

Banding together in a festival context: Examining effects of a joint-stakeholder external service recovery

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ABSTRACT

Despite substantial growth in revenue and attendance numbers on a global and country level over the past decades, failure is still a fairly common phenomenon in the events/festival industry. Drawing on two scenario studies and data collected in the United States, this research investigated the impact on festival-goers' evaluations and behavior of joint-stakeholder external service recoveries, in contrast to the prevalent focus on examining service recoveries by a single stakeholder that caused the failure. Findings revealed that festival-goers had different perceptions of and behavioral intentions towards the various stakeholders depending on their perception of fault for the failure. Yet, rather than a predicted joint effect with failure severity, we found a significant interaction effect of the locus of causality with service recovery measures, either via an internal or external recovery. Implications of study findings and directions for future research are discussed.

1. Introduction

According to the Global Entertainment and Media Outlook (Chapple, 2018), revenue of the live music industry was to increase globally at a compound annual growth rate of 3.3% until 2022, including ticket sales and sponsorship. In the same year, total revenue was expected to reach US\$ 31 billion, with ticket sales accounting for US\$ 24 billion. Pollstar's (2018) 'Global Music Festival Events Calendar' recorded 2,325 confirmed music festivals in more than 70 countries. The US alone hosts more than 800 music festivals annually. There were 269 outdoor music festivals held across China in 2018, a 34% increase from 2016 (Chen, 2018).

Yet, despite this growth, failure is a fairly common phenomenon among events. Music festivals, in particular, have "a storied history of falling apart, getting canceled, descending into anarchy, and failing to pay workers" (Tiffany, 2019). For example, 'Fyre Festival' has become synonymous for shambolic events in recent years since organizers mishandled everything from lodging to stage production in 2017 (Hanbury, 2019a). In the UK, the 'Hope and Glory Festival' was due to be held in Liverpool in 2017 but performances on the second day were canceled when attendees complained of overcrowding, long queues, hours of delays and the lack of facilities on the first day (MacNeill, 2017). Failure of this festival was attributed to poor planning, management, and

operational control (Hewett & Roberts, 2017).

Images of the ill-fated 'Fyre Festival' were widely reported across global news organizations and social media. Inevitably, this resulted in concerns about damage to the reputation of the Bahamas (Hanbury, 2019b). Bahamas Ministry of Tourism and Aviation said in a statement that "In spite of this unfortunate event, arrivals to The Exuma in 2017 were 27% higher than the previous year" (Parker, 2019). Nevertheless, successful events can influence the destination image, enabling the growth of tourist flows and stimulate destination marketing organizations to differentiate their own destination products from those of competitors (Botti, Monda, & Vesci, 2018). On the other hand, if an event starts to weaken and fails, the destination might suffer in turn (Getz, 2002).

Several studies examined reasons for event successes and failures (Carlsen, Andersson, Ali-Knight, Jaeger, & Taylor, 2010; Getz, 2002; Kinnunen & Haahti, 2015; Nordvall & Heldt, 2017). Yet, thus far, research has stopped short of investigating measures various event stakeholders may adopt to recover from different failures experienced during an event, and their effectiveness in positively affecting customer perceptions and behaviors. This is of particular interest as stakeholders in numerous recent events have adopted various recovery measures to atone for their failure. However, it is unclear whether these measures were effective and worth the investment in time and money.

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At the same time, service failure/recovery (SFR) research in the tourism/hospitality context has primarily focused on airline, hotel and restaurant settings (e.g., Khalilzadeh, Ghahramani, & Tabari, 2017; Li, Qiu, & Liu, 2016; Migacz, Zou, & Petrick, 2019), with an almost exclusive emphasis on examining a single customer-service provider dyad. Consequently, research that examined SFR in a multiple service provider context has received only scant attention (Allen, Brady, Robinson, & Voorhees, 2015). Furthermore, research has typically centered on recovery strategies employed by the firm that caused the SF. In contrast, the current study highlights a festival context, in which multiple stakeholders jointly create the customer experience (namely the organizer, venue, sponsor and the local council representing the destination), and in which stakeholders who didn't cause the failure nevertheless engage in service recovery (i.e., external SR). More specifically, it examines the impact of SR measures stakeholders closely affiliated with the organizer employ collectively in the case of a festival failure on consumer perceptions and behavioral responses. It also assesses the impact of locus of causality – which party is at fault for the failure (Weiner, 1980) and the SF severity (e.g., Smith, Bolton, & Wagner, 1999), given their established importance on consumer perceptions and behaviors in a single service provider context.

In summary, this article will address the following research objectives:

1. Investigate the effect of an external SR versus a SR by the organizer (thereafter internal SR) on festival-goers' perceptions and behavioral responses;
2. Determine the effect of locus of causality on festival-goers' perceptions and behavioral responses in the context of internal and external SR; and
3. Establish to what extent the severity of the failure affects festival-goers' perceptions and behavioral responses in the context of internal and external SR.

In addressing these objectives, our research also responds to Getz and Page's (2016) call for more diverse approaches in the study of events, employing experimental designs. While a festival setting was chosen for this study, derived implications could extend to many tourism situations, and indeed service settings in general, where multiple stakeholders come together to jointly create a customer experience.

2. Theoretical background and research hypotheses

2.1. Event/festival failure

Although event failures are a widespread and common phenomenon (Nordvall & Heldt, 2017), only a few studies have been dedicated to examining their causes. Consequently, why events fail is a largely unexplored issue (Getz & Page, 2016) due to 1) failures being difficult to document (Getz, 2002), and 2) studies that examine success being easier to sell to funding bodies (Laing, 2018). Getz (2002) identified the five most likely sources of festival failure as weather, lack of corporate sponsorship, overreliance on one source of money, inadequate marketing or promotion, and lack of advance or strategic planning. A comprehensive literature review generated additional causes of event failure, as summarized in Table 1.

As is apparent from the literature, while various studies have identified several reasons for event failures, there is a distinct lack of research examining the effectiveness of measures different event stakeholders may employ to address problems of varying magnitude and their impact on event-goers' perceptions and behavior. Yet, this is important to not only contribute to a greater success rate of events overall, but also ensure that the numerous benefits events can bring to a destination, its local community and event stakeholders can eventuate.

Table 1
Event/festival failure studies.

Main Causes of Failure	Examples	References
Financial	Lack of alternative funding sources/overreliance on one source of money Ticket/F&B prices – low/high Narrow profit margins	Anderton, 2019; Getz, 2002 VanLimburg, 2008 Anderton (2019)
Marketing & Promotion	Low program quality; Inadequate promotion	Frost & Laing, 2015; Getz, 2002; Kinnunen & Hahti, 2015; Van Limburg, 2008 Frost & Laing, 2015; Getz, 2002
Strategic Planning	Leadership; Succession planning	
Human Resources	Reliance on Voluntary Work	Cloonan, 2012; Frost & Laing, 2015
Competition	Limited demand, over-supply	Kinnunen & Hahti, 2015; Nordvall & Heldt, 2017
Anti-social Behavior	Drinking, littering, rowdy behavior, violence, increased levels of crime	Carlsen et al., 2010; Deery & Jago, 2010; Kinnunen & Hahti, 2015
Others	Weather, ICT system failure, crowding	Carlsen et al., 2010; Getz, 2002; Van Limburg, 2008

2.2. Service failure/recovery

2.2.1. Justice theory

Justice theory has served as a prominent theoretical framework to investigate SFR, based on the notion that customers' evaluations, such as fairness and satisfaction, and behaviors, such as word of mouth communication and loyalty, are dependent on whether they feel that justice has been served and consequently, they have been treated fairly (Sparks & McColl-Kennedy, 2001). Three types of justice have been commonly examined, namely distributive, procedural and interactional justice. Distributive justice (DJ) is defined as customers' perceptions of the fairness of actual outcomes or consequences of a decision (Deutsch, 1975). Procedural justice relates to customers' perceptions of the fairness of procedures used in making decisions (Lind & Tyler, 1988). Interactional justice (IJ) deals with customers' perceptions of the fairness of interpersonal behaviors in the enactment of procedures and delivery of outcomes (Bies & Shapiro, 1987).

Several studies assessed the relative importance of the various types of justice, with mixed results. Some studies found DJ to be the most decisive predictor of satisfaction (e.g., Homburg & Fürst, 2005; Patterson, Cowley, & Prasongsukarn, 2006) while others suggested that interactional or procedural justice were more significant (e.g., Maxham & Netemeyer, 2002; Voorhees & Brady, 2005). McCollough, Berry, and Yadav (2000) asserted that consumers assign more importance to both interactional and distributive justice compared to procedural justice. It is important to note that all studies discussed thus far examined the effect of the various types of justice in a single service provider-customer context only. In such a context, a service provider would implement a SR strategy relating to shortcomings in interactions between its own employee(s) and customer(s); that is, the service provider implements what we term an 'internal SR.' In contrast, in a multiple service provider-customer context a service provider may implement a SR for customers who experienced a failure with another firm, termed by Allen et al. (2015) an 'external SR.' While these authors focused on two service providers in a contiguous series of services, there are also situations where a customer may experience a SF when more than two, closely affiliated service providers are jointly engaged in a customer experience creation simultaneously. Regardless of the type of multiple service provider setting, there is little knowledge to what extent the deployment of various justice measures impacts customer evaluations and behaviors towards multiple service providers involved in a SFR situation. In view of the literature reviewed, we hypothesize that:

H1a. Festival-goers will have more favorable perceptions of and

behavioral responses towards affiliated stakeholders relative to the organizer, under external SR with DJ, compared to external SR with IJ and internal SR with DJ.

2.2.2. Informational justice – social accounts

Several authors proposed to further sub-divide interactional justice, as originally suggested by Greenberg (1993). Colquitt (2001) and Colquitt, Conlon, Wesson, Porter, and Ng (2001) supported the distinction between interpersonal justice (reflected in a dignified and respectful treatment accorded to a person) and informational justice (concerned with the provision of explanations). Research on informational justice, also referred to as social accounts, originated in psychology, sociology, and philosophy. The value of social accounts or explanations as a conflict management strategy that manages a person's perception of negative events has led to numerous studies investigating distinct research streams, namely, the various types of explanations and their effects (e.g., Bradley & Sparks, 2012), the effects of potential moderators (Chang & Chen, 2013), and key characteristics of effective explanations (Bradley & Sparks, 2009).

In a seminal paper, Scott and Lyman (1968) distinguished between two types of explanations: excuses and justifications. Since then numerous taxonomic classifications of explanations have been developed (e.g., Schlenker, 1980; Schönbach, 1990; delRío-Lanza et al., 2009). Bies (1987) forwarded the most widely used taxonomy in organizational sciences, detailing four types of explanations: a causal account, an ideological account, a referential account, and a penitential account. These accounts differ along two dimensions: 1) whether the actor admits that the event or its consequences are negative, and 2) whether the actor accepts personal responsibility for the events or its consequences (Schlenker, 1980).

In the present study, the effect of a penitential and a causal account are of particular interest. A penitential account refers to an explanation in which the actor accepts responsibility for the event or its consequences, and does not attempt to reduce the negativity as perceived by the audience. With such an action the account giver is hoping to convince the receiver that the actions were isolated incidents, and not representative (Schlenker, 1980). The intent is to express regret and seek forgiveness from victims of wrongdoing (Bies, 1987). In contrast, a causal account, or an excuse, refers to an explanation in which the actor admits that the event was negative or the outcome was unfair but denies personal responsibility by citing some external cause or mitigating circumstances.

Several studies have investigated the effectiveness of explanations in organizational settings. Earlier studies examined whether the provision of an explanation renders more positive outcomes than offering no explanation (e.g., Bies & Shapiro, 1987). Research generally supports the notion that adequate and sincere explanations of negative events lead to more favorable reactions towards the event, the account giver and the institution in which the event occurred than when inadequate or no explanations are provided (e.g., Bradley & Sparks, 2009; 2012; Wang, Mattila, & Bartlett, 2009). Subsequent studies assessed the relative effectiveness of the various types of explanations, in light of differences in pre-consumption mood (Yang & Hanks, 2016), timing (Chang & Chen, 2013; Mattila, 2006) and customers' cultural background (Wang & Mattila, 2011). In general, explanations that assumed responsibility for a problem led to more favorable reactions than explanations that denied responsibility.

Research discussed thus far only examined the effectiveness of social accounts for service providers explaining their own actions in a single customer-provider context. Yet, in a multiple provider context, a service provider may have to offer an explanation to customers for the actions of closely affiliated entities involved in the experience creation. Tax, McCutcheon, and Wilkinson (2013, p. 463), focusing on a service delivery network, alluded to such a possibility: "the firm hearing the complaint can attribute blame to other parties who may or may not be responsible, with the intention of reducing expectations about its own

responsibility for the recovery and also to protect its service quality image."

This study examines this aspect further, with a particular interest on festival-goers' reactions to two alternative actions an organizer may take: (1) accepting responsibility for the festival cancellation and trying to atone, that is, offering a penitential account, or (2) trying to shift blame to affiliated stakeholders by offering a causal account. This is of special interest if at the same time affiliated stakeholders invest resources in devising an external SR in the form of DJ or IJ.

We hypothesize that:

H1b. External SR with DJ compared to IJ will result in more favorable perceptions of and behavioral responses towards affiliated stakeholders when the organizer offers a causal account compared to a penitential account.

2.2.3. Attribution theory - locus of causality (LOC)

The key focus of attribution theory (Heider, 1958) is individuals' assignment of causal inferences about events they experience and/or witness, and the consequent influence of these inferences on perceptions and behaviors. As attribution theory is applicable to a wide range of social interactions, it has become one of the primary paradigms in social psychology. Weiner (1980) proposed three distinct dimensions: stability, controllability, and locus of causality. In a meta-analysis of relationships linking SF attributions to customer outcomes, Van Vaerenbergh and colleagues (2014) noted the prevalent focus on examining the former two dimensions. At the same time, they pointed to two reasons why research on LOC, also referred to as locus of attribution – the causal assignment of success or failure of an event to internal (e.g., self) or external (e.g., company, third-party services) factors - has received less research attention. First, most studies are primarily interested in analyzing customers' reactions to SF caused by a service provider. Second, as Bitner, Booms, and Tetreault (1990) argued that causes of SF originate by definition with the service provider, the LOC has typically been considered unambiguous, and thus less relevant for most situations. That however no longer holds true given the greater prevalence of situations in which multiple service providers are involved in service experience creation (e.g., Barile, Lusch, Reynoso, Saviano, & Spohrer, 2016). Indeed, even the assessment of the impact of an internal LOC becomes much more important with the increase of online and self-service provisions, and the consequent increased potential of a customer's fault for a SF (Lee & Cranage, 2018).

Research findings focusing on the impact of LOC in a single service provider context indicate that the more consumers believe a SF is due to the service provider (external locus), the more likely they are to exhibit negative perceptions of and behavior towards that provider. In particular, failures attributed to a service provider are more likely to 1) elicit complaints to the firm and warnings to others (e.g., Curren & Folkes, 1987), 2) lead to less satisfaction (Oliver & DeSarbo, 1988), and 3) impact beliefs that the customer is owed an apology and/or refund (e.g., Kelley, Hoffman, & Davis, 1993).

Turning to effects of a failure that involves more than a single service provider, with a consequent ambiguous LOC, Lee and Cranage (2017) assessed customers' evaluations after SF in the tourism distribution channel, specifically on intermediaries (travel agents) and suppliers (hotels). They found that customers' evaluations were more negative of an intermediary than of a supplier when customers did not know who was at fault. This confirmed the hypothesis that firms that are more directly involved in the service provision are more affected by an ambiguous LOC than those that are indirectly linked. Based on the literature, we advance the following hypothesis:

H2. Festival-goers who perceive an ambiguous LOC will have less favorable perceptions of and behavioral responses towards the organizer relative to affiliated stakeholders, compared to festival-goers who perceive a clear LOC.

2.2.4. Failure severity

Failure severity refers to the magnitude of loss or intensity of a SF; it can be either tangible (representing losses in monetary or service/product value) or intangible (in terms of inconvenience or time lost). Numerous studies have examined the impact of SF severity on customer evaluations (e.g., McCollough et al., 2000; Smith et al., 1999), especially satisfaction (e.g., Hess, 2008; Wang, Wu, Lin, & Wang, 2011). It is a critical aspect as it determines the level of recovery required to restore customer satisfaction when a failure occurs (Swanson & Hsu, 2011). Indeed, some researchers argue for its inclusion in any research examining customer responses to SF to ensure the integrity of study results (e.g., Trianasari, Butcher, & Sparks, 2018; Wang et al., 2011). Customers who experience a severe failure are likely to evaluate the service unfavorably and report dissatisfaction, are less likely to continue a relationship with and engage in negative word of mouth towards that service provider (delRío-Lanza, Vázquez-Casielles, & Díaz-Martín, 2009). Conversely, when customers experience less severe failures, they evaluate the potential loss as low, might ignore negative emotions, and are less likely to blame the service provider (Gelbrich, 2010). Yet again, thus far the effect of SF severity has been examined almost exclusively with reference to a failure caused by a single service provider. An exception is Lee and Cranage's (2017) study which found that when the SF was severe, consumers who did not know who was at fault (ambiguous LOC) were more dissatisfied with the SF than those who knew who caused the failure (clear LOC). Therefore, it is hypothesized that:

H3a. Festival-goers will have less favorable perceptions of and behavioral responses towards the organizer relative to affiliated stakeholders, when the SF severity is high compared to it being low.

H3b. Festival-goers with high severity SF and ambiguous LOC will have less favorable perceptions of and behavioral responses towards the organizer relative to affiliated stakeholders, compared to festival-goers with low severity SF and clear LOC.

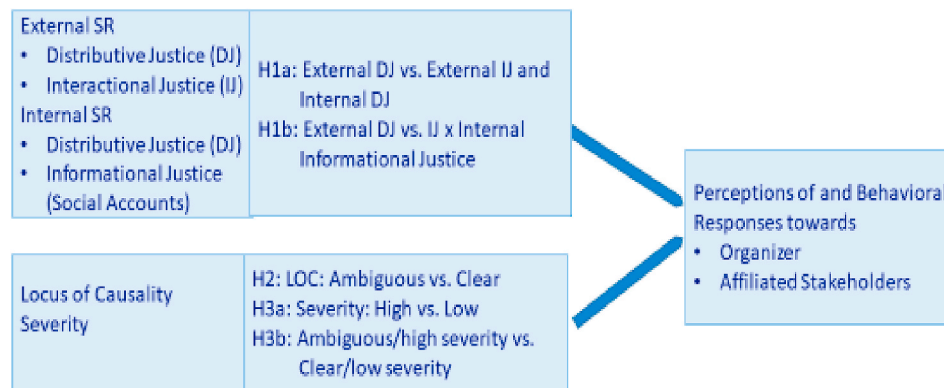
3. Research approach

To summarize the study design and research model, the relationships among various components of the study are presented in Fig. 1.

Two experiments were created to address the research objectives and test the various hypotheses. While experimental designs are frequently employed in services marketing (Kim & Jang, 2014), they have been less

frequently drawn upon in tourism/hospitality research in general (Weber & Sparks, 2009; Wu & Mattila, 2013), and in festival research in particular (Getz & Page, 2016). A script-based scenario approach is a commonly used experimental methodology in which respondents are asked to read a short vignette on the issue under investigation and then respond to questions relating to variables of interest (Bitner et al., 1990). They offer several advantages, namely (a) greater internal validity, (b) expensive or difficult manipulations can be relatively easily operationalized, (c) researchers can control otherwise unmanageable variables, and (d) time compression can be facilitated. However, these advantages are realized with a concurrent loss of external validity. Nevertheless, Carlsmith, Ellsworth, and Aronson (1976) argued that the use of realistic scenarios and actual consumers can ensure sufficient realism. Thus, particular care was taken in the creation of scenarios and utilization of actual consumers. Interviews with music festival organizers preceded the experiments, informing our scenario design. Screening by the research firm collecting data ensured that only actual festival-goers were surveyed.

Both scenario-based experiments were set within a festival context and involved four key stakeholders, namely the organizer, venue, sponsor, and the local council representing the destination, in line with Van Niekerck and Getz's (2016) identification of major event stakeholders. Experiment 1 was designed to assess the effectiveness of a SR by the festival organizer (internal) versus a SR jointly created by three other key stakeholders (external). The extent to which the severity of the SF, specific recovery measures and the locus of causality (LOC) impacted festival-goers' perceptions of and behavioral responses towards the various stakeholders was also assessed. Experiment 2 focused exclusively on a SF situation high in severity to assess the effects of different external SR. Simultaneously, it examined the effect of the deliberate use of different explanations (informational justice) provided by the festival organizer to accept or deny responsibility for the failure. The target sample size for Experiments 1 and 2 was set at 300 and 200 (or 50 respondents per cell) respectively, comfortably exceeding the minimum required sample size of 25 subjects per cell for a repeated measures MANOVA (Cohen 1977). Several measures were employed to warrant the quality of data utilized. First, to ensure that only those respondents who correctly perceived the intended manipulations would participate in this research, those who incorrectly answered manipulation check questions were excluded. Second, the time respondents spent to complete the survey was scrutinized; those who completed the survey in less



Study Objective 1	Study Objective 2	Study Objective 3
H1a	H2	H3a
H1b	H3b	

Hypotheses (H1a, H2, H3a, H3b) in blue cells are tested in Study 1. Hypothesis (H1b) in green cell is tested in Study 2.

Fig. 1. Study design and research model.

than the anticipated completion time of 10 minutes were excluded.

4. Study 1

4.1. Methodology

4.1.1. Design and stimulus material

A 3 (SR: internal recovery DJ vs. external recovery IJ) x 2 (LOC: ambiguous vs. clear) x 2 (SF severity: high vs. low) between-subjects experimental design was adopted. SR and SF severity were manipulated while LOC was measured. Even though affiliated stakeholders implemented a joint SR, it is conceivable that festival-goers may evaluate their efforts differently. Consequently, perceptions of and behavioral responses towards each of the four stakeholders, namely the festival organizer, festival venue, festival sponsor, and festival destination, were established. A within-subject variable, 'Stakeholder (SH)' was introduced to examine whether there were significant differences in festival-goers' ratings of these four stakeholders.

Six scripts involving various levels of failure severity and SR measures were developed, based on a review of recent music festival failures detailed in various media (e.g., Hanbury 2019a, b; MacNeill, 2017; Rodger, 2017) and eight interviews with music festival organizers. Asking respondents to imagine themselves to be the aggrieved festival-goer, each scenario described a situation where a festival-goer had purchased an expensive ticket for a 2-day outdoor music festival. Then different SF and recovery measures were detailed. Scenarios were identical except for manipulations of the independent variables. Questions relating to dependent variables, and manipulation, realism and believability checks followed the scenario. A copy of the scenarios, including the manipulations of the two independent variables, is provided in Appendix A.

4.1.2. Independent variables

SR and SF severity were manipulated at three and two levels respectively. SR entailed either a recovery implemented by the festival organizer (in the form of DJ – partial ticket refund, donation to a national charity) or a recovery by the affiliated stakeholders in the form of DJ (organization of a free concert the following week) or IJ (apology). Failure severity varied by consumers experiencing either a series of minor, not uncommon problems encountered during festivals (low severity) versus a cancelled festival (high severity). The measurement of LOC was adopted from Lee and Cranage (2017), asking respondents whether the festival organizer was clearly at fault for the SF or there was ambiguity (that is, all stakeholders were to a certain extent held responsible for the failure). A 7-point Likert scale (1 = completely ambiguous, 7 = clearly perceived) was used. To facilitate further data analysis, a median split was employed to convert this variable into a categorical one where '1' equaled 'fault ambiguous among stakeholders' and '2' equated to 'fault clearly perceived with festival organizer.'

Satisfaction and behavioral intentions (BI) for each of the four stakeholders were measured to establish festival-goers' perceptions and behavioral responses. Prior SFR research extensively focused on these two measures as dependent variables (Oliver, 2010). As this research had to obtain dependent variable measures not only for one but four entities led to the use of a single-item satisfaction measure, adopted from Westbrook and Oliver (1981). This is supported by substantial arguments and precedent for the use of single item measures (Drolet & Morrison, 2001; Ittner & Larcker, 1998). A multiple-item BI measure was adapted from Zeithaml, Berry, and Parasuranam (1996); all items were measured on a seven-point Likert scales (1 = strongly disagree, 7 = strongly agree).

4.1.3. Sample and procedures

A research firm was employed to program and host the online experiment, and collect data in the United States from respondents who had visited at least three music festivals in the past year. Respondents

received a small incentive to complete the questionnaire. The instrument was extensively pre-tested, modified, and re-tested prior the main data collection. Respondents were randomly allocated to one of the six scenarios.

4.2. Results and discussion

Prior to the application of the multivariate analysis of variance (MANOVA) technique, preliminary data screening was conducted on the 351 responses obtained, resulting in the deletion of 19 cases due to illogical response patterns. A further 27 cases were deleted due to incorrectly answering manipulation check questions. Thus, 305 cases were available for analysis.

The sample was almost equally divided in terms of gender (comprising of 55% females and 45% males). About 40% of the sample were aged 26–45 years, followed by a third in the 56–65 years category. The majority (56%) had obtained a college degree, with 22% also holding postgraduate qualifications. Two-thirds had attended three music festivals in the past 12 months, with the rest attending more.

A summated scale for BI was devised for each stakeholder. Prior to calculating the Cronbach's alpha reliability coefficient, items were reverse-coded where required. The reliability of each scale ($\alpha_{EO} = 0.899$; $\alpha_{EV} = 0.889$; $\alpha_{ES} = 0.935$; $\alpha_{ED} = 0.881$) exceeded the conventional minimum of 0.70 (Nunnally, 1978), indicative of good to superior reliability.

Several measures assessing the realism of the provided scenarios were included (Willson & McNamara, 1982). Table 2 provides descriptive statistics for the three realism checks, indicating the service experience realistic and likely to occur. Checks also confirmed that manipulations for the two independent variables – SF severity and SR – were successful.

4.2.1. Consumer evaluations and behaviors

Repeated measures MANOVA was employed to investigate the four hypotheses relating to Study 1. Prior to the analysis, data were checked to ensure normality of distribution of dependent variables, homogeneity of variance-covariance matrices, and the independence of observations. A 3 (SR: internal recovery DJ vs. external recovery IJ vs. external recovery DJ) x 2 (SF severity: high vs. low) x 2 (LOC: ambiguous vs. clear) repeated measures MANOVA revealed significant main and interaction effects. Multivariate statistics and significant univariate results are presented in Table 3. Simple effects and contrasts were conducted at the 0.05 level.

There was a significant multivariate main effect for Stakeholder. However, we did not find significant interaction effects between Stakeholder and SR, Stakeholder and failure severity, and Stakeholder, failure severity and LOC, leading us to reject H_{1a} , H_{3a} and H_{3b} respectively. We did find a significant multivariate interaction effect between Stakeholder and LOC, with univariate results showing a significant effect on both dependent variables, lending support to H_2 . Yet, since this interaction was further clarified by a non-hypothesized three-way interaction between Stakeholder, LOC and SR, it is this interaction that will be examined in more detail next. Univariate results showed a significant effect on both satisfaction and BI, with the means for all four stakeholders being shown in Table 4; the interaction effects are graphically displayed in Figs. 2 and 3.

When the organizer implemented an internal recovery – DJ, there was a significant difference in satisfaction and BI levels for the affiliated stakeholders compared to the organizer for respondents who perceived a clear LOC ($p < 0.01$, see highlighted cells in Table 4). Not surprisingly, festival-goers' satisfaction and BI towards the organizer were lowest. At the same time evaluations of and behavioral responses towards affiliated stakeholders under such circumstances were generally more neutral. In contrast when respondents perceived the LOC as ambiguous, not only were all satisfaction and BI ratings higher for all stakeholders than when the LOC was clearly perceived with the organizer, there were now also

Table 2
Realism and manipulation checks.

Realism Check Items	Study 1 Mean/SD	Study 2 Mean/SD
I think a service experience like this does occur in real life.	5.61/ 1.36	6.02/ 1.18
I felt I could identify with the customer in this scenario.	5.18/ 1.39	5.64/ 1.35
The situation described was realistic.	5.55/ 1.25	5.96/ 1.09
Manipulation Checks-Study 1		
Severity	Low Severity Condition Mean/SD	High Severity Condition Mean/SD
Mild vs. Severe service problem	3.49/.92	6.33/1.06
Minor vs. Major service problem	3.29/1.08	6.26/1.13
Insignificant vs. Significant service problem	3.34/1.09	6.31/1.09
Service Recovery	Mean/SD	
Internal Recovery DJ		
The festival organizer promised to offer a partial ticket refund.	5.94/1.28	
The festival organizer promised to make a donation to a national charity.	5.95/1.25	
External Recovery - IJ		
City Officials, the venue and the festival sponsor apologized to festival-goers.	5.48/1.38	
External Recovery - DJ		
City Officials, the venue and the festival sponsor promised to arrange a music festival free of charge.	5.91/1.38	
Manipulation Checks-Study 2		
		Mean/ SD
External SR		
IJ		
• City Officials, the venue and the festival sponsor apologized to festival-goers.		6.29/ 1.04
• City Officials, the venue and the festival sponsor promised to arrange a music festival free of charge.		1.76/1.1
DJ		
• City Officials, the venue and the festival sponsor apologized to festival-goers.		2.17/ 1.12
• City Officials, the venue and the festival sponsor promised to arrange a music festival free of charge.		6.23/ 1.08
Informational Justice—Social Accounts		
Penitential Account		
• The festival organizer accepted responsibility for the problems experienced at the festival.		5.91/ 1.12
• The festival organizer expressed regret over for the problems experienced at the festival.		5.51/ 1.28
• The festival organizer explained that the city council, the venue and the festival sponsor were to blame for the problems experienced at the festival.		2.21/ 1.13
Casual Account		
• The festival organizer accepted responsibility for the problems experienced at the festival.		2.72/ 1.12
• The festival organizer expressed regret over for the problems experienced at the festival.		5.54/ 1.09
• The festival organizer explained that the city council, the venue and the festival sponsor were to blame for the problems experienced at the festival.		5.87/ 1.09

Note. All variables were measured on a seven-point scale, with a value of 1 indicating strong disagreement and a value of 7 indicating strong agreement.

no significant differences in satisfaction and BI levels for all four stakeholders. In short, even if the recovery strategy is the same, all stakeholders benefit from higher satisfaction and BI ratings when the LOC is ambiguous.

When the external recovery offers a free concert (DJ), and the LOC is clearly perceived with the organizer, there was a significant difference in satisfaction and BI levels for the various stakeholders ($p < 0.001$), specifically between the organizer and destination, and the destination

Table 3
Summary of significant MANOVA results.

Source	df	Multivariate			Univariate		
		F	p	η_p^2	F	p	η_p^2
Study 1 – Internal/External SR, Failure Severity and LOC							
Within Subjects							
Main Effect							
SH	[6,288]	21.47	.000	.309			
Satisfaction					38.73	.000	.117
Behavioral Intentions					39.32	.000	.118
Interaction effect							
SH x LOC	[6,288]	12.36	.000	.205			
Satisfaction					12.37	.000	.041
Behavioral Intentions					28.32	.000	.088
SH x LOC x RECOVERY	[12, 578]	1.82	.042	.036			
Satisfaction					2.85	.009	.019
Behavioral Intentions					2.88	.009	.019
Study 2 – External SR and Internal Informational Justice							
Between Subjects							
Main Effect							
EXTERNAL RECOVERY	[2,199]	17.85	.000	.152			
Satisfaction					33.75	.000	.144
Behavioral Intentions					32.83	.000	.141
Within Subjects							
Main Effect							
SH	[6,195]	16.77	.000	.340			
Satisfaction					21.02	.000	.095
Behavioral Intentions					41.57	.000	.172

and sponsor. The destination received rather favorable satisfaction and BI ratings, whereas ratings for the sponsor were comparatively lower but still neutral. In contrast, and as can be expected, the ratings for the organizer were very low. However, when festival-goers perceived an ambiguous LOC, no significant differences in satisfaction and BI levels were observed. As is apparent this external recovery resulted in rather favorable ratings for all stakeholders, including the organizer.

Finally, with the external recovery – IJ, there was a significant difference in satisfaction and BI levels for the various stakeholders when the LOC was clear ($p < 0.001$). When respondents perceived an ambiguous LOC, significant differences were not observed in satisfaction and BI levels between the affiliated stakeholders and the organizer. In short, the same pattern was observed for this external recovery as was the case for the external recovery – DJ, though the ratings for all but one satisfaction and behavioral response items were comparatively lower for the former relative to the latter.

When respondents perceived an ambiguous LOC, no significant differences in dependent variable ratings were observed across the three recovery strategies for each of the four stakeholders. Conversely, when respondents perceived a clear LOC (with the organizer), a significant difference in ratings across the three recovery strategies was detected for the destination only, for both satisfaction and BI (Satisfaction: $p < 0.025$, BI: $p < 0.01$).

Results of Study 1 partially support the notion that an external recovery can counter negative effects of a SF by the organizer on festival-goers' perceptions and behaviors, in line with Allen et al. (2015). Specifically, higher satisfaction and BI ratings compared to the organizer resulted when affiliated stakeholders implemented an external recovery in the form of DJ, and to a lesser extent in the form of IJ. Yet, importantly, by introducing the LOC this study shows that the implementation of external SR does not always result in higher satisfaction and BI ratings. In this case, it depended on whether the LOC was perceived as clear with the organizer or was considered ambiguous, in line with H₂.

Table 4
Study 1 - Descriptives for Satisfaction and Behavioral Intentions – SH x LOC x Recovery Interaction.

	External Recovery – IJ			External Recovery – DJ			Internal Recovery DJ		
	M	SD	n	M	SD	n	M	SD	n
Satisfaction									
Organizer - LOC - C	1.75	1.37	59	1.79	1.24	67	1.89	1.19	75
Organizer - LOC-A	3.12	1.74	41	3.89	1.53	36	4.07	1.75	27
Venue - LOC - C	3.03	1.52	59	3.48	1.48	67	2.91	1.54	75
Venue - LOC- A	3.78	1.46	41	3.92	1.36	36	4.11	1.42	27
Sponsor - LOC - C	2.63	1.56	59	3.07	1.68	67	3.04	1.6	75
Sponsor - LOC- A	3.78	1.81	41	4.06	1.43	36	4.04	1.61	27
Destination - LOC - C	3.19	1.46	59	3.67	1.56	67	2.96	1.51	75
Destination - LOC- A	3.93	1.49	41	3.97	1.34	36	4.15	1.59	27
Behavioral Intentions									
Organizer - LOC - C	2.27	1.54	59	1.94	1.1	67	2.19	1.24	75
Organizer - LOC-A	3.51	1.56	41	4.04	1.45	36	4.26	1.67	27
Venue - LOC - C	3.50	1.38	59	3.89	1.4	67	3.47	1.55	75
Venue - LOC-A	3.77	1.45	41	4.06	1.34	36	4.30	1.37	27
Sponsor - LOC - C	3.04	1.5	59	3.34	1.68	67	3.29	1.48	75
Sponsor - LOC-A	3.74	1.66	41	4.21	1.26	36	4.24	1.57	27
Destination - LOC - C	3.71	1.45	59	4.22	1.43	67	3.42	1.45	75
Destination - LOC-A	3.95	1.52	41	4.03	1.41	36	4.22	1.57	27

Highlighted means show significant differences among groups. See text for detailed discussion.

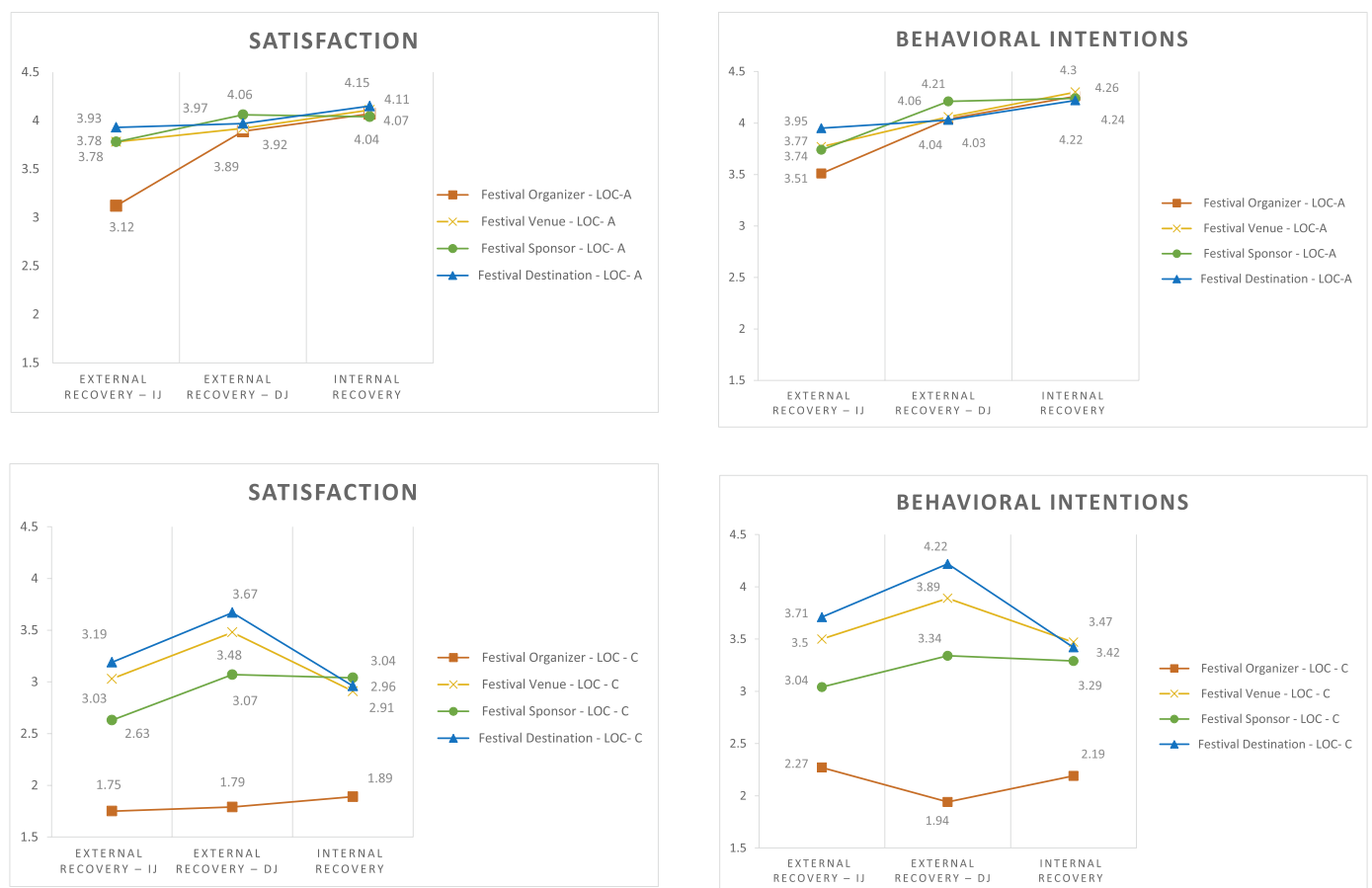


Fig. 2. Three-way Interaction: Stakeholder x Recovery x LOC for Satisfaction.

Satisfaction and BI ratings for both external recoveries were mostly higher when the LOC was ambiguous. It is also critical to note that even if the external recovery took the form of a free concert, ratings for the affiliated stakeholders were mostly not significantly higher in either LOC condition, compared to the organizer’s recovery (except for the destination). This suggests that investing significant resources in an attempt to recover from a failure by another stakeholder requires careful consideration. Even if affiliated stakeholders do want to rectify

Fig. 3. Three-way Interaction: Stakeholder x Recovery x LOC for Behavioral Intentions.

shortcomings of the organizer, especially if they actively blame the organizer for the festival cancellation (that is, to communicate a clear LOC), based on our results, efforts and costs associated with organizing an alternative event for disappointed festival-goers may ultimately not result in significantly improved perceptions of and behaviors towards all stakeholders, despite the media publicity such actions may attract.

5. Study 2

5.1. Methodology

The same research firm assisted with collecting data for Study 2, adopting the same procedures as outlined earlier.

5.1.1. Design and stimulus material

In order to test hypothesis H_{1b} , a 2 (external SR: DJ vs. IJ) x 2 (social accounts: causal account vs. penitential account) between-subjects experimental design was devised. Again, the within-subject variable, 'Stakeholder,' examined differences in festival-goers' perceptions of and behavior towards the four stakeholders involved. With external SR and social accounts being manipulated, four scripts were devised. Same as Study 1, each script described a situation where a festival-goer had purchased an expensive ticket for a 2-day outdoor music festival. In contrast to Study 1, failure severity was held constant, inferred by a festival that experienced minor problems on Day 1 and was cancelled on Day 2. Different recovery measures were outlined before responses to dependent variables, and manipulation, realism and believability checks, and demographic data were gathered (Appendix B).

5.1.2. Independent and dependent variables

The external SR by the affiliated stakeholders takes the form of IJ (an apology) versus DJ (organization of a free music festival). Social accounts entailed the use of an explanation whereby the organizer either accepted or rejected responsibility for the festival cancellation (i.e., a penitential or a causal account). Satisfaction and BI represented the dependent variables, and again were adapted from Westbrook and Oliver (1981) and Zeithaml, Berry, and Parasuraman (1996) respectively.

5.2. Results and discussion

Data screening resulted in the deletion of 22 and 26 cases from the 252 responses obtained due to respondent fatigue and incorrect manipulation check responses respectively; thus, 204 cases were available for analysis. The sample comprised about 60% females. There was an almost equal representation of respondents in the 26–45 years and 56–65 years age groups. The majority of respondents had obtained a college degree. About 70% of respondents had attended three music festivals in the past 12 months, with the rest attending more.

Realism and manipulation checks confirmed that the scenarios were perceived as realistic and the manipulations of the independent variables were successful (Table 2). A 2 (External SR: IJ vs. DJ) x 2 (social accounts: causal vs. penitential) repeated measures MANOVA revealed a significant between-subject main effect for external SR and a significant within-subject main effect for Stakeholder (Table 3). However, testing H_{1b} , we did not find a significant within-subject interaction effect between Stakeholder, SR and social accounts, leading us to reject H_{1b} .

Results of Study 2 indicated that festival-goers' satisfaction of and BI towards stakeholders were not affected by the organizer's social accounts. In contrast, the between-subject main effect for external SR pointed to statistically significant differences, with satisfaction and BI ratings for all four stakeholders being significantly higher when affiliated stakeholders offered to organize a free concert (DJ) rather than providing an apology only for the festival cancellation (IJ). However, the external recovery measures did not result in significant differences in festival-goers' evaluations and behaviors towards the various stakeholders, either by themselves or in combination with the different social accounts by the organizer. This appears rather counterintuitive as it could be reasonably expected that an apology, and even more so the organization of a free concert by affiliated stakeholders, would result in more favorable ratings, especially when the organizer does not accept any responsibility, and is instead finding excuses for the SF. There may be several reasons why that was not the case. First, both internal and

external SR measures were implemented following a festival cancellation that was perceived as a severe SF. As suggested by Folger and Cropanzano (1998), the type of explanation has weak effects at both extremes of failure severity. When the failure is trivial, no explanation is required and any type will suffice; when it is severe, no type of explanation is sufficient to undo the damage. Only at intermediate levels is explanation type likely to make a difference. This notion also received support from Bradley and Sparks (2012) who went on to propose that contextual factors such as problem magnitude and the offering of compensation have little effect on explanation efficacy. Furthermore, the effectiveness of the compensation offered by the affiliated stakeholders in this scenario may have posed challenges for festival-goers to avail to it, as it was a free concert a week later, rather than being provided with immediate compensation, as is often the case in airline or hotel settings. Thus, while a free concert may have been organized, this may be even more aggravating for festival-goers who specifically put travel arrangements in place for the time of the cancelled festival and are unable to take advantage of a free festival offered at a later time.

6. Conclusions, implications and future research directions

6.1. Conclusion

By extending prior research (e.g., Allen et al., 2015; Lee & Cranage, 2017), the current study examined the impact of distinct SF in a festival setting on multiple stakeholders involved in the creation of an experience. By adopting an experimental design, it responded to Getz and Page's (2016) call for more diverse approaches in events research. Most importantly, this research extended existing knowledge of SFR in two ways: 1) examining SFR in a multiple service provider setting, thereby moving away from an almost exclusive emphasis on examining a single customer-service provider dyad, and 2) assessing 'external' service recovery measures, in contrast to the currently prevalent focus on recovery measures implemented by the provider that caused the failure (i.e., internal recoveries). This understanding is imperative in view of the increased importance of events to destinations around the world, and their economic and non-economic benefits (e.g., Carlini, Coghlan, Thomson & O'Neill, 2020; Chapple, 2018), against the backdrop of a high rate of event failures (Anderton, 2019). At the same time, this study acknowledges that global business environments have been changing in structure, with multi-actor networks and service eco-systems now being equally if not more prevalent than single service provider settings (e.g., Allen et al., 2015; Ostrom, Parasuraman, Bowen, Patrício, & Voss, 2015; Vaerenbergh, Varga, De Keyser, & Orsingher, 2019). Thus, results of the current study provide several important theoretical and managerial insights.

6.2. Implications

Addressing research objective 1, we found that festival-goers displayed significant differences in perceptions of and behavioral responses towards the various stakeholders in response to different SR measures. Regarding research objective 2, focusing on the LOC in a multiple service providers setting, our research indicated that festival-goers had different perceptions of and behavioral responses towards the various stakeholders depending on their perception of fault for the SF. Yet, rather than a predicted joint effect with failure severity, we found a significant interaction effect of LOC with internal and external SR measures.

The perceived LOC impacted festival-goers' perceptions of and behaviors towards the various stakeholders in light of an internal versus external SR. The organizer had the most to gain if proactively offering a tangible SR in the form of DJ (rather than relying on an external recovery) when respondents perceived an ambiguous LOC. Such a recovery also benefited all affiliated stakeholders, in particular the destination. Therefore, destinations when selecting organizers may need

to build such a SR strategy into the contract, that is, if a major failure were to occur, the contract requires specific DJ actions from the organizer. This is even more important as our results also suggested that even if the external recovery took the form of a free concert, ratings for the affiliated stakeholders were mostly not significantly higher in either LOC condition, compared to the organizer's recovery.

This finding appears to somewhat contradict Lee and Cranage (2017). They suggested that firms less directly involved in the service provision are much safer in ambiguous LOC situations than those directly involved who were more negatively affected. Yet, in our study, even though affiliated stakeholders benefited, it was the festival organizer, i.e., the stakeholder most directly involved in the experience creation that benefited the most from an ambiguous LOC. Given that, it would appear that some 'strategic ambiguity' (Eisenberg, 1984) by the organizer, adopting actions involving not clearly articulating to festival-goers their fault might help them in the short-term. Yet, if problems with festivals by a particular organizer persists, any lack of disclosure may eventually prove counterproductive. However, it is important to point out that Lee and Cranage's study was set within a single intermediary-supplier context, where the supplier was more removed from the consumer than was the case for the affiliated stakeholders in our festival setting.

From the organizer's perspective, it is vital to insist that all stakeholders need to stand united when things go wrong, rather than pointing fingers. Energies should be spent on recovery efforts rather than articulating the source of failure. However, when the LOC was clear, it appears that it is a losing situation for all stakeholders. Therefore, when the responsible party is very obvious, affiliated stakeholders should still work together to offer DJ. As it has the most to gain in such circumstances, the destination may want to take a lead in such a recovery, especially if the organizer falters.

Given this, in the first instance, it is critical to devise preventive measures; in particular, affiliated stakeholders need to carefully vet an organizer's reputation and track record of putting together successful festivals. That seems to be a common sense suggestion, yet, as has been revealed in the 'post-mortem' of large-scale failed events, this did not happen in numerous cases.

As for research objective 3, the effect of failure severity, our study showed that it did not result in differences in perceptions of and behaviors towards the various stakeholders, in itself or in combination with LOC or SR. Despite prior research suggesting a more favorable response to an external SR in a multiple-stakeholder setting in a high-failure versus low failure situation (e.g., Bahmani, Jin, & Ghose, 2020), we found this not to be the case. For a SF high in severity, equity theory (Deutsch, 1975; Leventhal, 1976) implies the need for a high level recovery. Yet, while the cancellation of a festival would be classified as a high severity failure, the notion that a festival cancelled by an organizer can be atoned by offering another festival free of charge at a later date by affiliated stakeholders apparently has its pitfalls. Even though such an alternative often offered in the past may be perceived equivalent in value, it does not take into consideration various potential barriers for festival-goers to take up this offer. While locals may be able to easily avail to such an alternative offer, that is unlikely to be the case for out-of-town festival-goers. Their inability to take up such an offer may result in even more negative feelings towards all stakeholders. Consequently, any external recovery that affiliated stakeholders may consider needs to be something that is of equal value, and can be readily and easily consumed by festival-goers (e.g., vouchers to other cultural activities in the destination, with an extended validity).

It is also important to note that in this high severity SF context, even an external recovery in the form of DJ failed to generate significantly more favorable consequences for all but one affiliated stakeholder (i.e., the destination) compared to those when the organizer implemented an internal recovery. This partially lends support to the findings of Bahmani and colleagues (2020, p.72) who suggested that distributive-focused external recovery strategies are not always needed as they do not lead

to significant increases in consumer evaluations and responses compared to a 'low' recovery in the form of an apology. The finding that an apology in our study did not result in significantly more favorable ratings for the affiliated stakeholders is likely to be due to differences in the type of SF, perceived severity and resulting losses for the consumer. In summary, this study provided a number of managerial implications relating to the choice of appropriate service recoveries and the stakeholder that should take the lead in a SR, communication strategies, and the choice of partners in the festival experience creation.

6.3. Future research directions

There are several future research directions. Most of the hypotheses tested in this research were not supported. While this may appear rather unusual at first sight, it is important to be cognizant of the significant shift in focus of this research, away from a prevalent focus on a single service provider towards an until now rarely examined multiple service provider setting. Much of the literature our hypotheses were based on focused primarily on single service providers that initiated/implemented the recovery for the SF they caused. Yet, in multiple service provider settings, where affiliated stakeholders may become involved in recovery processes, complexities abound for consumers to accurately assess which party is at fault, what actions are taken by and obligations of the various stakeholders. Furthermore, in previous studies SFR may not have been as complex as the ones in the current research. For example, in a retail context a customer may simply return a faulty product. Yet, in this study's festival context consumers may have been unable to avail to the offered recovery by the affiliated stakeholders. Thus, in the first instance, future research is required in multiple service provider settings to re-test the hypotheses, in festival settings, broader tourism/hospitality settings, and service settings in general. It is also conceivable that existing theories are challenged by the change in focus towards a multi-actor, service eco-system perspective (Barile et al., 2016; Ostrom et al., 2015). And that may not only be the case for SFR research but also for studies on consumer co-creation, customer engagement and service innovation, as evidenced by recent calls for a 'conceptual zooming out' (Alexander, Jaakkola, & Hollebeek, 2018). Thus, it appears warranted to explore new theoretical relationships, such as roles and influencing mechanisms of different forms of justice on relationships between SR and its consequences, and additional factors influencing SFR (including various extents of consumer loss and forms of DJ). Consumers' behavioral response mechanisms in multiple provider settings also need to be better understood.

7. Impact statement

The current research focuses on service failure and recovery in a festival context where the consumer experience is co-created by several festival stakeholders. Over the past decades festivals have become an important industry sector, with significant contributions to communities' economies and social fabrics. Yet, despite their substantial growth and contributions on a global and country level, failure is still a fairly common phenomenon. In numerous recent, large-scale festivals that experienced major shortcomings various stakeholders adopted a variety of recovery measures to atone for failures they did not cause. However, it is unclear whether such measures were effective and worth the investment in time and money, and ultimately resulted in more favorable perceptions and behavioral responses of festival-goers towards these stakeholders. The current research aims to provide insights to festival stakeholders on the effectiveness of such measures, broader recommendations on vital aspects of festival management, and improved relations with festival-goers.

CRedit authorship contribution statement

Karin Weber: Conceptualization, Methodology, Formal analysis,

Writing - original draft, Writing - review & editing. **Cathy H.C. Hsu:** Conceptualization, Methodology, Writing - review & editing.

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Appendix A

Experiment 1

You have purchased an expensive ticket for a major 2-day outdoor music festival and arranged for travel to and accommodation in the state (provincial) capital– a city that has organized numerous successful music festivals over the past few years. The festival promises to showcase several top headliners and amazing productions, have a wide variety of exciting food truck options, and a great atmosphere. It is sponsored by a well-known national company with a high-quality reputation. There has been a lot of marketing and publicity over the past few months for the festival and you are looking forward to a great weekend.

However, when you arrive at the festival site, you.

[SERVICE FAILURE SEVERITY]

S1 – have to wait quite some time to get into the festival site and once inside, it's not easy to get around due to the crowds and limited signage. Nevertheless, you and your friends have a good time and enjoy the various bands and the atmosphere, even though some of the bands come on later than scheduled. Relative to the large crowds, the number of food trucks and on-site toilets are rather limited, so that there are queues and wait times everywhere.

S2 - there are long queues of people waiting at the entry gates, and you learn and later see for yourself that given major logistic problems and safety concerns, notes are posted on the festival ground gates to inform ticketholders that the festival has been cancelled, with no further information on alternative arrangements or refunds.

Subsequently, it emerges that the event organizer did have a track record of failed events, something the city council was unaware of despite vetting procedures, and repeated meetings. While the event organizer did not take care properly of organizing the many aspects of the music festival, you cannot help but wonder whether the city council, the event venue, and the major event sponsor should not have demanded more information/confirmation and controls over the event from the event organizer to ensure that festival-goers are provided with an experience they paid for and expected, given the city's track record of hosting major festivals.

In the following days.

[SERVICE RECOVERY]

SR1 - the event organizer reaches out to the festival audience via social media, promising to partially refund tickets, and also to honor making a donation to a national charity.

SR2 - City officials, the venue and the event sponsor reach out to the festival audience via social media, and jointly offer an apology to festival goers.

SR3 - City officials, the venue and the event sponsor reach out to the festival audience via social media, and advise that given the problems experienced by festival-goers they decided to jointly put on a music festival the following week free of charge.

Appendix B

Experiment 2

You have purchased an expensive ticket for a major 2-day outdoor music festival and arranged for travel to and accommodation in the state capital– a city that has organized numerous successful music festivals over the past few years. The festival promises to showcase several top headliners and amazing productions, have a wide variety of cool food truck options, and a great atmosphere. It is sponsored by a well-known national company with a high-quality reputation. There has been a lot of marketing and publicity over the past few months for the festival and you are looking forward to a great weekend.

However, when you arrive at the festival site, you have to wait a long time to get into the festival site and once inside, it's not easy to get around due to the crowds and limited signage. Nevertheless, you and your friends have a good time and enjoy the various bands and the atmosphere, even though some of the bands come on later than scheduled. Relative to the large crowds, the number of food trucks and on-site toilets are rather limited, so that there are long queues and wait times everywhere. When it starts raining, the site quickly turns very muddy and given the number of people there are safety concerns.

When you arrive the next morning, there are long queues of people waiting at the entry gates, and you learn and later see for yourself that after major logistic problems and safety concerns the previous day, notes are posted on the festival ground gates to inform ticketholders that the second day of the festival has been cancelled, with no further information on alternative arrangements or refunds.

Subsequently, it emerges that the event organizer did have a track record of failed events, something the city council was unaware of despite vetting procedures, and repeated meetings. While the event organizer did not take care properly of organizing the many aspects of the music festival, you cannot help but wonder whether the city council, the event venue, and the major event sponsor should not have demanded more information/confirmation and controls over the event to ensure that festival-goers are provided with an experience they paid for and expected, given the city's track record of hosting major festivals.

The next day, the event organizer reaches out to the festival audience via social media.

[SOCIAL ACCOUNTS – INTERNAL RECOVERY]

Apology – issuing a sincere apology for the disappointment caused and accepting full responsibility for the festival cancellation.

Excuse - issuing an apology for the disappointment caused, but accepts no responsibility, instead blaming the city council, the venue and the sponsor for the festival cancellation.

At the same time.

[EXTERNAL SERVICE RECOVERY]

SR1 - City officials, the venue and the event sponsor reach out to the festival audience via social media, and jointly offer an apology to festival goers.

SR2 - City officials, the venue and the event sponsor reach out to the festival audience via social media, and advise that given the problems experienced by festival-goers they decided to jointly put on a music festival the following week free of charge.

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