https://doi.org/10.1016/j.tourman.2020.104204

Banding Together in a Festival Context:

Examining Effects of a Joint-Stakeholder External Service Recovery

Karin Weber *

Associate Professor

School of Hotel & Tourism Management

Hong Kong Polytechnic University

Hong Kong SAR, China

E-mail: karin.weber@polyu.edu.hk

Cathy H.C. Hsu

Professor

School of Hotel & Tourism Management

Hong Kong Polytechnic University

Hong Kong SAR, China

E-mail: cathy.hsu@polyu.edu.hk

* Corresponding Author

Banding Together in a Festival Context:
Examining Effects of a Joint-Stakeholder External Service Recovery

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.

Keywords: External Service Recovery, Joint Service Recovery, Multiple Stakeholder Settings, Festivals

1. Introduction

According to the Global Entertainment and Media Outlook (Chapple, 2018), revenue of the live music industry will increase globally at a compound annual growth rate of 3.3% until 2022, including ticket sales and sponsorship. In the same year, total revenue is expected to reach US$ 31 billion, with ticket sales accounting for US$ 24 billion. According to the Pollstar's (2018) 'Global Music Festival Events Calendar,' there were 2,325 confirmed music festivals in more than 70 countries. The US alone hosts more than 800 music festivals annually. In 2017, the largest US festival was Summerfest in Milwaukee, Wisconsin, where performances run for 11 days; it showcased more than 800 acts and 1,000 performances, and attracts between 800,000 to 1,000,000 people each year (DeployedResources, 2018). In the same year, there were 269 outdoor music festivals held across China, a 34% increase from 2016 (Chen, 2018).

Yet, despite this growth on both a global and country level, failure is a fairly common phenomenon among (music) events. Anderton (2019, p. 47) noted that "many events fail to be held for more than a single year; indeed, almost a third of new events launched in 2014 failed to return in 2015." 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, and ultimately resulted in more favorable perceptions and behavioral responses of festival-goers.

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 et al., 2015). Furthermore, research has typically centered on recovery strategies employed by the firm that caused the service failure. 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 a service recovery. More specifically, it examines the impact of service recovery (SR) measures stakeholders closely affiliated with the organizer employ collectively (thereafter external SR) in the case of a festival failure on consumer perceptions and behavioral responses. In doing so, it also assesses the impact of the severity of the service failure (e.g., Smith et al., 1999) and the locus of causality (Weiner, 1980), 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 whether differences in perceptions of which stakeholder is at fault for the failure affects the effectiveness of internal and external SR, and festival-goers' perceptions and behavioral responses; and
3. Establish to what extent the severity of the failure affects the effectiveness of internal and external SR, and festival-goers' perceptions and behavioral responses.

In addressing these research objectives, the paper also responds to Getz and Page's (2016) call for more diverse research approaches in the study of events, including experimental designs that were drawn upon in this research. While a festival setting was chosen for this research, study implications extend to many tourism and hospitality settings, 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, 2015) 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, namely weather, lack of corporate sponsorship, overreliance on one source of money, inadequate marketing or promotion, and lack of advance or strategic planning.

Anderton (2019) noted that many festivals in the UK work on very narrow profit margins, and thus, unexpected expenses or the failure to sell sufficient tickets, can present substantial challenges for commercially-run events without alternative funding sources. The voluntary nature of festival organizers presents a further concern (Cloonan, 2012). A study of Australian festivals (some of which were music-focused) found that events struggle with succession planning and

leadership due to the largely voluntary composition of organizing committees and a lack of resources (Frost & Laing, 2015, p. 1298).

Kinnunen and Haahti (2015) argued that in a small country, there is not enough demand to keep hundreds of festivals alive, and especially music festivals seem to be at a saturation point. In addition, low-quality programs and services, commercialism demonstrated by elevated ticket and service pricing, VIP services confronting egalitarianism, crowd control and queuing, and anti-social behavior were identified as failure reasons. Nordvall and Heldt's (2017) study argued that the failure of an event is a combination of three factors: an organization in a vulnerable position, a strong new competitor entering the festival market, and uncertain visitors searching for a new place to be. Carlsen et al. (2010) studied three festivals in three countries, and concluded that a city festival in Gothenburg, Sweden, was closed because it failed to achieve the social integration it envisioned due to anti-social behavior and underage drinking. An outdoor music festival in northern Norway was cancelled due to bad weather and increased competition. The Edinburgh Fringe Festival faced a major problem due to an ICT system failure in ticket sales. Van Limburg (2008) also identified various issues that can pose a threat to the success of festivals, namely commercialism, increased ticket and F&B prices, line-ups in various festivals, traffic problems, the quality of camping sites and a multitude of rules and regulations. Finally, Deery and Jago (2010) examined the impacts of anti-social behavior of festival participants including drinking, littering, rowdy behavior, violence, and increased levels of crime.

As is apparent from the literature, while the various studies at global and country level have identified several reasons for event failures, there is a distinct lack of studies 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.

Next, pertinent literature relating to SR strategies will be examined, given their potential impact on festival-goers' perceptions and behavior in response to a service failure. The extent to which the severity of the service failure and the locus of causality impacts evaluations of the various festival stakeholders involved in the festival experience creation will also be discussed to set the scene for Study 1.

2.2. Service Failure/Recovery

2.2.1. Justice Theory

Justice theory has served as a prominent theoretical framework to investigate service failure and recovery, 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 (PJ) 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 (Homburg & Fürst, 2005; Patterson et al., 2006; Smith et al., 1999) while others suggested that interactional or procedural justice were more significant (Maxham & Netemeyer, 2002; Tax et al., 1998; Voorhees & Brady, 2005). McCollough et al. (2000) asserted that consumers assign more importance to both interactional and distributive justice compared to procedural justice. It is important to point out that all studies discussed thus far have 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 its customer who

experienced a prior failure with another firm, termed by Allen and colleagues (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 service failure 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 service failure/recovery situation. However, in view of the literature reviewed, we hypothesize that:

> *H_{1a}: Festival-goers will have more favorable perceptions of and behavioral responses towards the affiliated stakeholders relative to the organizer, when the external recovery employs DJ, compared to an external recovery involving IJ, and an internal recovery involving 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, dates back several decades, originating 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; Schoenbach, 1990). 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, according to Bies (1987), is to express regret and seek forgiveness from victims of wrongdoing. 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 (Bradley & Sparks, 2009; 2012; Sparks & Fredline, 2007; 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 the customer for the actions of closely affiliated entities involved in the customer experience creation. Tax, McCutcheon and Wilkinson (2013, p. 463), focusing on a service delivery network, alluded to such a possibility: 'in the case of a service failure, 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 a festival organizer may take: (1) accepting responsibility for the festival cancellation and trying to atone, that is, offering a penitential account, (2) trying to shift blame to affiliated festival stakeholders by offering a causal account. This is of special interest if at the same time affiliated stakeholders invest resources in devising a joint external recovery in the form of DJ or IJ.

We hypothesize that:

> *H_{1b}: A joint external SR in the form of DJ compared to IJ will result in more favorable perceptions of and behavioral responses towards these stakeholders when the festival 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 service failure 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 the locus of causality (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 attention from researchers. First, most studies are primarily interested in analyzing customers' reactions to service failures caused by a service provider. Second, as Bitner, Booms, and Tetreault (1990) argued that causes of service failures 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 for an external LOC given the greater prevalence of situations in which multiple service providers are involved in the service experience creation (Barile et al., 2016; Ostrom et al., 2015). Indeed, even the assessment of the impact of an internal LOC becomes

much more important with the increase in online and self-service provisions, and the consequent increased potential of a customer's fault for a service failure (Lee & Cranage, 2018).

Research findings focusing on the impact of the LOC in a single service provider context indicate that the more consumers believe a service failure is due to the service provider (external locus), the more likely they are to exhibit negative perceptions of, and behavior towards that service provider. In particular, failures attributed to a service provider are more likely to 1) elicit complaints to the firm and warnings to others (Curren & Folkes, 1987; Richins, 1983), 2) lead to less satisfaction (Oliver & DeSarbo, 1988), and 3) impact beliefs that the customer is owed an apology and/or refund (Folkes, 1984; Kelley et al., 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 service failures 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 review of the literature, we advance the following hypothesis:

H_2: Festival-goers who perceive an ambiguous LOC will have less favorable perceptions of and behavioral responses towards the organizer relative to the affiliated stakeholders, compared to festival-goers who perceive a clear LOC.

2.2.4. Event Failure Severity

Failure severity refers to the magnitude of loss or intensity of a service failure; 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 service failure severity on customer evaluations (e.g., McCollough, Berry & Yadav, 2000; Smith et al., 1999), especially satisfaction (e.g., Hess, 2008; Wang et al., 2011; Weun, Beatty & Jones, 2004). 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 service failure to ensure the integrity of study results (e.g., Trianasari, Butcher & Sparks, 2018; Wang, Wu, Lin & Wang, 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 (del Río-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 service failure 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 service failure was severe, consumers who did not know who was at fault (perceiving an ambiguous LOC) were more dissatisfied with the service failure than those who knew who caused the failure (perceiving a clear LOC). Therefore, it is reasonable to hypothesize that:

> *H_{3a}: Festival-goers will have less favorable perceptions of and behavioral responses towards the festival organizer relative to the affiliated stakeholders, when the service failure severity is high compared to it being low.*
>
> *H_{3b}: Festival-goers who experience a high severity service failure and perceive an ambiguous LOC will have less favorable perceptions of and behavioral responses towards the organizer relative to the affiliated stakeholders, compared to festival-goers who experience a low severity service failure and perceive a clear LOC.*

RESEARCH MODEL (FIGURE) INCLUDING HYPOTHESES

Two experiments were created to address the stated 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 research relating to festivals 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, 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 et al. (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 service failure, 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 service failure situation high in severity to assess the effects of different joint external SR. Simultaneously, it examined the effect of the deliberate use of different explanations (social accounts) provided by the festival organizer to accept or deny responsibility for the failure. The target sample size for Experiment 1 and 2 was set at 300 and 200 respondents (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 in this study. First, in order 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 than the anticipated completion time of 10 minutes were automatically excluded, with the research company being asked to collect additional responses to replace those excluded.

3. Study 1

3.1. Methodology

3.1.1. Design and Stimulus Material

In order to test hypotheses H_{1a}, H_2, H_{3a}, and H_{3b}, a 3 (SR: single internal recovery DJ vs. joint external recovery DJ vs. joint external recovery IJ) x 2 (LOC: ambiguous vs. clear) x 2 (Service failure severity: high vs. low) between-subjects experimental design was adopted. SR and service failure 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 were developed, based on a review of recent music festival failures detailed in various media (e.g., Hanbury 2019a,b; MacNeill, 2017; Rodger, 2017), in addition to eight interviews with music festival organizers and attendees. Using a scenario method, and 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 service failures 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 service failure/recovery scenario. A final section ascertained demographic data, including age, gender and education. A

copy of the scenarios, including the manipulations of the two independent variables, is provided in Appendix A.

3.1.2. Independent Variables

SR and service failure 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 joint recovery by the affiliated stakeholders in the form of DJ (organization of a free concert) 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 service failure 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.'

3.1.3. Dependent Variables

Satisfaction and behavioral intentions (BI) for each of the four stakeholders were measured to establish festival-goers' perceptions and behavioral responses. Prior service failure and recovery 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). 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). While there is considerable support for the use of multiple-item scale measurements (Churchill, 1979; Nunnally, 1979), there are also substantial arguments and precedent for the use of single item measures (Drolet & Morrison, 2001; Ittner & Larcker, 1998).

3.1.4. Sample and Procedures

An international research firm was employed to program and host the online experiment, and collect data in the United States from a target of 300 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.

3.2. Results and Discussion

Prior to the application of the multivariate analysis of variance (MANOVA) technique, preliminary data screening was conducted (Hair et al., 2010) on the 351 responses obtained, resulting in the deletion of 19 cases (as those respondents had selected only one response category for the majority of questions, and thereby also provided logically inconsistent answers). 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.

A summated scale for BI was devised. Prior to calculating the reliability coefficient, that is Cronbach's alpha, items were reverse-coded where required. The reliability of the scale exceeded the conventional minimum of .70 (Nunnally, 1978), indicative of adequate to superior reliability.

Study participants were asked to respond to one of the six scenario scripts by imagining themselves in the role of the festival-goer. Therefore, several measures assessing the realism of the provided scenarios were included (Willson & McNamara, 1982). Table 1 provides descriptives for each of the three realism checks, indicating that respondents found the service experience realistic and likely to occur, in addition to being able to identify with the depicted customer. Checks

also confirmed that the manipulations for the two independent variables – service failure severity and SR - were successful (Table 1).

INSERT TABLE 1 ABOUT HERE

3.2.1 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 conformity with the main assumptions underlying this method, namely 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 (service failure 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 2. Simple effects and contrasts were conducted at the .05 level.

There was a significant multivariate main effect for Stakeholder (F (6,288) = 21.47, p < .001, partial η^2 = .309). However, testing our hypotheses, we did not find significant interaction effects between stakeholders and SR, stakeholders and failure severity, and stakeholders, 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 stakeholders and LOC (F (6,288) = 12.36, p < .001, partial η^2 =.205), 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 stakeholders, 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 3; the interaction effects are graphically displayed in Figures 1 and 2.

When the festival organizer implemented an internal recovery in the form of DJ, there was a significant difference in satisfaction (and BI) levels for the affiliated festival stakeholders compared to the festival organizer for respondents who perceived a clear LOC ($p<0.01$; M_{SAT_FO} =1.89, M_{SAT_FV} = 2.91; M_{SAT_FD} = 2.96; M_{SAT_FS} =3.04). Not surprisingly, festival-goers' satisfaction and BI towards the organizer were lowest. At the same time evaluations of and

behaviors towards the 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 festival organizer, there were now also no significant differences in satisfaction and BI levels for all four festival stakeholders ($p > 0.05$, $M_{SAT\_FO}=4.07$, $M_{SAT\_FV} = 4.11$; $M_{SAT\_FD} = 4.15$; $M_{SAT\_FS}= 4.04$). 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 by affiliated stakeholders takes the form of 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 ($p<0.001$; $M_{SAT\_FO}=1.79$, $M_{SAT\_FV} = 3.48$; $M_{SAT\_FD} = 3.67$; $M_{SAT\_FS}= 3.07$), specifically between the festival organizer and destination, and the destination and festival sponsor. The festival destination received rather favorable satisfaction and BI ratings. Ratings for the festival sponsor were comparatively lower but still neutral. In contrast, and as can be expected, the ratings for the festival organizer were very low. However, when festival-goers perceived an ambiguous LOC, no significant differences in satisfaction (and BI) levels were observed ($p > 0.05$, $M_{SAT\_FO}=3.89$, $M_{SAT\_FV} = 3.92$; $M_{SAT\_FD} = 3.97$; $M_{SAT\_FS}= 4.06$). As is apparent this external recovery resulted in rather favorable ratings for all stakeholders, including the festival organizer.

Finally, when the affiliated festival stakeholders implemented a joint external recovery in the form of IJ, there was a significant difference in satisfaction (and BI) levels for the various stakeholders when the LOC was clear ($p< 0.001$; $M_{SAT\_FO}=1.75$, $M_{SAT\_FV} = 3.03$; $M_{SAT\_FD} = 3.19$; $M_{SAT\_FS}= 2.63$). When respondents perceived an ambiguous LOC, significant differences were observed in satisfaction (and BI) levels between the affiliated festival stakeholders and the festival organizer ($p > 0.05$, $M_{SAT\_FO}=3.12$, $M_{SAT\_FV} = 3.78$; $M_{SAT\_FD} = 3.93$; $M_{SAT\_FS}= 3.78$). In short, the same pattern was observed for this external recovery as was the case for the external recovery taking the form of DJ, though the ratings for all but one satisfaction and behavioral response rating 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 festival organizer), a significant difference in ratings across the three recovery strategies was detected for the festival destination only, for both satisfaction and BI (Satisfaction: $p < .025$, $M_{SAT\_ER\_IJ} = 3.19$; $M_{SAT\_ER\_DJ} = 3.67$; $M_{SAT\_IR\_DJ} = 2.96$; BI: $p < .01$, $M_{BI\_ER\_IJ} = 3.71$; $M_{BI\_ER\_DJ} = 4.22$; $M_{BI\_IR\_DJ} = 3.42$). Post-hoc Bonferroni tests confirmed significant differences in satisfaction ($p<.025$) and behavioral intentions ($p<.01$) between the internal recovery and the external recovery DJ.

Results of Study 1 partially support the notion that an external recovery by affiliated festival stakeholders can counter negative effects of a service failure by the festival organizer on festival-goers' perceptions and behaviors. Specifically, higher satisfaction and BI ratings compared to the festival 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 after a different firm's failure 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 festival organizer or was considered ambiguous. Satisfaction and BI ratings for both external recoveries were mostly higher for the latter than the former condition. Yet, despite this 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 festival 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 shortcomings of the festival organizer, especially if they do actively blame the organizer for the festival cancellation, based on the study 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 these stakeholders, despite the media publicity such actions may attract.

Study 2 further explored the differential effects of a combination of external SR with DJ and IJ and internal recovery with different social accounts (i.e., the festival organizer accepting or denying responsibility for the festival cancellation in communication with festival-goers). In contrast to Study 1, it focused exclusively on a situation in which the entire event was cancelled on Day 2, after experiencing minor problems on Day 1.

4. Study 2

4.1. Methodology

The same research firm assisted with collecting data for Study 2, adopting the same procedures as outlined earlier. The target sample size was 200 completed responses in view of the scenario design.

4.1.1. Design and Stimulus Material

In order to test hypothesis H_{1b}, a 2 (external SR: external recovery DJ vs. external recovery 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 in the festival experience creation. 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 internal and external recovery measures were outlined before responses to dependent variables, and manipulation, realism and believability checks, and demographic data were gathered (Appendix B).

4.1.2. Independent and Dependent Variables

External SR and Social Accounts were both manipulated at two levels. The former involved a joint external recovery by the affiliated festival stakeholders in the form of IJ (an apology) versus DJ (organization of a free music festival). The latter entailed the use of an explanation that either accepted or rejected responsibility for the festival cancellation (i.e., a

604 penitential or a causal account). Satisfaction and BI represented the dependent variables, and again
605 were adapted from Westbrook and Oliver (1981) and Zeithaml et al. (1996) respectively.
606
607 *4.2. Results and Discussion*
608 Data screening resulted in the deletion of 22 and 26 cases from the 252 responses obtained
609 due to respondent fatigue and incorrect manipulation check responses respectively; thus, 204 cases
610 were available for analysis. The sample comprised about 60% females. There was an almost equal
611 representation of respondents in the 26-45 years and 56-65 years age groups. The majority of
612 respondents had obtained a college degree. About 70% of respondents had attended three music
613 festivals in the past 12 months.
614
615 Realism and manipulation checks confirmed that the scenarios were perceived as realistic
616 and the manipulations of the independent variables were successful (Table 1). A 2 (External SR:
617 external recovery IJ vs. external recovery DJ) x 2 (social accounts: internal causal account vs
618 internal penitential account) repeated measures MANOVA revealed a between-subject main effect
619 for external SR (F (2,199) = 17.85, p <.001, η^2 = .152) and a significant within-subject main effect
620 for Stakeholder (F (6,195) = 16.77, p < .001, partial η^2 = .340). However, testing H_{1b}, we did not
621 find a significant within-subject interaction effect between stakeholders, SR and social accounts,
622 leading us to reject $H_{1b.}$
623
624 Results of Study 2 indicated that festival-goers' evaluations of and BI towards festival
625 stakeholders were not affected by the festival organizer's internal recovery in the form of either a
626 causal or penitential account. In contrast, the between-subject main effect for external SR pointed
627 to statistically significant differences, with satisfaction and BI ratings for all four stakeholders
628 being significantly higher when affiliated stakeholders offered to organize a free concert (DJ)
629 rather than providing an apology only for the festival cancellation (IJ). However, the external
630 recovery measures did not result in significant differences in festival-goers' evaluations and
631 behaviors towards the various festival stakeholders, either by themselves or in combination with
632 the internal SR by the festival organizer. This appears rather counterintuitive as it could be
633 reasonably expected that an apology, and even more so the organization of a free concert by
634 affiliated stakeholders would result in more favorable ratings for them, especially when the festival

organizer does not accept any responsibility, and is instead blaming other stakeholders. Yet, 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 service failure. 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.

5. Conclusions, Implications and Future Research Directions

5.1. Conclusion

By extending prior research (e.g., Allen et al., 2015; Lee & Cranage, 2017), the current study examined the impact of distinct service failures in a festival setting on multiple festival stakeholders involved in the creation of an experience for festival-goers. By adopting an experimental design, it responded to Getz and Page's (2016) call for more diverse research approaches in the study of events. Most importantly, this research extended existing knowledge of service failure and recovery 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-single service provider dyad, and 2) assessing 'external' service recovery measures, in contrast to the currently prevalent focus on recovery measures implemented by the stakeholder that caused the failure (i.e., internal recoveries).

This understanding is particularly important 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; PwC, 2018; Yolal, Gursoy, Uysal, Kim & Karacaoğlu, 2016), against a backdrop of a high rates of event failures (Anderton, 2019). At the same time, this study also 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 et al. 2015; Vaerenbergh et al. 2019).

5.2. Implications

Study results provided several interesting insights and pointed to 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. 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 BI towards the various stakeholders depending on their perception of fault for the service failure. Yet, rather than a predicted joint effect with failure severity, we found a significant interaction effect of LOC with SR measures, either via an internal or external recovery.

The perceived LOC impacted festival-goers' perceptions of and behaviors towards the various stakeholders in light of an internal versus external service recoveries. 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 festival 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 that are 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 festival experience creation that benefited the most from an ambiguous LOC. Given that, it would appear that some 'strategic ambiguity' (Eisenberg, 1984) by the festival 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, there is a need for affiliated stakeholders to carefully vet a festival 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, and the effect of failure severity, our study showed that it did not result in differences in perceptions of and BI towards the various stakeholders, in itself or in combination with LOC or SR. Despite prior research on failure severity that would suggest 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 service failure 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 festival stakeholders apparently has its pitfalls. Even though such an alternative 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).

However, in this context it is also important to note that despite the service failure being a high severity one, even an external recovery in the form of DJ failed to generate significantly more favorable consequences for all but one affiliated stakeholder compared to those when the festival organizer implemented an internal recovery. This partially lends further 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 BI compared to a 'low' recovery in the form of an apology. The fact that even an apology in our study did not result in significantly more favorable ratings for the affiliated stakeholders is likely to be due to the differences in the type of service failure, perceived severity and resulting losses for the consumer.

5.3. 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 service failure 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 service failures and recoveries 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. Yet, it also conceivable that existing theories are challenged by the change in focus towards a multi-actor, service eco-system perspective (Barile et al., 2015, Ostrom et. al., 2015). And that may not only be the case for service failure/recovery 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 and additional influencing factors in relation to service failure/recovery, while behavioral response mechanisms in multiple provider settings also need to be better understood.

.

Table 1. 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	Present 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

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.

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
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

Table 2 - Summary of Significant MANOVA Results

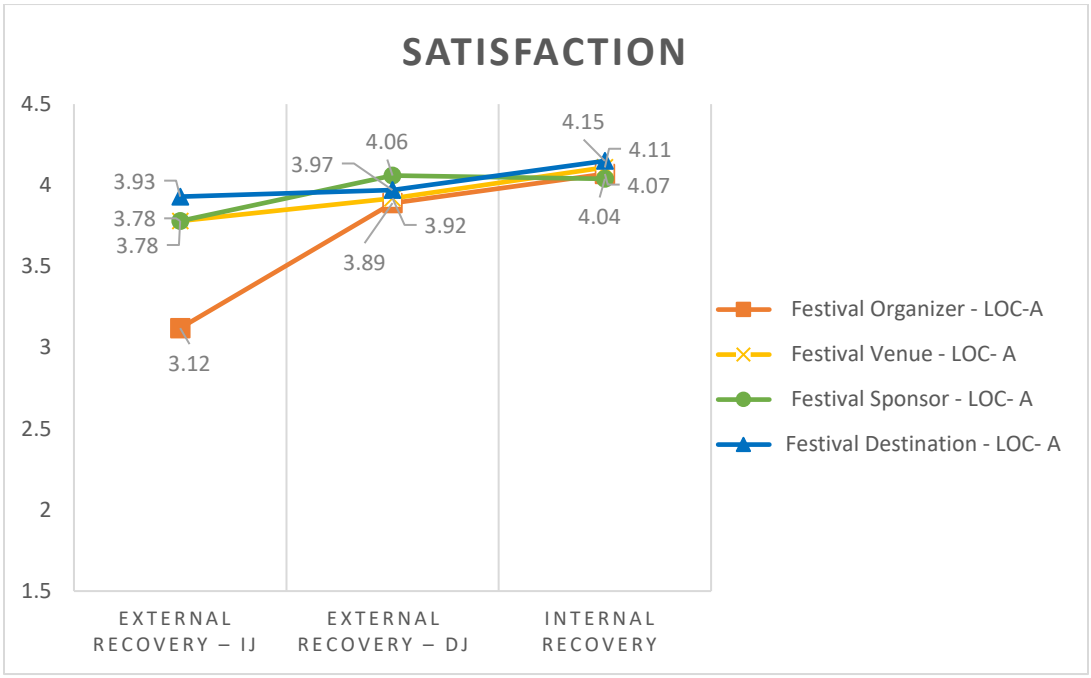
Study 1 – Internal/External SR, Failure Severity and LOC							
	Multivariate				Univariate		
Source	**df**	**F**	**p**	**η_p^2**	**F**	**p**	**η_p^2**
Within Subjects							
Main Effect							
SH	**[6,288]**	**21.47**	**.000**	**.309**			
Satisfaction					38.73	.000	.117
Behavioral Intentions					39.32	.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							
	Multivariate				Univariate		
Source	**df**	**F**	**p**	**η_p^2**	**F**	**p**	**η_p^2**
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

Table 3 - Study 1 - Descriptives for Satisfaction and Behavioral Intentions – SH x LOC x Recovery Interaction

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

Figure 1. Three-way Interaction: Stakeholder x Recovery x LOC for Satisfaction



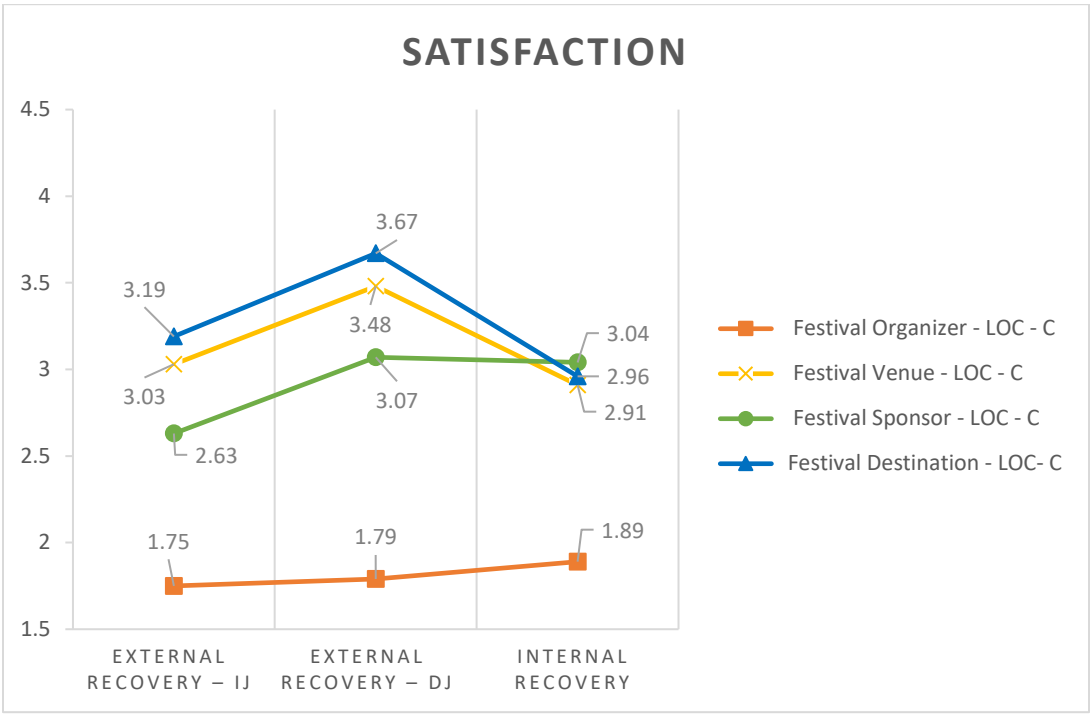
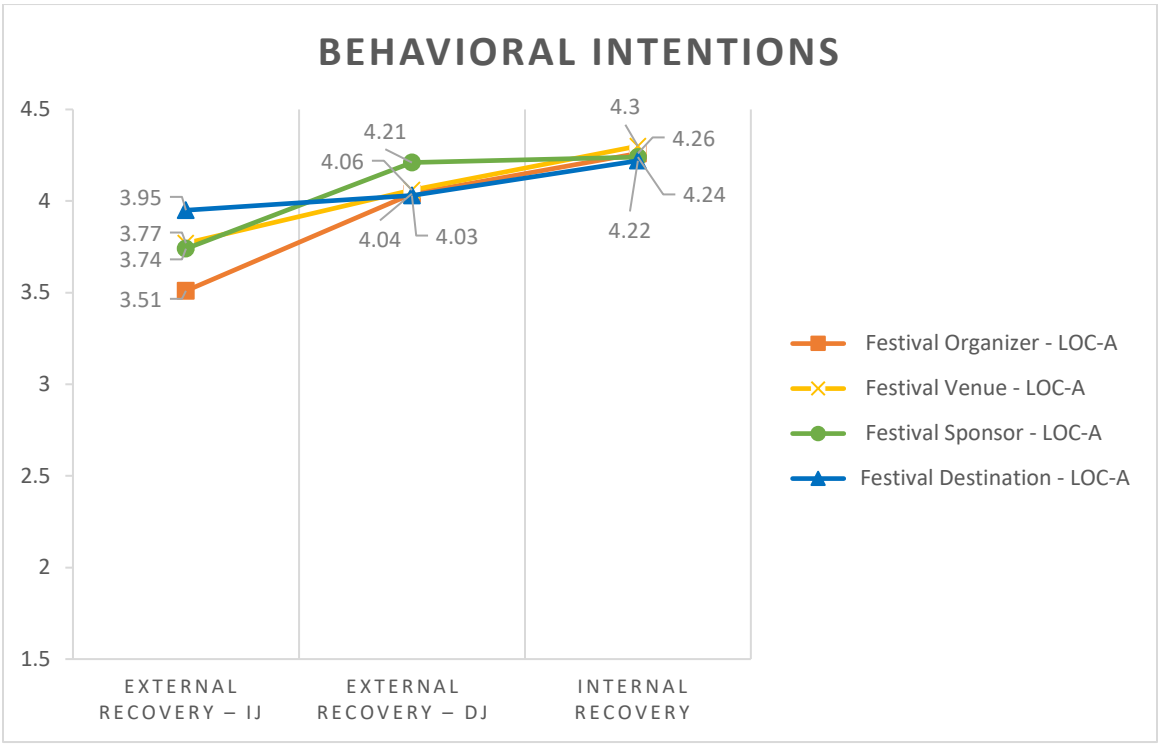
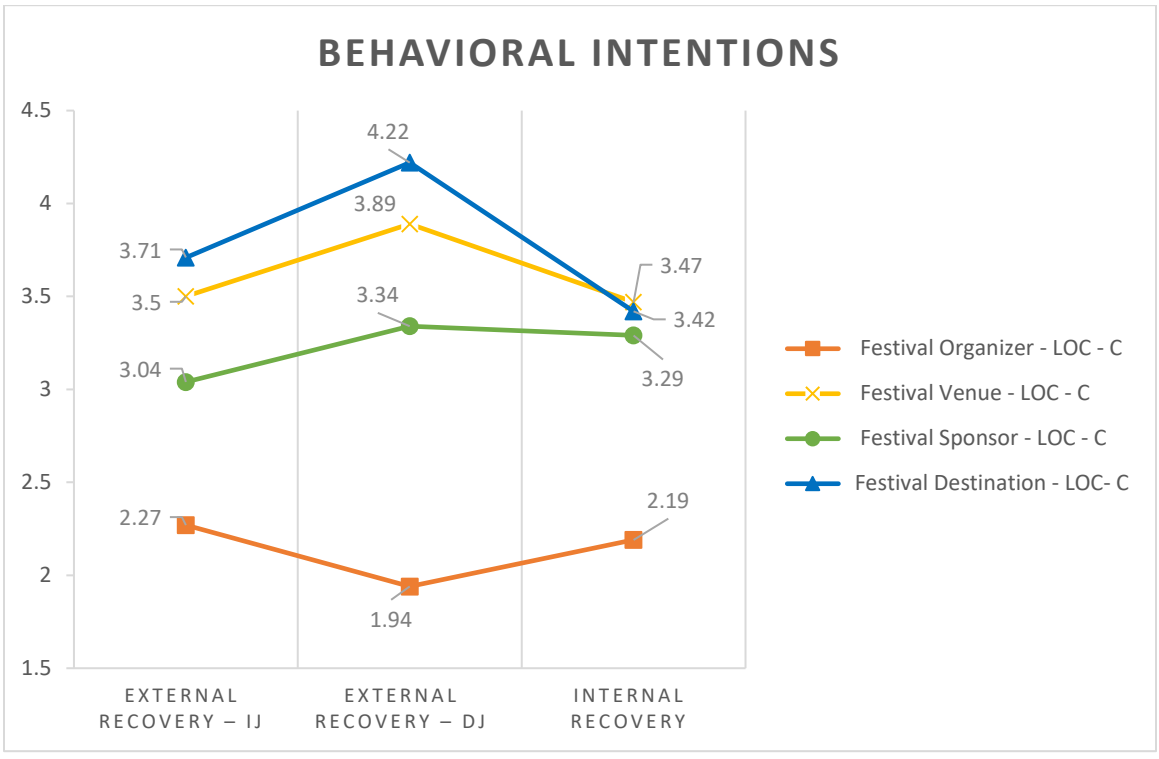


Figure 2. Three-way Interaction: Stakeholder x Recovery x LOC for Behavioral Intentions





References

Alexander, M. J., Jaakkola, E., & Hollebeek, L. D. (2018). Zooming out: actor engagement beyond the dyadic. Journal of Service Management 29(3): 333–351. https://doi.org/10.1108/JOSM-08-2016-0237

Allen, A. M., Brady, M. K., Robinson, S. G., &Voorhees, C. M. (2015). One firm's loss is another's gain: capitalizing on other firms' service failures. *Journal of the Academy of Marketing Science*, *43*(5), 648–662. https://doi.org/10.1007/s11747-014-0413-6

Anderton, C. (2019). Risky Business: the Volatility and Failure of Outdoor Music Festivals in the UK. Retrieved September29, 2019, from Live music Exchange website: https://livemusicexchange.org/blog/risky-business-the-volatility-and-failure-of-outdoor-music-festivals-in-the-uk-chris-anderton/

Bahmani, N., Jin, Z. & Ghose, S. (2019). Fixing another firm's mistake: how should recovering firms react?. *Journal of Consumer Marketing*, 37 (1): 65-76.

Barile, S., Lusch, R., Reynoso, J., Saviano, M., & Spohrer, J. (2016). Systems, networks, and ecosystems in service research. *Journal of Service Management*, *27*(4), 652–674. https://doi.org/10.1108/JOSM-09-2015-0268

Bies, R. J. (1987). The predicament of injustice: The management of moral outrage. *Research in Organizational Behavior*, *9*, 289–319.

Bies, R. J., & Shapiro, D. L. (1987). Interactional fairness judgments: The influence of causal accounts. *Social Justice Research*, *1*(2), 199–218. https://doi.org/10.1007/BF01048016

Bitner, M. J., Booms, B. H., & Tetreault, M. S. (1990). The Service Encounter: Diagnosing Favorable and Unfavorable Incidents. *Journal of Marketing*, *54*(1), 71–84. https://doi.org/10.2307/1252174

Botti, A., Monda, A., & Vesci, M. (2018). Chapter 10 Organizing Festivals, Events and Activities for Destination Marketing. In *Tourism Planning and Destination Marketing* (pp. 203–219). https://doi.org/10.1108/978-1-78756-291-220181010

Bradley, G., & Sparks, B. (2012). Explanations: If, when, and how they aid service recovery. *Journal of Services Marketing*, *26*(1), 41–50. https://doi.org/10.1108/08876041211199715

Bradley, G., & Sparks, B. A. (2009). Dealing with service failures: the use of explanations. *Journal of Travel & Tourism Marketing*, *26*(2), 129–143.

Carlini, J., Coghlan, A., Thomson, A. & O'Neil, A. (2020). From legacy rhetoric to business benefits: a case study of the Gold Coast 2018 Commonwealth Games. *Event Management, 24* (1): 75-96.

Carlsen, J., Andersson, T. D., Ali-Knight, J., Jaeger, K., & Taylor, R. (2010). Festival management innovation and failure. *International Journal of Event and Festival Management*, *1*(2), 120–131. https://doi.org/10.1108/17852951011056900

Chang, C. C., & Chen, C. Y. (2013). Alleviating the negative impact of delayed recovery: Process- versus outcome-focused explanations. *Journal of Services Marketing*, *27*(7), 564–571. https://doi.org/10.1108/JSM-06-2012-0097

Chapple, J. (2018). Live Music Revenues to Top $30bn for First Time. Retrieved September 28, 2019, from IQ Magazine website: https://www.iq-mag.net/2018/10/live-music-revenues-to-top-30bn-for-first-time/#.XpkmDsgza70

Chen, N. (2018). Outdoor music festivals, specially in the south - Chinadaily.com.cn. Retrieved September29, 2019, from China Daily website: http://www.chinadaily.com.cn/a/201804/21/WS5adaf36ba3105cdcf6519b01.html

Churchill, G.A. (1979). A Paradigm for Developing Better Measures of Marketing Constructs. *Journal of Marketing Research* 16 (February):64-73.

Cloonan, M. (2012). Selling the experience: The world-views of British concert promoters. *Creative Industries Journal*, *5*(1–2), 151–170. https://doi.org/10.1386/cij.5.1-2.151_1

Colquitt, J. A. (2001). On the dimensionality of organizational justice: A construct validation of a measure. *Journal of Applied Psychology*, *86*(3), 386–400. https://doi.org/10.1037/0021-9010.86.3.386

Colquitt, J.A., D.E. Conlon, M.J. Wesson, C.O. Porter, and K.Y. Ng. (2001). Justice at the millennium: A meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology* 86 (3): 425-445.

Curren, M. T., & Folkes, V. S. (1987). Attributional influences on consumers' desires to communicate about products. *Psychology and Marketing*, *4*(1), 31–45. https://doi.org/10.1002/mar.4220040105

Deery, M., & Jago, L. (2010). Social impacts of events and the role of anti-social behaviour. *International Journal of Event and Festival Management*, *1*(1), 8–28.

974 Deutsch, M. (1975). Equity, equality, and need: What determines which value will be used as the
975 basis of distributive justice? *Journal of Social Issues* 31:137-150.
976 delRío-Lanza, A. B., Vázquez-Casielles, R., & Díaz-Martín, A. M. (2009). Satisfaction with
977 service recovery: Perceived justice and emotional responses. *Journal of Business Research*,
978 *62*(8), 775–781. https://doi.org/10.1016/j.jbusres.2008.09.015
979 DeployedResources. (2018). The Rising Trends of Music Festivals in the U.S. Retrieved
980 September29, 2019, from Deployed Resources website:
981 https://deployedresources.com/blog/special-events/the-rising-trends-of-music-festivals-in-
982 the-u-s/
983 Drolet, A. L., & Morrison, D. G. (2001). Do We Really Need Multiple-Item Measures in Service
984 Research? *Journal of Service Research*, *3*(3), 196–204.
985 Eisenberg, E. M. (1984). Ambiguity as strategy in organizational communication. Communication
986 Monographs, 51, 227–242. doi:10.1080/03637758409390197
987 Folger, R., & Cropanzano, R. (1998). *Organizational justice and human resource management*.
988 Thousand Oaks, CA: Sage Publications.
989 Folkes, V. S. (1984). Consumer Reactions to Product Failure: An Attributional Approach. *Journal*
990 *of Consumer Research*, *10*(4), 398. https://doi.org/10.1086/208978
991 Frost, W., & Laing, J. (2015). Avoiding burnout: the succession planning, governance and
992 resourcing of rural tourism festivals. *Journal of Sustainable Tourism*, *23*(8–9), 1298–1317.
993 https://doi.org/10.1080/09669582.2015.1037841
994 Gelbrich, K. (2010). Anger, frustration, and helplessness after service failure: Coping strategies
995 and effective informational support. *Journal of the Academy of Marketing Science*, *38*(5),
996 567–585. https://doi.org/10.1007/s11747-009-0169-6
997 Getz, D. (2002). Why festivals fail. *Event Management*, *7*(4), 209–219.
998 Getz, D., & Page, S. J. (2016). Progress and prospects for event tourism research. *Tourism*
999 *Management*, *52*, 593–631. https://doi.org/10.1016/j.tourman.2015.03.007
1000 Greenberg, J. (1993). *The social side of fairness: Interpersonal and informational classes of*
1001 *organizational justice*. Edited by R. Cropanzano, *Justice in the workplace: Approaching*
1002 *fairness in human resources management*. Hillsdale, NJ: Lawrence Erlbaum.77-103.
1003 Hair, J.F. Jr, Anderson, E.R., Tatham, L.R. & Black, C.W. (2010). *Multivariate Data Analysis*. 7th
1004 Edition, Prentice Hall/Pearson, Upper Saddle River, NJ.

Hanbury, M. (2019a). Fyre Festival is a comparison for other failed events. Business Insider 27 February 2019. Retrieved January23, 2020, from Business Insider website: https://www.businessinsider.com/fyre-festival-comparison-failed-events-list-2019-2

Hanbury, M. (2019b). These photos reveal why the 27-year-old organizer of the disastrous Fyre Festival has been sentenced to 6 years in prison. Retrieved September28, 2019, from Business Insider website: https://www.businessinsider.com/fyre-festival-expectations-vs-reality-2017-4

Heider, F. (1958). *The psychology of interpersonal relations.* Wiley.

Hess, R. L. (2008). The impact of firm reputation and failure severity on customers' responses to service failures. *Journal of Services Marketing*, *22*(5), 385–398. https://doi.org/10.1108/08876040810889157

Hewett, C., & Roberts, T. (2017). *Hope and Glory Festival Report*. Liverpool.

Homburg, C., & Fürst, A. (2005). How Organizational Complaint Handling Drives Customer Loyalty: An Analysis of the Mechanistic and the Organic Approach. *Journal of Marketing*, *69*(3), 95–114. https://doi.org/10.1509/jmkg.69.3.95.66367

Ittner, C. & Larcker, D. (1998). Are Nonfinancial Measures Leading Indicators of Financial Performance? An Analysis of Customer Satisfaction. *Journal of Accounting Research, 36*, 1-35.

Khalilzadeh, J., Ghahramani, L. & Tabari, S. (2017). From "Hypercritics" to "Happy Campers": Who Complains the Most in Fine Dining Restaurants? *Journal of Hospitality Marketing & Management, 26*:5, 451-473.

Kelley, S. W., Hoffman, K. D., & Davis, M. A. (1993). A typology of retail failures and recoveries. *Journal of Retailing*, *69*(4), 429–452. https://doi.org/10.1016/0022-4359(93)90016-C

Kinnunen, M., & Haahti, A. (2015). Visitor discourses on experiences: reasons for festival success and failure. *International Journal of Event and Festival Management*, *6*(3), 251–268. https://doi.org/10.1108/IJEFM-01-2015-0003

Laing, J. (2018). Festival and event tourism research: Current and future perspectives. *Tourism Management Perspectives*, *25*(September 2017), 165–168. https://doi.org/10.1016/j.tmp.2017.11.024

Lee, B., & Cranage, D. A. (2017). Service failure of intermediary service: impact of ambiguous locus of control. *Journal of Travel & Tourism Marketing*, *34*(4), 515–530.

Lee, B., & Cranage, D. A. (2018). Causal Attributions and Overall Blame of Self-Service Technology (SST) Failure: Different from Service Failures by Employee and Policy. *Journal of Hospitality Marketing & Management*, *27*(1), 61–84. https://doi.org/10.1080/19368623.2017.1337539

Leventhal, G.S. (1976). The distribution of rewards and resources in groups and organizations. In *Advances in experimental social psychology*, edited by L. B. W. Walster. New York: Academic Press. 91-131.

Li, M., Qiu, S. C., & Liu, Z. (2016). The Chinese way of response to hospitality service failure: The effects of face and guanxi. *International Journal of Hospitality Management*, *57*, 18–29. https://doi.org/10.1016/j.ijhm.2016.05.002

Lind, E. A., & Tyler, T. R. (1988). *The Social Psychology of Procedural Justice*. Springer US.

MacNeill, K. (2017). Why have so many music festivals gone wrong this year? The Guardian, 9 August 2017. Retrieved January23, 2020, from The Guardian website: https://www.theguardian.com/music/musicblog/2017/aug/09/music-festivals-gone-wrong-fyre-hope-and-glory-y-not

Mattila, A. S. (2006). The power of explanations in mitigating the ill-effects of service failures. *Journal of Services Marketing*, *20*(7), 422–428. https://doi.org/10.1108/08876040610704856

Maxham, J. G., & Netemeyer, R. G. (2002). A Longitudinal Study of Complaining Customers' Evaluations of Multiple Service Failures and Recovery Efforts. *Journal of Marketing*, *66*(4), 57–71. Retrieved from http://www.jstor.org/stable/3203358

McCollough, M. A., Berry, L. L., & Yadav, M. S. (2000). An Empirical Investigation of Customer Satisfaction after Service Failure and Recovery. *Journal of Service Research*, *3*(2), 121–137. https://doi.org/10.1177/109467050032002

Migacz, S.J., Zou, S. & Petrick, J.F. (2019). The "Terminal" Effects of Service Failure on Airlines: Examining Service Recovery with Justice Theory. Journal of Travel Research. January 12, 2017 https://doi.org/10.1177/0047287516684979

Nordvall, A., & Heldt, T. (2017). Understanding hallmark event failure: a case study of a Swedish music festival. *International Journal of Event and Festival Management*, *8*(2), 172–185. https://doi.org/10.1108/IJEFM-11-2015-0043

Nunnally, J.C. (1978). *Psychometric Theory.* McGraw-Hill, New York, NY.

Oliver, R. L., & DeSarbo, W. S. (1988). Response Determinants in Satisfaction Judgments. *Journal of Consumer Research*, *14*(4), 495. https://doi.org/10.1086/209131

Oliver, R.L. (2010). *Satisfaction: a behavioral perspective on the consumer.* 2nd Ed. Routledge, London.

Ostrom, A. L., Parasuraman, A., Bowen, D. E., Patrício, L., & Voss, C. A. (2015). Service research priorities in a rapidly changing context. *Journal of Service Research*, *18*(2), 127–159.

Parker, M. (2019). How Great Exuma's Locals Are Managing After Fyre Fest, "The Greatest Party That Never Happened." Retrieved September28, 2019, from Thrillist website: https://www.thrillist.com/travel/nation/fyre-festival-great-exuma-bahamas-tourism

Patterson, P. G., Cowley, E., & Prasongsukarn, K. (2006). Service failure recovery: The moderating impact of individual-level cultural value orientation on perceptions of justice. *International Journal of Research in Marketing*, *23*(3), 263–277. https://doi.org/10.1016/j.ijresmar.2006.02.004

Pollstar. (2018). Pollstar's 2018 Global Festival & Events Calendar. Retrieved October2, 2019, from Pollstar website: https://www.pollstar.com/article/pollstars-2018-global-festival-events-calendar-is-here-134024

Richins, M. L. (1983). Negative Word of mouth by Dissatisfied Consumers: A Pilot Study. *Journal of Marketing*, *47*(1), 68–78. https://doi.org/10.1177/002224298304700107

Rodger, J. (2017). 'Shambolic' Liverpool music festival organised by Lichfield businessman a public safety risk. Birmingham Mail. Retrieved January23, 2020, from Birmingham Mail website: https://www.birminghammail.co.uk/news/midlands-news/shambolic-liverpool-music-festival-organised-13725072

Schlenker, B. R. (1980). *Impression management : the self-concept, social identity, and interpersonal relations /*. Monterey, Calif. : Brooks/Cole Pub. Co.

Schönbach, P. (1990). *Account episodes: The management of escalation of conflict*. New York: NY: Cambridge University Press.

Scott, M. B., & Lyman, S. M. (1968). Accounts. *American Sociological Review*, 46–62.

Smith, A. K., Bolton, R. N., & Wagner, J. (1999). A Model of Customer Satisfaction with Service Encounters Involving Failure and Recovery. *Journal of Marketing Research*, *36*(3), 356–372. https://doi.org/10.2307/3152082

1098 Sparks, B. A., & McColl-Kennedy, J. R. (2001). Justice strategy options for increased customer
1099 satisfaction in a services recovery setting. *Journal of Business Research*, *54*(3), 209–218.
1100 https://doi.org/10.1016/S0148-2963(00)00120-X
1101 Sparks, B., & Fredline, L. (2007). Providing an Explanation for Service Failure: Context, Content,
1102 and Customer Responses. *Journal of Hospitality & Tourism Research*, *31*(2), 241–260.
1103 https://doi.org/10.1177/1096348006297292
1104 Swanson, S. R., & Hsu, M. K. (2011). The Effect of Recovery Locus Attributions and Service
1105 Failure Severity on Word of mouth and Repurchase Behaviors in the Hospitality Industry.
1106 *Journal of Hospitality & Tourism Research*, *35*(4), 511–529.
1107 https://doi.org/10.1177/1096348010382237
1108 Tax, S. S., Brown, S. W., & Chandrashekaran, M. (1998). Customer Evaluations of Service
1109 Complaint Experiences: Implications for Relationship Marketing. *Journal of Marketing*,
1110 *62*(2), 60–76. https://doi.org/10.2307/1252161
1111 Tax, S. S., McCutcheon, D., & Wilkinson, I. F. (2013). The Service Delivery Network (SDN): A
1112 Customer-Centric Perspective of the Customer Journey. *Journal of Service Research*, *16*(4),
1113 454–470. https://doi.org/10.1177/1094670513481108
1114 Tiffany, K. (2019). Why are so many music festivals total disasters? Retrieved from Vox website:
1115 https://www.vox.com/the-goods/2019/6/11/18661203/music-festival-scams-failures-fyre-
1116 woodstock-panorama
1117 Trianasari, N., Butcher, K., & Sparks, B. (2018). Understanding Guest Tolerance and the Role of
1118 Cultural Familiarity in Hotel Service Failures. *Journal of Hospitality Marketing &*
1119 *Management*, *27*(1), 21–40. https://doi.org/10.1080/19368623.2017.1329677
1120 VanLimburg, B. (2008). Innovation in pop festivals by cocreation. *Event Management*, *12*(2),
1121 105–117. https://doi.org/10.3727/152599509787992571
1122 VanNiekerk, M., & Getz, D. (2016). The identification and differentiation of festival stakeholders.
1123 *Event Management*, *20*(3), 419–431. https://doi.org/10.3727/152599516X14682560744910
1124 Vaerenbergh, Y.V., Varga, D., De Keyser, A. & Orsingher, C. (2019). The Service Recovery
1125 Journey: Conceptualization, Integration, and Directions for Future Research. *Journal of*
1126 *Service Research, 22*(2) 103-119.
1127 Voorhees, C. M., & Brady, M. K. (2005). A Service Perspective on the Drivers of Complaint
1128 Intentions. *Journal of Service Research*, *8*(2), 192–204.

Wang, C., Mattila, A. S., & Bartlett, A. (2009). An examination of explanation typology on perceived informational fairness in the context of air travel. *Journal of Travel & Tourism Marketing*, *26*(8), 795–805. https://doi.org/10.1080/10548400903356194

Wang, Y., & Mattila, A. S. (2011). A cross-cultural comparison of perceived informational fairness with service failure explanations. *Journal of Services Marketing*, *25*(6), 429–439. https://doi.org/10.1108/08876041111161023

Wang, Y. S., Wu, S. C., Lin, H. H., & Wang, Y. Y. (2011). The relationship of service failure severity, service recovery justice and perceived switching costs with customer loyalty in the context of e-tailing. *International Journal of Information Management*, *31*(4), 350–359.

Westbrook, R. A. & Oliver, R.L. (1981). Developing Better Measures of Consumer Satisfaction: Some Preliminary Results. *Advances in Consumer Research, 9,* 94-9.

Weiner, B. (1980). *Human Motivation*. New York: Holt, Rinehart & Winston.

Weun, S., Beatty, S. E., & Jones, M. A. (2004). The impact of service failure severity on service recovery evaluations and post-recovery relationships. *Journal of Services Marketing*, *18*(2), 133–146. https://doi.org/10.1108/08876040410528737

Willson, P. & McNamara, J. R. (1982). How perceptions of a simulated physician-patient interaction influence intended satisfaction and compliance. *Social Science and Medicine,* 16*,* 1699-1704.

Yang, W., & Hanks, L. (2016). Preconsumption Mood, Causal Explanations, and Postrecovery Reactions. *Journal of Hospitality Marketing & Management*, *25*(1), 69–90. https://doi.org/10.1080/19368623.2014.994155

Yolal, M., Gursoy, D., Uysal, M., Kim, L. & Karacaoğlu, S. (2016). Impacts of festivals and events on residents' well-being. *Annals of Tourism Research. 61* (Nov.): 1-18.

Zeithaml, V. A., L. L. Berry, & A. Parasuraman. (1996). The behavioral consequences of service quality. *Journal of Marketing* 60 (2):31-46.

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.