

## **The influence of perceived justice on recovery satisfaction in the airline industry**

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### **ABSTRACT**

This study examines the influence of perceived justice on customer satisfaction with service recovery and on the future behavioural intentions of customers in the airline industry. The study uses an exploratory research design that is quantitative in nature. Questionnaires were used to collect data, and structural equation modelling was used for hypothesis testing. The study revealed that the three dimensions of perceived justice, namely interactional, distributive and procedural justice, influence satisfaction with service recovery in the South African airline industry. However, only interactional and distributive justice had a positive influence on future behavioural intention.

**Keywords:** Perceived justice; customer satisfaction; customer delight; South African airline industry; initial negative affect

### **Introduction**

The long term or perpetual succession of any organisation is dependent on having satisfied customers. However, it is not easy, if not impossible, to satisfy customers all the time. Service failure is something that cannot be completely avoided in the service industry considering the high-human contact associated with service industry (Mostert, et al., 2009). Service failure has the potential to have a significant negative impact on organisations (Stratemeier, Geringer & Canton, 2014). Being the case, service organisations have a no option except to find ways of winning back unsatisfied customers through service recovery. Service recovery refers to the action taken by a service provider to address a customer complaint regarding a perceived service failure (Groenroos, 1988) or the steps service providers take after a service failure in an attempt to reverse customers' loss (Fang, Luo & Jiang, 2013).

Service recovery is an essential ingredient to service providers to satisfy their customers. Recovery is considered a more efficient way to retain and satisfy customers and is one of the key driving forces in service industry (Hassan, Azhar & Farooq, 2014). Service recovery which was previously assumed as a cost to a company is now considered as one of the most effective tool for the success and prosperity of service organisations (Sarawathi, 2016) and as one of the most valuable tool in marketing (Stratemeier, Geringer & Canton, 2014). Thus, service recovery plays an important role in the high competitive scenario where multiple service providers are competing for a limited pool of customers (Sarawathi, 2016). As highlighted long back by Bitner (1990), that it is not necessary the failure itself that leads to customer dissatisfaction as customers sometimes accept that things can go wrong. It is more likely to be the organisation's response towards a failure that causes dissatisfaction. The questions that need to be addressed are; Do customers perceived the service recovery strategies as fair? Do these recovery strategies lead to customer satisfaction

and eventually customer delight? Finding answers to these questions will help service providers to come up with effective recovery strategies.

The study at hand is in the context of the airline industry in Africa paying particular attention to South Africa. The South African airline industry has been faced with some challenges. The main airline in South Africa, South African Airways (SAA), is no exception since it has been highly unprofitable for the last three years owing largely to substantial losses in its long haul operations (Airline Leader, 2016). To remain competitive, the South African airline industry should focus on building relationships with its customers. Building customer relationships through effective service recovery will help the industry to retain customers and increase profitability in the long term (Mostert, De Meyer, & Van Rensburg, 2009; Keiningham, Morgeson, Aksoy, & Williams, 2014).

When faced with a service failure, a well-executed and correct service recovery strategy is needed in order to delight customers and retain loyalty (Chang & Chang, 2010; Hu, Lu, Tu, & Jen, 2013). After a service failure, customers consider the effort that a service organization provides in order to rectify the service failure (Chou, 2015) before making a final decision to stay with the organization or to defect to competitors. If customers perceive that the response of the service organization to the service failure is not fair, they become unsatisfied and may convey this through switching to competitors or reacting emotionally and spreading negative word of mouth (Wang, Wu, Lin, & Wang, 2011; Chou, 2015). Perceived fairness or justice, which is the core of justice theory, is an important antecedent to customer satisfaction (De Souza & Desai, 2013). To provide a fair recovery, airlines need to understand the emotional reaction of customers to service failure and what the customers consider as “fairness” in service recovery (Chou, 2015). To examine the customers’ perceptions of the fairness of service recovery strategies employed by South African

airlines; this study adopted Justice Theory since it has been used considerably as a theoretical foundation for many service recovery studies (Hoffman & Kelly, 2000; Schoefer, 2008; Ha & Jang, 2009; Kuo & Wu, 2012; De Souza & Desai, 2013; Tsai, Yang, & Cheng, 2014; Smith & Mpinganjira, 2015). Previous studies (Ha & Jang, 2009; Del Rio-Lanza, Vázquez-Casielles, & Díaz-Martin, 2009; Kuo & Wu, 2012; Tsai et al., 2014) have identified perceived justice as a main influencer of customer satisfaction and behavioral intention. Therefore, this study focused on the effects of the three commonly used dimensions of justice theory (distributive, procedural and interactional justice) and the initial negative affect (emotions) on customer satisfaction and behavioral intention after service recovery in the South African airline industry. It is also the aim of this study to examine the influence of customer satisfaction with service recovery on customer delight.

The study contributes to theory since it supports the applicability of justice theory in explaining the complexity of the airline industry's service recovery process. Since the Justice Theory has been extensively used in service recovery studies, this study take a further step in examining also the influence of satisfaction with service recovery and initial negative affect on customer delight these variable have not been widely examined in the service recovery studies especially in the airline industry. A model was proposed and verified that illustrates the relationships between the three dimensions of justice theory, customer satisfaction, customer delight, initial negative affect and behavioural intention in the airline industry of an emerging economy.

This article next provides an overview of the context in which the study is set. This is followed by an exposition of the theories grounding the study and an explanation of its key constructs. Hypotheses are presented and a theoretical model is proposed. This is followed by the research

methodology used and the data analysis. The study concludes by presenting its findings and managerial implications.

## **Theoretical framework**

### *The South African airline industry*

The South African airline industry is currently undergoing restructuring in order to enhance its services (Airline Leader, 2016). In 2014 the South African airline industry discovered that the Johannesburg to Mumbai route was unprofitable due to lower passenger yields and customers' choosing cheaper options (Charlie, 2013). A lower passenger yield might also be the result of poor service delivery by the South African airlines. Service delivery complaints by customers about the South African airlines in general include delayed flights, the poor quality of seats, cold meals, unfriendly cabin crew members, and the cancellation of flights (ConsumerAffairs, 2017). If these aspects are not addressed adequately, they can cause customers to switch to other airlines. Customers are much concerned about the quality of service offered by airlines, which affects their loyalty. Considering the challenges faced by South African airlines and the complaints raised by customers, these airlines need to develop effective service recovery strategies to retain unsatisfied customers and remain competitive in the market. This research is crucial to the South African airline industry and other airline businesses in Africa as it reveals what customers expect from the airline after a service failure.

## **Theory grounding the study**

Justice theory emanates from social exchange theory (Homan, 1961) and equity theory (Adams, 1963). In social exchange theory the cost of the service must be the same as gains received. If the cost is higher than the gains, something must be done to balance the two so that a level of fairness is reached (Kuo & Wu, 2012). Equity theory (Adams, 1963) also suggests that “in an exchange if an individual perceives that he/she is being treated fairly and there is a fair distribution of resources” (i.e. the inputs are equal to the outputs) the individual will be satisfied since equity is perceived to exist (Tan, 2014). Both theories provide theoretical support for the concept of perceived justice, which is central to justice theory. Perceived justice refers to the fair-mindedness of the supplier’s service recovery efforts (Ha & Jang, 2009). Perceived justice has been acknowledged by several researchers (Lovelock & Wirtz, 2011; Kuo & Wu, 2012; Tan, 2014; Tsai et al., 2014) as the main factor influencing how customers critically assess service recovery efforts. Ding and Lii (2016:882) state: “The concept of perceived justice suggests that the fairness of the recovery procedures, the interpersonal communication and activities, and the outcome are the primary antecedents of customer evaluations”. [The concept of perceived justice](#), through its three dimensions, is widely used as a hypothetical foundation for modelling customers’ reactions to service recovery (Wirtz & McColl-Kennedy, 2010).

## **Service failure and service recovery**

Service failures are the actual problems or perceived problems that customers encounter during their interaction with an organization (Maxham, 2001). From a customer’s point of view, service failure refers to a situation whereby an organization fails to provide services as expected by

customers leaving the customer dissatisfied (Tsai et al., 2014). Each service failure is considered different, and hence their magnitude is also perceived differently, depending on the expectation of individuals involved in both consumption and production of the service (Cranage & Matilla, 2005). It is inevitable that organizations sometimes fail to meet their customers' expectations (Petzer & Steyn, 2006). Common service failures in the airline industry include baggage loss, overbooking and flight delays. When a service failure occurs, the customer's confidence in the particular organization declines (Rejikumar, 2015), and this can lead to an increase in complaints lodged with the service provider (Harrison-Walker, 2012), the effective handling of which might be a challenge. After a service failure customers feel a sense of unfairness, which can result in negative emotions (Kim & Jang, 2014). The organization's response to service failure is what is termed service recovery. It includes all the processes and efforts by an organization to address a service failure (Nikbin, Ismail, Marimuthu, & Armesh, 2012; Nikbin, Marimunthu, Hyun, & Ismail, 2015).

### **Customer satisfaction and customer delight**

Customer satisfaction is described by Adesina and Chinoso (2015) as "a person's feeling of pleasure that results from comparing a product's performance with their expectations"; if the performance meets their expectation customers will be satisfied. Though customer delight has been conceptualized as related to satisfaction, it is a distinct construct. The major difference between satisfaction and delight is the element of surprise and the emotional component (Preko, Agbanu, & Feglo, 2014). Customer delight is a combination of high pleasure (joy), high activation or surprise (Vark, 1997) or an extreme expression of the positive effect of surprisingly good performance (Preko et al., 2014)). Delight is expressed by Sarawathi (2016) as a profoundly

positive state that emanates from having one expectations exceeded to a surprising degree. “It is when a service provide is able to exceed the customer expectation creating a moment of magic for the customer” (Sarawathi, 2016:42). Delight should be seen as different from satisfaction, because whereas satisfaction suggests an expected service level, delight is often unexpected by customers and it comes with extra effort and cost to the organisation. Delight is combined pleasure and arousal (Liu & Keh, 2015) such that delightful experiences typically have a stronger memory trace than satisfaction (Berman, 2005). Customer delight is a function of the fulfilment of three human needs: justice, security, and self-esteem (Schneider and Bowen, 1999). Despite its importance in the success of many organisations, very few studies in the airline industry have studied this issue.

## **Theoretical model development**

### ***Distributive justice***

Distributive justice can be described as the impartial and just treatment that the organization adopts to address and compensate for a service failure (Ding & Lii, 2016). Distributive justice, according to Blodgett, Hill and Tax (2001), is focused on the tangible things that customers receive during service recovery, which include rewards in the form of money, refunds, future purchase discounts, coupons and exchange service (Kuo & Wu, 2012). This form of justice therefore relates specifically to the final compensation that customers receive after service recovery efforts (Ha & Jang, 2009). Recent studies (Chang, Lai, & Hsu, 2012; Ding & Lii, 2016; Kuo & Wu, 2012) have shown that satisfaction with service recovery can be predicted by distributive justice. Ha and Jang (2009) and Harcourt, Hannay, and Lam (2013) also found that distributive justice positively influences customers’ revisit intention, or intention to continue using the same service provider. Kuo and Wu (2012) also concluded that distributive justice affects both recovery satisfaction and



post-purchase intentions. It is expected that distributive justice influences customers' satisfaction and re-usage intentions in the South African airline industry. The following hypotheses are therefore formulated for this study:

*H<sub>1</sub>: Distributive justice has a significant influence on airline customers' satisfaction with service recovery.*

*H<sub>2</sub>: Distributive justice has a significant influence on intention to re-use the selected airline.*

### ***Procedural justice***

Procedural justice focuses on the process and methods used by the organization to address a service failure (McColl-Kennedy & Sparks, 2003; Blodgett et al., 2001; Hofer, Knemeyer & Murphy, 2012). Nikbin et al. (2015) indicate that procedural justice is concerned with the methods that an organization uses to rectify a service failure. It may include taking quick action towards addressing service failure, treating customers fairly and eliminating hassles (Zeithaml, Bitner & Gremler, 2006; Lopes & Silva, 2015; Harcourt et al., 2013). Ding and Lii (2016) suggest that responding quickly and apologising are sometimes enough to rectify the problem, and in the case of a service failure an organization that responds quickly and resolves a customer complaint is favoured. Gautam (2011) investigated the influence of corporate image on perceived justice and recovery satisfaction and found that procedural justice positively influences post-recovery satisfaction. Ding and Lii (2016) and Lopes and Silva (2015) also concluded that procedural justice influences customers' satisfaction levels and behavioral intentions after service recovery in the airline industry. Against this background it is hypothesized that:

*H<sub>3</sub>: Procedural justice has a significant influence on airline customers' satisfaction with service recovery.*

*H<sub>4</sub>: Procedural justice has a significant influence on intention to re-use the airline.*

### ***Interactional justice***

Interactional justice is expressed as the customer's perceived fairness especially when the organization is dealing with people during the recovery process (Tax, Brown, & Chandrashekar, 1998; Chang et al., 2012). Interactional justice includes fair treatment given to customers, being concerned, sharing of feelings, and being honest (Zeithaml et al., 2006) and also the effort spent by employees in addressing the problem (Gountas, Gountas, Mavondo, 2013). Previous studies have revealed that interactional justice exerts a stronger positive influence on recovery satisfaction than procedural justice in the airline, hotel and restaurant context (Gautam, 2011; Orsingher, Valentini, & Angelis, 2010; Nikbin et al., 2012). Kuo and Wu (2012) observe that if there is a higher level of interactional justice, satisfaction is assured. If the level of interactional justice is lower, this can lead to customer disgruntlement and spreading of negative word of mouth (Lee, Liu, Chen, & Cheng, 2012). Lopes and Silva (2015) found a positive relationship between interactional justice and customer satisfaction in the retail industry. Chang et al. (2012) also concluded that interactional justice significantly influences post-recovery satisfaction in the airline industry. This was also tested in the South African context to see if it is applicable to the South African airline industry customers. In this study it is hypothesized that:

*H<sub>5</sub>: Interactional justice has a significant influence on customers' satisfaction with service recovery in the South African airline industry.*

*H<sub>6</sub>: Interactional justice has a significant influence on airline customers' intention to re-use the airline.*

### **Customer satisfaction with service recovery and customer delight**

Customer satisfaction can be described as an individual's feeling of gratification that results from a comparison of actual service performance with their expectations: if the performance meets their expectations, customers will be satisfied (Adesina & Chinoso, 2015). Customer satisfaction is dependent on the quality of service offered by the organization (Kim & Jang, 2014), and service quality determines customer satisfaction. Customer satisfaction plays a crucial role in the service recovery process since it affects both customer attitudes and future intentions. Delight is linked to the intention to re-purchase and positive word of mouth (Purohit & Purohit, 2013). Horyono, Fauzi, and Suyadi (2015) studied the effect of service quality on customers' satisfaction, and in turn customer delight, and concluded that customer satisfaction positively influences customer delight. However, Anam and Faiz (2016) could not establish a positive relationship between satisfaction and delight. Contradictory results regarding the relationship between customer satisfaction and delight are presented. It was found necessary in this study to test the relationship between customer satisfaction and customer delight in the airline context, and so the following hypothesis has been formulated:

*H<sub>7</sub>: Customer satisfaction has a significant positive effect on customer delight.*

### **Initial negative affect**

Bearden and Teal (1983) suggest that customer complaint behaviour is triggered by the emotions which build up after customer dissatisfaction occurs. Due to the costs incurred, annoyance, worry and tension, the customer starts the complaint delivery process with the supplier in a frustrated state, which causes the customer to be in a negative frame of mind from the beginning of the service recovery process (Oliver, Rust & Varki, 1997). What customers sense initially, just after realizing there has been a service failure, can cause different emotional reactions and will affect their perception of the service recovery process. This initial feeling is referred to as initial negative affect in this study. According to Gustaffson, Johnson, and Roos (2005), initial negative affect describes the disappointment felt by customers who experience negative service, and who may or may not complain or convey their frustration to the service provider. Initial negative affect caused by initial service failure may thus negatively influence customer satisfaction, since the customer will have a negative state of mind (Komunda & Osarenkhoe, 2012). Rejikumar (2015) found that initial negative affect moderates the relationship between perceived recovery quality and recovery satisfaction. Gustaffson et al. (2005) found that initial negative affect influences customer satisfaction with service recovery. Thus, delight after service recovery service may be affected by how customers feel when they realise that the airline has failed to provide the services as they were expecting. Previous studies (Komunda & Osarenkhoe, 2012; Rejikumar, 2015) focused on the relationship between initial negative and customer satisfaction. No previous study has been found which links initial negative affect and customer delight; therefore it was found necessary to check the influence of this variable on customer delight with the service recovery process. Thus, the following hypothesis is proposed:

*H<sub>8</sub>: Initial negative affect negatively impacts customer delight in the South African airline industry.*

## **Customer delight, intention to re-use the airline and intention to recommend**

Bartl, Gouthier, and Lenker (2013) indicate that customer delight requires extraordinary service recovery performance and is more memorable than recovery satisfaction as the performance is beyond expectations. Finn (2012) suggests that satisfaction and delight exert different effects on behavioral intention. Satisfaction leads to loyalty, whereas delight normally has positive outcomes such as the spreading of positive word of mouth (Torres, Fu, & Lehto, 2014). Customer delight, according to Purohit and Purohit (2013), if maintained for a considerable period, leads to the generation of goodwill, which in turn can result in a positive relationship between the organization and its customers. Moreover, Bartl et al. (2013) have established that customer delight has a stronger effect on repurchase intentions than satisfaction. It is the positive emotionality involved in the delight experience that leads to future customer behaviour outcomes such as repeat purchase and positive word of mouth (Preko et al., 2014). In this case, delight is expected to influence customer behaviour outcomes, such as re-usage intentions.. It is thus hypothesized in this study that:

*H<sub>9</sub>: Customer delight has a significant positive influence on intention to re-use the airline.*

*H<sub>10</sub>: Customer delight has a significant positive influence on intention to recommend the airline.*

Figure 1 portrays the proposed theoretical model for this study, illustrating the different constructs of the study as well as the hypothesized relationships between them.

[Insert Figure 1 here]

## **Methodology**

### ***Sample and data collection***

The study makes use of an exploratory research design that is quantitative in nature. The main aim of exploratory research is to uncover crucial issues and important variables, searching for explanations to the nature of certain relationships (Hair, Celsi, Oritinau, & Bush, 2013). According to Malhotra (2010), when one wants to collect data from a bigger sample and analyse it using statistical methods, it is ideal to use quantitative research. Hypotheses proposed for this study were statistically tested. A cross-sectional approach was employed to collect data through the use of questionnaires whereby data was collected from the sample on one occasion only. In order to come up with the questionnaire several studies were consulted as indicated below in the next sub-section. The target population for this study was airline travellers who had faced a service failure in the last 12 months. The assumption was that in a period of 12 months travellers would retain a memory of what had actually transpired during the service failure. Both international and domestic travellers were included in the study, and data was collected by a professional data collection organization in the period between March and May 2017. Data were collected at OR Tambo international airport and Lanseria International airport in Johannesburg. A letter was obtained from the University for the Field Workers to gain entry into the airports. Since, there was no database of travellers, a convenience sampling technique was employed. Non- probability sampling techniques were also used in quantitative research by previous studies (Campbell & Vigar-ellis, 2012; Mostert, de Meyer & Van Rensburg, 2009).

The first part of the questionnaire focused on demographic information of the respondents and the obtained information is as follows; of the 300 respondents who completed the questionnaire, 66.0% were males and 34% were females. The majority of the respondents (46.7%) were between the ages of 36 and 45 years, 30% between 26 and 35, 10% between 56 and 65, and 8.3% between 18 and 25. Only 5% of the respondents were over 65. Concerning their level of education, the

majority of the respondents (34%) had a bachelor's degree, 27% an honours degree, 21% a diploma, 10% a master's degree, and 5% a doctoral degree. Only 3% of the respondents had no matric certificate. The majority of the respondents (34.3%) had an income of between R16 000 and R20 000, 32.3% earned between R11 000 and R15 000, and 15% earned between R21 000 and R22 000. Only 9.8% of the respondents were earning more than R25 000, and very few respondents (1.3%) were earning less than R5 000. In total 65.7% of the respondents had experienced a service failure while using domestic flights, while 34.3% had experienced service failure while using international flights.

### ***Measures***

The second part of the questionnaire focused on the constructs used in this study and a list of the measure and scales used are presented in Table 1. The constructs of interest in this study – namely procedural justice, interactional justice, distributive justice, recovery satisfaction, initial negative affect, customer delight, intention to recommend and intention to continue using the airline – were measured using a five-point Likert scale from 1 = “strongly disagree” to 5 = “strongly agree”. Scales used to measure the constructs were adopted from existing literature to ensure validity of the measures. The scales relating to perceived justice were modified from those of Qin, Chen and Wan (2012). Recovery satisfaction scales were adapted from Li-Hua (2012) and Hess and Klein (2003); and for customer delight the scales were adapted from Preko et al. (2014) and Liu and Keh (2015). Scales used for initial negative affect were adapted from Andreassen (2000). For intention to continue using the airline, the scales were adapted from Lin and Lu (2011). Lastly, the scales used for intention to recommend were adapted from Maxham (2001).

*[Insert Table 1 here]*

To uncover the loadings of the constructs, confirmatory factor analysis was used. Reliability of the measures was tested using the Cronbach's alpha test; and to test the validity of the constructs, average variance extraction (AVE) was used. Through the use of structural equation modeling (SEM) using partial least squares, the proposed hypotheses were tested.

## **Results**

### ***Reliability and validity of the instrument***

Tests for Cronbach's alpha and composite reliability (CR) were performed to check the reliability of the measuring instrument. For the scales to be regarded as reliable, both the alpha value and the CR value should exceed 0.7. As illustrated in Table 2, both the alpha value and CR value of each factor were greater than the threshold, indicating that the scales were reliable.

The validity of the scales in this study was examined using confirmatory factor analysis (CFA), whereby convergent and discriminant validity were also checked. Using average variance extracted (AVE), convergent validity was tested. When using CFA, the AVE value of greater than 0.50 provides evidence of convergent validity (Fornell & Larcker, 1981). To test discriminant validity, maximum squared shared variance (MSV) and average squared variance (ASV) were used. In CFA analysis, AVE values should be greater than MSV and ASV for discriminant validity to be demonstrated (Schumacker & Lomax, 2010). All the AVE values of all the constructs displayed in Table 2 are greater than 0.50, demonstrating convergent validity. The MSV and ASV are lower than AVE values, implying that discriminant validity is demonstrated.

### ***Model fitness***



Structural equation modeling (SEM) was used to test the hypotheses formulated for this study as shown in the research model. Table 3 displays the results of the fit indices of the structural model and the recommended values. As illustrated in Table 3, all the fit indices were greater than the recommended values. The measurement model's  $\chi^2$  value was 684.29, with 331 degrees of freedom and a  $p$ -value of 0.66. The normed chi-square value  $\chi^2 / (df = 332)$  was 3.28, the RMSEA = 0.06, TLI = 0.96, GFI = 0.90 and NFI = 0.98, suggesting good model fit. Hu and Bentler (1999) state that for a measurement model to be regarded as fit, the TLI and the NFI need to be greater than or equal to 0.95, and the RMSEA needs to be less than 0.60, while the GFI is supposed to be 0.90 or greater.

[Insert Table 2 here]

[Insert table 3 here]

### ***The structural model***

Figure 2 shows the model test results. The results illustrated in Figure 2 indicate that the structural model has good explanatory power, with 65% of the variance in satisfaction with recovery being explained by the three perceived justice factors (distributive, perceived and interactional justice). Satisfaction with recovery and initial negative affect jointly explain 56% of the variance in customer delight, while the customer delight and perceived justice factors explain 72% of the variance in intention to re-use the airline. Customer delight explains 51% of variance in intention to recommend.

[Insert Figure 2 here]

Figure 2 shows that eight of the ten hypotheses proposed for this study were supported by the data. All three types of justice had a significant positive relationship with satisfaction with service

recovery. According to the results, distributive justice ( $\beta = 0.47, p < 0.001$ ), procedural justice ( $\beta = 0.31, p < 0.01$ ) and interactional justice ( $\beta = 0.61, p < 0.001$ ) all significantly influenced satisfaction with service recovery. Thus, hypotheses 1, 3 and 5 are supported. Further, distributive justice ( $\beta = 0.21, p < 0.05$ ) and interactional justice ( $\beta = 0.34, p < 0.01$ ) both significantly influenced intention to re-use the airline. Hypotheses 2 and 6 are therefore supported. However, the results established that procedural justice ( $\beta = 0.09, p < 0.21$ ) does not significantly influence intention to re-use the airline, so hypothesis 4 is not supported. It is also deduced from the results that satisfaction with service recovery ( $\beta = 0.38, p = 0.01$ ) significantly influences customer delight, and this result supports hypothesis 7. Initial negative affect ( $\beta = 0.10, p < 0.18$ ) does not significantly affect customer delight. Thus, hypothesis 8 is not supported. Finally, customer delight ( $\beta = 0.45, p < 0.001$ ) and ( $\beta = 0.32, p = 0.01$ ) significantly influences both intention to re-use the airline and intention to recommend the airline respectively. Hypotheses 9 and 10 are therefore supported.

## **Discussion and implications**

### ***Summary of research findings***

The results from this study show that all three dimensions of perceived justice (distributive, procedural and interactional justice) significantly influence satisfaction with service recovery. These results are consistent with the findings of Jha and Balaji (2015), Ding and Lii (2016), Lopes and Silva (2015) and Kuo and Wu (2012). These authors concur that perceived justice influences customer's satisfaction with service recovery. From the airline's point of view, these findings are very significant as they shed light on what customers are concerned with during the recovery process. Still on the same results, it was gathered that of the three dimensions, interactional justice

( $\beta = 0.61$ ) exerts a stronger positive effect on customer satisfaction with recovery than the other two dimensions. This result supports those by Nikbin et al. (2012) and Gautam (2011), whose studies concluded that interactional justice influences customer recovery satisfaction more strongly than procedural and distributive justice. A possible reason for this is that customers feel a sense of satisfaction when the service provider communicates with them after a service failure by informing them about what is being done regarding the service failure and by continuing to interact with them until the matter is resolved.

The results also reveal that distributive and interactional justice significantly influences intention to re-use the airline. Harcourt et al. (2013) and Ha and Jang (2009) also indicate that distributive justice and interactional justice positively influence customers' revisit intentions and their intention to continue using the same service provider, respectively. These authors, however, in their respective studies, could not establish a relationship between procedural justice and intention to re-use the same service provider. The present study could also not establish the influence of procedural justice on intention to re-use the airline.

This study could not establish a relationship between initial negative affect and customer delight. Previous studies (Andreassen, 2000; Gustaffson, Johnson, & Roos, 2005; Komunda & Osarenkhoe, 2012) focused on the relationship between initial negative effect and customer satisfaction and found a positive relationship. No study could be found which focused on the relationship between initial negative affect and customer delight. It was assumed in this study that if initial negative affect positively influences customer satisfaction, it will also influence customer delight. However, no relationship was found between the two constructs in the proposed model (refer to Figure 2).

It was furthermore found in this study that satisfaction with service recovery significantly influences customer delight. Similarly, Horyono et al. (2015) also established a positive relation between the two constructs. However, this result is contrary to the findings of Anam and Fiaz (2016), which could not establish a relationship between customer recovery satisfaction and customer delight. A possible reason for the contradicting results is that customers can be satisfied if the service provider has met their recovery expectations. However, this might not lead to customer delight, since for customers to be delighted the service provider has to exceed their expectations. In other words, customer delight requires extraordinary recovery performance beyond satisfaction.

The results also revealed that customer delight significantly influences intention to re-use the airline as well as intention to recommend the airline. This is in line with the findings of the study by Bartl et al. (2013), which also concluded that customer delight significantly influences re-purchase intentions. Preko et al. (2014) also found a positive relationship between customer delight and repeat purchase as well as intention to spread positive word of mouth. Therefore, if a customer is delighted with the service provider's recovery efforts, they will be tempted to continue to use the same service provider in future despite the service failure they experienced before and will not hesitate to recommend the service provider to family and friends.

### ***Theoretical and practical contributions***

From a theoretical perspective, the study makes three contributions. Firstly, it establishes that customer satisfaction during service recovery in an emerging market is directly influenced by the three dimensions of perceived justice, namely procedural, interactional and distributive justice. All the perceived justice dimensions included in this study were found to significantly influence

recovery satisfaction, which in turn influences customer delight. It was also established that two dimensions of perceived justice, namely distributive and interactional justice, also directly influence behavioral intentions such as re-usage intention. It can therefore be argued that the different dimensions claimed in justice theory to drive behavioral intention do have an influence on the behavioral intention of customers in an emerging market context, as hypothesized in this study.

Secondly, the research study proposes a model in terms of which perceived justice has a direct impact on customer satisfaction and in turn customer's satisfaction influences customer delight and behavioral intention. Therefore, the positive influence of perceived justice on customer recovery satisfaction and on intention to re-use the airline can provide an organization with a competitive advantage through repeat purchase and positive word of mouth (Preko et al., 2014).

A great deal of research on service recovery and Justice Theory has focused on the influence of perceived justice on customer satisfaction after service failure (Kuo & Wu, 2012; Tsai et al., 2014; Kim & Jang, 2014; Rejikumar, 2015). This study contributes to theory by proposing a model with justice theory dimensions together with customer delight and initial negative affect. These two new variables have received little attention especially in the airline service recovery literature. By focusing on these aspects, this study provides theoretical insight that is useful for understanding customer delight and its influence on behavioural intentions.

From a practical perspective, the study contributes by potentially assisting airlines in emerging economies to have an improved understanding of how justice theory (distributive justice, procedural justice, interactional justice and initial negative effect) can strengthen customer satisfaction through service delivery during the recovery process, eventually leading to enhanced customer satisfaction and the intention to re-use and recommend the airline. This outcome,

however, will depend on whether the customer perceives the influence of justice theory on customer satisfaction with service recovery as positive. However, as noted by Lopes and Silva (2015), it remains important to understand that what customers perceive as fairness during service recovery starts with the procedures followed when implementing service recovery to the final outcome of the process. It therefore becomes imperative for airlines to consider all the perceived justice dimensions during the recovery process. This can be done by implementing procedures and structures to deal with service failure and by interacting with customers throughout the service recovery process in order to get their views so as to provide the most effective service recovery.

### ***Managerial implications***

Considering the competitive nature of the service industry, airlines have to implement appropriate recovery strategies that satisfy their customers in order to remain competitive in the market and to retain customers. An effective service recovery strategy can be achieved by determining what customers perceive as a fair outcome in order to satisfy them. A survey can be used to solicit information from customers on what they think is fair during the service recovery process. Where possible, airlines should compensate customers after a service failure to avoid losing them to competitors. The use of money to compensate customers, no payment on some commodities, and replacement tickets or coupons to use on future trips can also be used as a way of compensating customers. Airline managers should also investigate the perception of fairness in respect of the most frequent services failures, so that recovery actions can be adapted to maximise feelings of fairness without wasting resources. Management should also concentrate on ensuring that they meet the demands of interactional justice and distributive justice through ensuring a positive

outcome in service recovery, being diligent when processing customers' requests and treating customers with respect.

Secondly, in order to improve customer recovery satisfaction, airline staff involved in the service recovery process should constantly communicate with customers, notifying them about what they are doing concerning the service failure and illustrating to the customer that they care about them. Airlines should acknowledge that they are aware of the problem the customer is facing and provide an undertaking that they are addressing the problem in the fastest and most professional manner. Communicating with the customers the first time they realise that there is a problem and interacting with them in the whole recovery process can contribute towards satisfying them. Interacting with the customer needs to be professional at all times, displaying courtesy and attentiveness when customers air their grievances.

Airlines should recognise the important role played by frontline staff in assuring the satisfaction of customers during the recovery process. This can be achieved through an investment in staff training programs, especially for those frontline staff that interact with customers on a daily basis. Customer care workshops should be attended by airline staff so that they learn how to handle customer grievances without aggravating the situation. These workshops should include aspects such as handling of grievances, quality service delivery aspects, and communication skills. Finally, management should take time to come up with policies and practices that help in handling service failure and effective recovery. Gathering satisfaction information from customers and keeping a database of the complaints they have raised will assist policy makers to come up with a set of procedures that need to be followed when implementing a recovery strategy.

## **Conclusions, limitations and areas of further research**

This study's main aim was to investigate the influence of perceived justice on satisfaction with service recovery and on intention to re-use the airline. The study concluded that the three dimensions of justice theory – distributive, interactional and procedural justice – all influence customer satisfaction with service recovery. However, only two dimensions of justice theory, namely interactional and distributive justice, influence the intention to re-use the airline after service recovery. The results also show that recovery satisfaction significantly influences customer delight, which in turn influences the intention to re-use and the intention to recommend the airline. Airlines are advised to understand the effects that all the dimensions of perceived justice have on customer recovery satisfaction, in order to implement effective recovery strategies. The results of this study contribute to understanding the influence of perceived justice on recovery satisfaction in the airline industry in developing economies.

Limitations are inevitable in any research work, since one study cannot cover all the concepts associated with service failure and recovery. The study considers only the influence of perceived justice on recovery satisfaction, yet there are other factors that may also influence recovery satisfaction. Future research could use the justice dimension together with factors such as past service performance, quality of service, and severity of the service failure. In addition, the study is based on the perception of only 300 airline customers, which might not give a true reflection of what airline customers think. It is suggested that future research use a bigger sample size to test the applicability of justice theory on service recovery situations.

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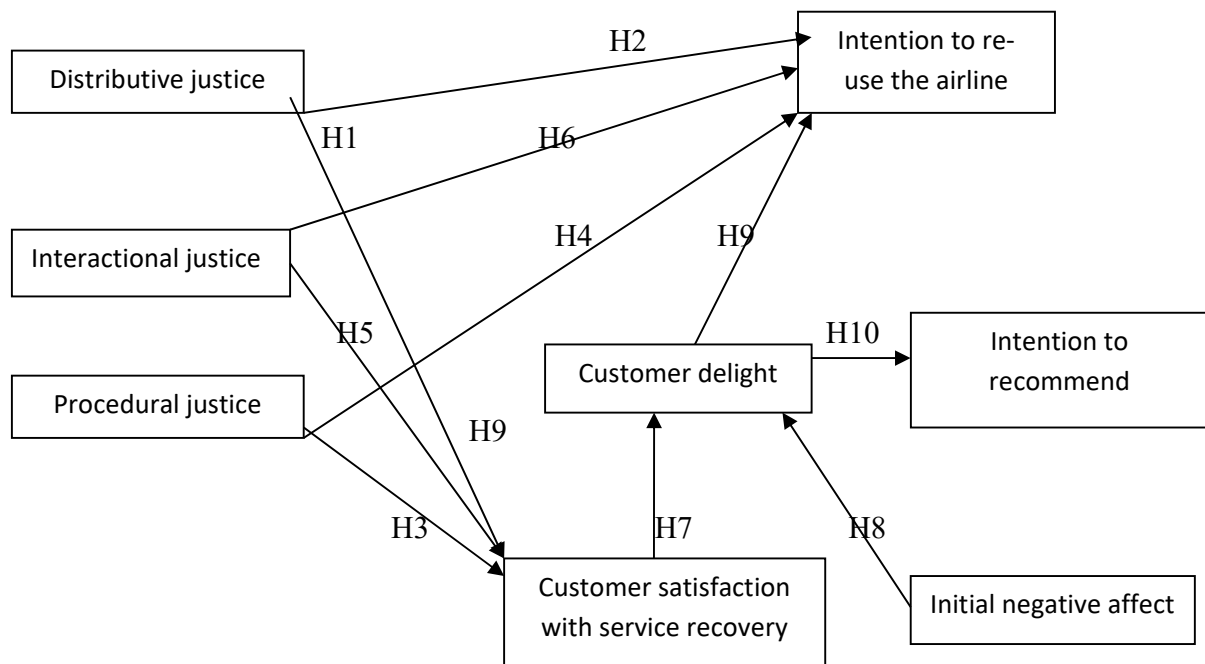
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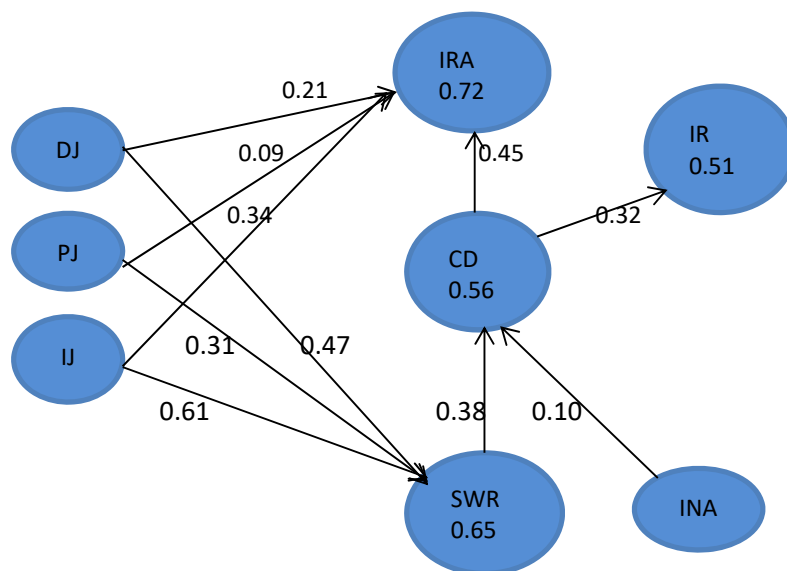
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**Figure 1.** Proposed model for this study



**Figure 2:** Hypotheses testing results

**Table 1.** Constructs and items used for this study

<b>Distributive justice (DJ)</b>
The service recovery outcome received was reasonable
Taking everything into consideration, I think the service recovery outcome was fair
The airline's service recovery resolution efforts resulted in a positive outcome for me
Given the circumstances, I feel the service recovery outcome was acceptable
<b>Procedural justice (PJ)</b>
I think the problem was resolved by following the correct procedures
The airline tried to solve the problem as quickly as possible
The airline has a set of effective problem solving management practices
The airline was fair in dealing with the problem
<b>Interactional justice (IJ)</b>
The airline was diligent when processing my request
The airline's communication with me when resolving the complaint was appropriate
The airline treated me with courteousness and respect when resolving my problem
The airline was concerned about my problem
<b>Satisfaction with recovery (SWR)</b>
I am satisfied with the manner in which my problem was dealt with by the airline
I am satisfied with the way in which my problem was resolved
I am satisfied with the treatment from the airline's employees involved in resolving my problem
I am satisfied with the procedure and resources used to resolve the problem
In my opinion the airline provided a satisfactory solution to my problem
<b>Initial negative affect (INA)</b>
When I first realized the problem I was:
Very frustrated
Very disappointed
Very bothered
Very concerned
<b>Intention to re-use the airline (IRA)</b>
I intend to use the airline since it is reliable
My intentions are to continue using this airline rather than to use any alternatives
I intend to continue using the airline whenever I want to travel
There is a likelihood that I would use this airline in future
This airline will be my first choice in future
<b>Intention to recommend (IR)</b>
I intend to recommend this airline to my friends
I will recommend this airline to others
I will encourage my friends and relatives to use this airline
I will recommend this airline if someone asks for my advice
<b>Customer delight (CD)</b>
The services offered by this airline are especially memorable
The services offered by this airline are particularly unique
The services offered by this airline drastically exceed my expectations
The airline's employees are highly competent

Sources: Adapted from Qin Chen and Wan (2012), Andreassen (2000), Li-Hua (2012), Hess and Klein (2003), Maxham and Netmeyer (2002).

**Table 2.** Results of CFA

Item	Standardised loading	Cronbach's $\alpha$	CR	AVE	MSV	ASV
<i>Distributive justice</i>		.88	.87	.76	.61	.39
DJ1	.76					
DJ2	.83					
DJ3	.84					
DJ4	.72					
<i>Procedural justice</i>		.91	.89	.65	.53	.27
PJ1	.77					
PJ2	.67					
PJ3	.88					
PJ4	.70					
<i>Interactional justice</i>		.78	.81	.58	.42	.22
IJ1	.78					
IJ2	.81					
IJ3	.84					
IJ4	.73					
<i>Initial negative affect</i>		.78	.78	.67	.36	.20
INA1	.89					
INA2	.67					
INA3	.87					
INA4	.71					
<i>Satisfaction with recovery</i>		.94	.94	.79	.55	.26
SWR1	.81					
SWR2	.90					
SWR3	.77					
SWR4	.84					
SWR5	.65					
<i>Customer delight</i>		.80	.83	.73	.63	.31
CD1	.68					
CD2	.76					
CD3	.83					
CD4	.83					
CD5	.67					
<i>Intention to re-use the airline</i>		.91	.86	.66	.42	.28
IRA1	.66					
IRA2	.75					
IRA3	.63					
IRA4	.74					
IRA5	.68					
<i>Intention to recommend</i>		.77	.87	.68	.24	.05
IR1	.67					
IR2	.59					
IR3	.71					
IR4	.73					

**Table 3.** Overall fit of the research model

Fit indices	Recommended value	Value obtained
$\chi^2 / \text{df}$	< 3	312 ( $\chi^2 = 684.29$ , $\text{df} = 331$ )
GFI	$\geq 0.90$	0.90
NFI	$\geq 0.95$	0.98
TLI	$\geq 0.95$	0.96
RMSEA	> 0.60	0.06

RMSEA – root mean square error of approximation, GFI – goodness-of-fit index, NFI – normative fit index, TLI –

Tucker-Lewis index