure is defined by the customers' evaluation of fairness by organization staff in the process of fixing the occurred failure (Kim et. al, 2009; Lopes & Silva, 2015). Particular methods that are proposed for interactional justice are: politeness, kindness, modesty, respect, showing interest in recovering the failure by staff, listening carefully to customers and their complaints,

showing efforts of the staff for solving the problem, showing confidence of the employees with customers, staff explaining to customers and their empathy with customers, staff apologizing to customers, and their proper interaction with customers (Blodgett et. al, 1997; Kim et. al, 2009; Lopes & Silva, 2015). Furthermore, Rio-Lanza et. al, in their studies in 2009 concluded that interactional justice is one of the dimensions of perceived justice through service failure recovery. For instance, the lack of staff empathy with complaining customers will result in negative emotions and eventually the decrease in their secondary satisfaction. Moreover, DeWitt et. al, (2008) in their researches indicated that the staff education for solving the conflict-causing situations, empathic listening skills, and creating mutual understanding and agreement with customers will result in the increase of customers' perception of interactional justice and their positive emotions. Generally the researches have shown that the more customers perceive the mentioned factors (politeness, kindness, modesty, respect) in the procedure of failure recovery in service organizations, the less would be their negative emotions and the more their positive emotions would increase, and vice versa (Schoefer & Ennew, 2005; Chebat & Slusarczyk, 2005; DeWitt et. al, 2008; Kuo & Wu, 2012; Gohary et. al, 2016). As a result, the hypotheses are proposed:

Hypothesis 5. Perceived interactional justice positively influences positive emotions.

Hypothesis 6. Perceived interactional justice negatively influences negative emotions.

Emotion refers to the degree of stimulation in people which is specific for any particular event or thought of someone (Kuo & Wu, 2012; Lastner et. al, 2016). Emotions have two dimensions, the positive emotion (happiness, pleasure, and honor) and the negative emotion (anger, wrath, and unhappiness). These two dimensions have different and separate effects on behavior (Kuo & Wu, 2012). Emotional reactions act as a moderator between the evaluation process and coping responses (Bichler, 2011). Rio-Lanza et. al, in their studies in 2009 explained that emotions have a key role in understanding the perceived justice in failure recovery systems and customers future behaviors. As mentioned, the

secondary satisfaction refers to the customers' satisfaction after failure recovery in the process of service providing and the researches have shown that if the failure recovery is applied fairly for the customers by the service company, a kind of satisfaction forms in them that is far better and more stable than the primary satisfaction. It is also called satisfaction paradox because if conversely, the failure recovery is not fair, the customers' secondary satisfaction would be far less than their primary satisfaction from the service company (Kuo & Wu, 2012; Gohary et. al, 2016). Schoefer & Ennew in their research in 2005 expressed that one of the prerequisites of customers' secondary satisfaction is stimulated emotions in them while they are in the process of service failure recovery. In addition, other studies have indicated that the positive emotions increase the secondary satisfaction while the negative emotions decrease secondary satisfaction (Schoefer, 2008; Rio-Lanza et. al, 2009; Kuo & Wu, 2012). Therefore, the following hypotheses are proposed:

Hypothesis 7. Positive emotions positively influence secondary satisfaction.

Hypothesis 8. Negative emotions negatively influence secondary satisfaction.

As a result, the proposed conceptual model of the research is shown in Figure. 1

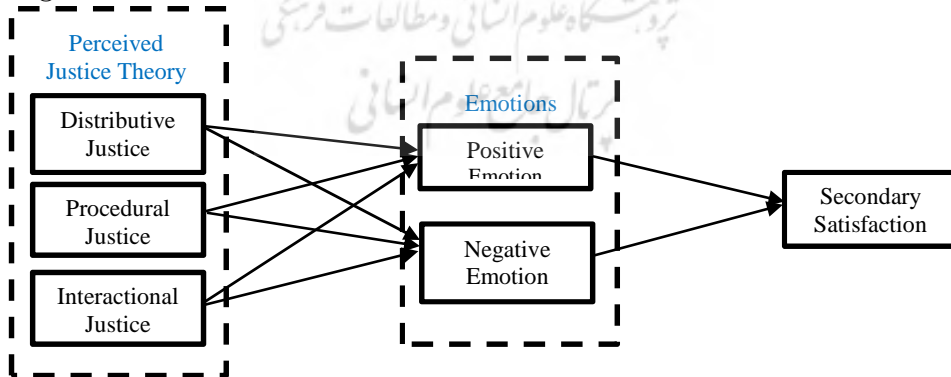


Figure 1. The conceptual model

3. Method

To explore the proposed research model comprising multiple hypotheses, the survey-based design is conducted. Also, structural equation analysis is used to assess the overall fitness of the model and examining the statistical significant of each hypothesis. Due to the economic importance of the service industry in Iran, Banks are an ideal context for research. Cluster analysis is utilized as a method of sampling in this study as a reason that banks which are located in Alborz Province particularly in the districts of 1 and 3. In this regard, we considered randomly from each district, 8 branches and in each branch 25 questionnaires was distributed randomly. Finally, from 400 distributed questionnaires, 384 of them which had covered the minimum amount of Cochran's sample size formula was analyzed by the use of structural equation modeling and LISREL and PLS software. 44 percentage of the sample was female and 56 percent was male. 18% of was aged 21-30, 31% aged 31-40, 25% was aged 41-50 and 26% had more than years old. Also 32% had diploma degree or lower, 18% had associate's degree, 36% had bachelor's degree, and 14% had master's degree or higher. And finally 35% had visited the bank for 1 time in a month, 50% 2-5 times, and 15% more than 5 times in a month. All measurement items developed based on the review of the most relevant literature on service recovery, service failure and justice theory. To confirm the face validity of the questionnaire, the non-professionals opinions were used who had at least experienced service failure once (Mirzaei, 2009), and according to their opinions some changes made to the questions. Also in order to confirm the content validity, the opinion of 15 university lecturers and Ph.D. students of Marketing was used and regarding that the least coefficient for CVR (Content Validity Ratio) of 15 professionals must be 0.49, the fourth item for secondary satisfaction was removed. And also for evaluating the primary reliability of the questionnaire, a preliminary study was conducted by distributing 35 questionnaires. The obtained alpha coefficient for each construct and for the whole questionnaire stated that the questionnaire has a high rate of reliability. In order to analyze the validity of the questionnaire and detecting the constituent elements for each construct, the loading factors are used. The loading factors' results for research variables are summarized in Table 1. All of

the values for loading factors are more than 0.5 and also the calculated t-values for all the loading factors for each indicator with the respective construct or variable are more than 1.96. Thus, we can say that the alignments of survey questions for measuring the concepts are valid in this level (Hooman, 2011).

Table 1. Results of loading factors

Research Constructs	Item	Loading Factor	t-Value
Distributive justice	x1.1	0.92	18.12
	x1.2	0.93	19.14
	x1.3	0.97	18.16
Procedural justice	x2.1	0.87	18.56
	x2.2	0.91	18.11
	x2.3	0.79	16.12
Interactional justice	x3.1	0.93	19.18
	x3.2	0.81	17.12
	x3.3	0.93	18.01
Positive emotion	x4.1	0.9	-
	x4.2	0.97	13.51
	x4.3	0.87	17.03
Negative emotion	x5.1	0.89	-
	x5.2	0.86	17.21
	x5.3	0.9	14.12
Secondary satisfaction	x6.1	0.72	-
	x6.2	0.81	12.06
	x6.3	0.91	15.71

Table 2 shows the validity and reliability indicators for all of the research variables. Convergent validity means that each indicator would just measure its own construct and their combination should be in a way that all of the constructs are differentiated. With the use of the extracted average variance, it is determined that all of the studied constructs have an average variance of at least 0.5. Composite reliability and Cronbach's alpha are used to assess the reliability of the questionnaire and these indicators values must be more than 0.7. All of these coefficients are more than 0.7 and it indicates that the measurement tools have reliability.

Table 2. Convergent Validity

Variables	AVE	Composite Reliability	Coefficient of Determination	Cronbach's Alpha
Distributive justice	0.827	0.913	-	0.898
Procedural justice	0.813	0.919	-	0.866
Interactional justice	0.818	0.912	-	0.881
Positive emotion	0.804	0.903	0.18	0.856
Negative emotion	0.816	0.901	0.23	0.813
Secondary satisfaction	0.765	0.923	0.29	0.812

Table 3 explains the correlation coefficients and divergent validity. The main diagonal of this matrix shows the square root of the average variance explained (AVE). The divergent validity is approved when the value of square root of the average variance explained is more than all of the correlation coefficients of the respective variable with the other variables. As it is shown in the table, the value for the square root of the average variance explained, for all of the variables, is more than their correlation with other variables. Below the main diagonal, the Pearson correlation coefficients are shown. The positive coefficient indicates the positive and direct relation and the negative coefficient shows the negative and reverse relationship between two variables. All of the coefficients are significant in the error level of less than 0.05.

Table 3. Pearson correlation coefficients and divergent validity

Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1) Distributive justice	0.798	-	-	-	-	-
(2) Procedural justice	0.211	0.764	-	-	-	-
(3) Interactional justice	0.511	0.398	0.901	-	-	-
(4) Positive emotion	-0.312	-0.216	-0.298	0.866	-	-
(5) Negative emotion	0.338	0.249	0.246	-0.249	0.501	-
(6) Secondary satisfaction	0.368	0.310	0.330	-0.360	0.354	0.766

* All of the correlation coefficients are meaningful in error level of less than 0.05

** The main diagonal shows the square root of the average variance explained (AVE)

4. Findings

Confirmatory factor analysis, using LISREL 8.50 with maximum-likelihood estimation, was then performed on all constructs to evaluate the Convergent and discriminant validities of the measures. All items had standard t value except Perceived Interactional Justice. Model

fitness and shown In Table 4, figure 2(in T-test value) and figure 3(in standard coefficient), the research results, path coefficients, effect direction are presented.

Table 4. Model fitness indicators

Indicators	Corrected	Allowed limit
Chi square degrees of freedom	1.234	<3
P Value	0.031	Goodness of fit odel
Goodness of fit index (GFI)	0.92	>0.8
Adjusted goodness of fit index (AGFI)	0.84	>0.8
Root mean square error of approximation (RMSEA)	0.023	<0.09
Comparative fit index (CFI)	0.94	>0.9
Normed fit index (NFI)	0.91	>0.9
Non-normed fit index (NNFI)	0.96	>0.9
Increasing fit index (IFI)	0.92	>0.9

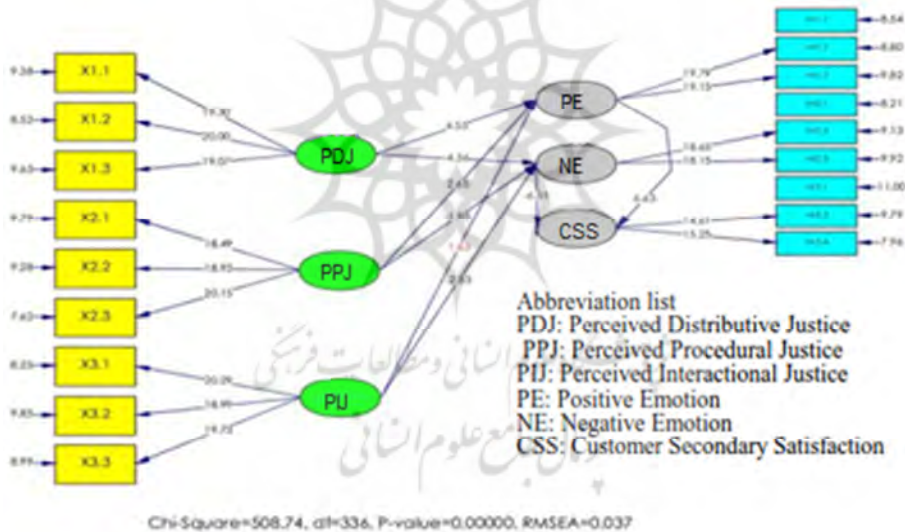


Figure 2. T-test value of research model

In Table 5, the research results, path coefficients, effect direction, a coefficient of determination are presented. As it presented in table 5, the results of structural equations show statistical support for hypotheses 1 to 8 except H5. Since the effect of perceived distributive justice on positive emotions is confirmed ($\beta=0.30, t=4.55$), H1 is supported. H1 reveals that perceived distributive justice has a significant and positive

effect on customers' positive emotions. Also, H2 shows that the effect of perceived distributive justice on customers' negative emotions is supported ($\beta = 0.28$, $t = 4.36$). In addition, it is worthwhile to mention that the perceived distributive justice has a significant and negative influence on the customers' negative emotions. In addition H3 proposing a positive association between perceived procedural justice and customers' positive emotions ($\beta = 0.16$, $t = 2.63$). Moreover, the effect of the perceived procedural justice on customers' negative emotions is supported (H4, $\beta = -0.12$, $t = -1.98$). H4 mentions that perceived procedural justice has a meaningful and reverse effect on customers' negative emotions.

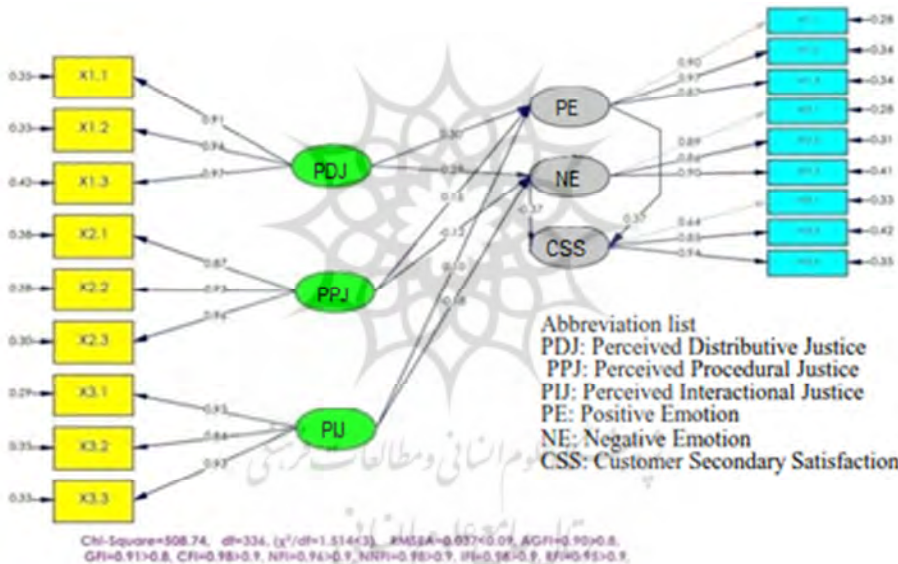


Figure 3. Standard coefficient research model

On the contrary to mentioned hypothesis, H5 is not supported and the association between Perceived interactional justice and positive emotion is not significantly important ($\beta = 0.01$, $t = 1.63$). H6 argues the negative link between perceived interactional justice and customer's negative emotions ($\beta = -0.18$, $t = -2.83$). It reveals that the perceived interactional justice has meaningful and reverse impact on customers' negative emotions. Furthermore, H7 illustrates the positive effect of customers' positive emotions on their secondary satisfaction ($\beta = 0.37$, $t = 6.63$). It

demonstrates that customers' positive emotion has a meaningful and positive effect on their secondary satisfaction. Finally, H8 shows that the negative emotions' impact on customers' secondary satisfaction is also confirmed ($\beta=-0.37$, $t=-6.51$). It means that negative emotions have a significant and reverse effect on customers' secondary satisfaction.

5. Conclusions

In this research and according to the prior studies, perceived justice is categorized in three types of distributive justice, procedural justice, and interactional justice and their effects on positive and negative emotions and eventually on customers' secondary satisfaction after the service organization was discussed. H1 proposes that more the customers perceive justice while the recovery for their financial loss is applied, the more positive emotions will be stimulated in them, this matter confirms the researches done by Rio-Lanza et. al (2009), Kuo & Wu (2012), and Lastner et. al (2016). H2 explains that the more the customers perceive the distributive justice, the less would be their negative emotions, and the result of this hypothesis is in line with Schoefer & Ennew (2005), Rio-Lanza et. al (2009), and Kuo & Wu (2012) researches. H3 reveals that the perceived procedural justice has a significant and positive impact on customers' positive emotions and during the recovery for the occurred failure, the more the customers perceive that the procedures and directives of the bank are in line with their adjudication in the fastest possible time, the more their positive emotions would be stimulated. H4 explains that perceived procedural justice has a meaningful and reverse effect on customers' negative emotions. Actually the more the customers perceive the procedures and directives of the bank as equitable, the less would be their negative emotions and vice versa. The results of Schoefer & Ennew (2005), Rio-Lanza et. al (2009), Kuo & Wu (2012), and Lastner et. al (2016) researches are in line with the results of hypothesis 3 and 4. As H5 is not supported the relationship between perceived interactional justice and customers' positive emotions is not supported. However, the result of this hypothesis is not aligned with the result of Schoefer & Ennew (2005), DeWitt et. al (2008), and Lastner et. al (2016) studies due to cultural differences. H6 demonstrates that the perceived interactional justice has meaningful and reverse

impact on customers' negative emotions. In fact, the appropriate manner by the staff would decrease the negative emotions of the customers which are stimulated from the failure occurred during the service process, and the results of this hypothesis are in line with the results of Schoefer & Ennew (2005), Chebat & Slusarczyk (2005), DeWitt et. al (2008), and Kuo & Wu (2012) studies. In addition, H7 proves that customers' positive emotions has a meaningful and positive effect on their secondary satisfaction and the more the customers during the failure recovery have a pleasant feeling due to the justice perception, the more they would feel satisfied with the service organization. Moreover, H8 shows that that negative emotions have a significant and reverse effect on customers' secondary satisfaction. Actually, the more the customers have wrath, anger, and generally, an unpleasant feeling due to the justice perception from the failure recovery process, the less their secondary satisfaction from the service organization would be. Schoefer & Ennew (2005), Rio-Lanza et. al (2009), and Kuo & Wu (2012) researches results are in line with the results of hypotheses 7 and 8. Finally, it is worthwhile to mention that the more the customers perceive distributive, procedural, and interactional justice during the service recovery, the more their secondary satisfaction after service organization would be, and vice versa. path coefficients of the conceptual model and researches that matches the results of this research are shown in Table 5. In this research and according to the prior studies, perceived justice is categorized in three types of distributive justice, procedural justice, and interactional justice and their effects on positive and negative emotions and eventually on customers' secondary satisfaction after the service organization was discussed.

Table 5. Structural equation results

Hypothesis Path	Beta	T-Value	Hypothesis status	Effect direction	Researches that matches the results of this research
H1: Perceived distributive justice positively influences positive emotions.	0.30	4.55	Supported	Direct/Positive	Rio-Lanza et. al (2009), Kuo & Wu (2012), and Lastner et. al (2016)
H2: Perceived distributive justice negatively influences negative emotions.	0.28	4.36	Supported	Direct/Positive	Schoefer & Ennew (2005) and Kuo & Wu (2012)
H3: Perceived procedural justice positively influences positive emotions.	0.16	2.63	Supported	Direct/Positive	Rio-Lanza et. al (2009), Kuo & Wu (2012), and Lastner et. al (2016)
H4: Perceived procedural justice negatively influences negative emotions.	-0.12	-1.98	Supported	Reverse/Negative	Schoefer & Ennew (2005), Kuo & Wu (2012)
H5: Perceived interactional justice positively influences positive emotions.	0.1	1.63	Not Supported	-	DeWitt et. al (2008), and Lastner et. al (2016)
H6: Perceived interactional justice negatively influences negative emotions.	-0.18	-2.83	Supported	Reverse/Negative	Chebat & Slusarczyk (2005), DeWitt et. al (2008)
H7: Positive emotions positively influence secondary satisfaction.	0.37	6.63	Supported	Direct/Positive	Schoefer & Ennew (2005), and Kuo & Wu (2012)
H8: Negative emotions negatively influence secondary satisfaction	-0.37	-6.51	Supported	Reverse/Negative	Rio-Lanza et. al (2009), and Kuo & Wu (2012)

|t|>1.96 Significant at P<0.05, |t|>2.58 Significant at P<0.01

Results indicated that the more the customers perceive distributive, procedural, and interactional justice during the process of service failure recovery, the more their positive emotions due to the failure would increase and their negative emotions would decrease, and vice versa. It is because of that while getting services, customers are involved in a problem that the service organization has caused it, and they demand financial compensation for amending the occurred problem, because this research showed that paying tangible benefits in order to recover the occurred failure would restore the mental balance of regarding justice to the customers. Actually, when a failure happens from the side of a service organization, it causes the loss of time and energy of the customers and therefore their perception toward justice about themselves decreases. By providing tangible benefits that are called distributive justice, the perception of distributive justice would increase and reach the extent of balance in customers. Also the existence of correct procedures for resolving the failure that could result in reducing the time for recovering the problem, may evoke the feeling in them that the service company has already considered procedures and directives for solving the problem so that if a failure occurs, it would be resolved and recovered in the fastest possible time and with the least administrative complexity for the customers and this matter will result in their perception of the procedural justice. And eventually, customers expect staff to interact properly in order to solve the failure occurred because this research showed that while a failure occurs, the modest behavior accompanied by compassion and kindness of the staff for recovering the failure would increase customers' positive emotions. In fact, when customers reach to this perception understanding that the service organization staff considers the problem as their own problem and they try to find a way to solve that and they show that they are deeply concerned and worried about the issue, customers' positive emotions and subsequently their secondary satisfaction increases, and vice versa, if they perceive that the staff don't feel responsible for the failure occurred and if they don't try to solve that, negative emotions would increase in them and their secondary satisfaction will decrease. In the following, the current study indicated that the more the customers have positive emotions toward service failure recovery, the better their subjective

evaluations of the bank would be and their satisfaction after service failure recovery that is actually their secondary satisfaction toward the service organization will increase. And also by confirming the reverse relationship between negative emotions and secondary satisfaction, it is expressed that the less negative emotions the customers have toward problem solving process, the more their secondary satisfaction would increase, and vice versa. In fact, when customers have a positive emotion during the failure recovery process, their satisfaction after the service company would become more than before the problem happened, and this matter means an opportunity that service organizations have while a failure occurs and if they recover the problem properly, they can achieve a higher level of customer satisfaction than before.

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