“The Effects of Failure Recovery Strategies on Customer Behaviours Via Complainants' Perceptions of Justice Dimensions in Banks”

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<th>NUMBER OF FIGURES</th>
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THE EFFECTS OF FAILURE RECOVERY STRATEGIES ON CUSTOMER BEHAVIOURS VIA COMPLAINANTS’ PERCEPTIONS OF JUSTICE DIMENSIONS IN BANKS

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Abstract

The primary objective of this study is to investigate the effects of service recovery strategies on customer satisfaction. Specifically, it examines the perception of justice in service recovery and how it affects the level of satisfaction and behavioral outcomes. A total of 408 customers that chosen with random sampling method, from four major Turkish banks were surveyed, and structural equations models were used to verify the reliability and validity of the scale of perceived value. Our results indicate that service failure recovery strategies in banks affect justice perceptions directly. On the other hand, perceptions of justice influence satisfaction with recovery, overall firm satisfaction, loyalty to the employee, loyalty to the organization.

Keywords: Customer perceived value, multi dimensionality, hospital.

Introduction

Nowadays, customer are complaining increasingly from firms day by day. Organization couldn’t obliterate complaints but they could get wise to reply to them in impressive way. This reply called service recovery. Kelley & Davis (1994) stated that service recovery means the course by which the organization action to recover a service connected to defect. Service recoveries are essential, due to the customers that sense bad recovery struggles could demolish the provider and customer relationship and these customers purchase another seller (Schneider and Bowen, 1999). Schneider et al. (1998) pointed out that customer ullage are costly consequences and to gain a novice customer are more costly than to hold up present ones. Service recovery is an important tool to hold up customers.

Service failures are unavoidable because of human and non human faults. These failures inevitable create to customer dissatisfaction. Customer dissatisfaction may be deadfull for firms. The service failures cause rising of the customer complaints, horrible word of mouth and lastly losing customers. Zemke (1999) stated that a unsatisfied customer may tell his/her poor expositions with the service suppliers to 10 to 20 other individuals. Johnston (1995) argued that when a service failure appears, service recovery gets imperative to sustain customer to firm. McCollough and
Bharadwaj (1992) clarified that penetrative service recovery may constitute higher satisfaction as regards to service that accomplished faultless on the first time.

The first aim of this investigation is to specify the influence of firms’ recovery strategy on customer loyalty via complainants’ perception of justice extents within a structural model in the bank service sector in Turkey. Specifically, firstly the study would investigate the firms’ recovery strategy (compensation, apology, promptness, empathy, effort, facilitation, reparation) influence on perception of justice (distributive justice, interactional justice, procedural justice) and how it influences the grade of satisfaction (satisfaction with recovery and overall firm satisfaction). Second, This survey aims to specify the effect of satisfaction on behavioral outcomes (loyalty to employee and loyalty to firm) of the affected consumers.

This paper is composed as follows. The next part provide a presentation of theoretical development. The methodology used is then identified, followed by the study's consequences. Discussion of findings and strategic implications for the bank service sector are then supplied.

THEORETICAL BACKGROUND

Organizations consist of human beings and human beings can not live without making mistakes. So that, some wrong service representations occur when dealing with organizational activities. This situation named service failure. Bitner et al. (1990) assorted service failure into three categories with relationship; the interior service; requested service; and suprise staff movements. Kelley et al. (1993) investigated product failures, Hoffman et al. (1995) on the other hand search firm policy failures. Bitner et al. (1994) explored failures because of the problematic consumers. Amistead et al. (1995) asserted three sorts of failure; service supplier faults, consumer base faults and organisational faults. There are some different consequences of service faults, these are dissatisfaction, decreasing customer trust, negative word of mouth, losing profit and rising costs, decreasing employee morale and performance (Kelley et al, 1993; Boshoff and Leong, 1998; Bailey, 1994; Amistead et al., 1995; Bitner et al., 1994).

On the other hand, firms don’t want to lose their customer. Because of the loosing effect of service failure, firms should take some serious precaution. Gronroos, (1988) service recovery implies to the behaviours an organization takes in respond to a service failure. Another definition of the service recovery is that it is total strategies contain activities engaged by an organization and its staffs to return the customer to a position of dissatisfaction to satisfaction. With respect of the Hoffman and Kelly (2000) service recovery activities consist of the admittance of the fault, taking adjustment for the problem, providing an expression, giving apologise, getting proposal of compensation and being gentle and courteous throughout the recovery continuum. Michel (2001) asserted that service recovery which managed well increases positive feelings of customers about quality of the service and organization via providing customer loyalty.

The service recovery literature involving have attended on equity theorem. Equity theorem concerns with personnel’s sensation of a condition or decision. Individuals generally compare the percentage of their gains to sacrifices to the ratio of the other people have. When the gap is pros the person, the consequence will be guiltiness. When the gap is versus to person, the consequence will be frustration. In the both conditions, a person wants to come an equilibrium.

On the other hand, Justice theorem is adapted from social exchange and equity theories. Justice is commonly considered as an assessive decision about the suitableness of an individual’s treatment by somebody else (Furby, 1986). Justice is aforesought as the basis on three extents; distributive, procedural and interactional justice.

According to Lind and Tyler (1988) distributive justice implies to resource dealing and the consequences of exchange. The procedural justice consist of the operations driven to hand up the consequences of an exchange. The interactional justice reflects the transmission process.
Greenbery (1990) asserted that distributive justice is connected to essentially with the particular consequences of the recovery struggle, for instance what reconcile did the service supplier do to the resentful customer. Hoffman and Kelley (2000) pointed out that distributive consequences contain atonement in the form of replacement, degression, counterfoil, rebate, free present, make amends etc. Greenberg (1996) asserted that distributive justice means which persons reply to undeserved involvements by reacting unfavourable feelings and they can be motivated to compensate the practised wrongdoing. Tax et al. (1998) pointed out that the evaluation of the reparation may be affected by the former experience of the consumers with the organization and influenced by the information about how other consumers were acted in similar situation and emotion of the greatness of his or her own cost. Sparks and McColl-Kennedy (2003) put forward that people were satisfied when a 50 percent pay back was dedicated to recover for the service failure. Smith and Bolton (1998) affirmed that distributive justice affected by two sorts of satisfaction that named satisfaction with recovery and whole organization satisfaction. Satisfaction with recovery is the satisfaction caused with a special treatment covering a fault and getting better. On the other hand, whole organization satisfaction implies to a customer’s gathered satisfaction with whole former trucks as well as the satisfaction taken from the most novice truck. Oliver (1996) argued that distributive justice is a antecedent of satisfaction with particular service recovery. Smith et al. (1999) asserted that distributive justice influences service recovery and Goodwin and Ross (1992) and Tax et al. (1998) suggested that distributive justice affects satisfaction with beef utilization.

H1. Distributive justice will be positively related to satisfaction with recovery.
H2. Distributive justice will be positively related to overall firm satisfaction.

With the view of Tax et al. (1998) interactional justice concentrated on the veracity of the interpersonal behavior persons get throughout creating procedures. Tax et al. stated that there are five components of interactional justice: veracity, nicely, struggle and empathy. Literature about justice theory has showed that the behaviours that administrators and staffs get into touch with consumers and struggles get to detach disaccords affected customer satisfaction. (Mohr and Bitner, 1995; Goodwin and Ross, 1992). Blodgett et al. (1997) argued that interactional justice has the powerful influence on word of mouth communication in their tentative research study. Assessment of service recovery are seriously affected by the coaction between consumers and service representatives. Smith et al. (1999) asserted that the influence of interactional justice on satisfaction with the service recovery and Tax et al. (1998) pointed out a powerful influence of interactional justice on satisfaction. Bitner et al. (1990) report that whole firm satisfaction advances when staffs behave consumer honestly.

H3. Interactional justice will be positively related to satisfaction with recovery.
H4. Interactional justice will be positively related to overall firm satisfaction.

Procedural justice implies to the sensed straightness of manners and procedures containing the recovery struggle and procedural justice affects service recovery consequences. Thibaut and Walker (1978) stated that procedural justice dealing the accomplishment to governance the choosing and improvement of proof and the accomplishment to determine the consequences of the argument itself. Procedures allow individual to feel that his/her profits are being screened (Lind and Tyler, 1988). Namely, a timely answer on the staffs who are authorised to master a failure situation would deal as a sign of the service supplier’s voice of the consumer’s needs. Smith et al. (1999) asserted that procedural justice has a considerable influence on service encounter satisfaction. Tax et al. (1998) also argued that procedural justice has a positive influence on satisfaction with complaint dealing. and procedural justice can also effect whole organizational satisfaction in recovery context.

H5. Procedural justice will be positively related to satisfaction with recovery.
H6. Procedural justice will be positively related to overall firm satisfaction.

Firms reactions to failures contain a combine of psychological recoveries and tangible
struggles, and have been researched by a number of researchers (Hoffman et al., 1995; Tax et al., 1998; Miller et al., 2000). The tactics put forward by these investigators are; compensation, apology, promptness, empathy, effort, facilitation, reparation.

One of the replies that a consumer hopes most when a trouble appears is a fair fasten down. This connects to the real outcome the complainant taken from the firm. It stands to reason that complainants will appraise replies grounded on the real outcomes taken connected to the trouble met (Davidow, 2000). With respect of the Tax et al. (1998), compensation was the most considerable extent about customers’ sensations of distributive justice. In pursuant of Smith et al. (1999) also asserted that higher grades of compensation rises customers’ sensations of distributive justice. Dinell (1994)argued that surveys about compensation has showed that compensative up- turn practice may impressively prevent following responsibility of the trials (Dinell, 1994).

H7. Compensation is positively related to complainants’ perceptions of distributive justice.

Customers who exposed to service failure expect to the firm to act them with courtesy and respect and take an apology. Providing apology may show an understanding of the dissatisfaction felt by the complainant, without that accepting the fault (Davidow, 2003). Schweikhart et al. (1993) asserted that introducing an apology is one of the most impressive service recovery strategy. An apology is conceived an essential extent of customers’ sensation of interactional justice.

H8. Apology is positively related to complainants’ perceptions of interactional justice.

Johnston (2001) stated that researches indicated get quick reply was an essential to well- done way out of service failures. Time engaged to solve the service failures is related to customers’ sensations of procedural justice. Davidow (2003) argued that promptness is an essential extent of procedural justice. And he stated that response speed upgraded repurchase purposes and satisfaction with the complaint handling, but also that reply speed cut back the amount of negative word of mouth.

H9. Promptness is positively related to complainants’ perceptions of procedural justice.

Empathy may be occurs when a firm staffs do wrong things on their job and If they can feel what customer sense in this situation. Compensation and reparation are related to outcomes but empathy is related to process and empathic staff behaviours may compensate service failures (Zemke, 1991).

H10. Empathy is positively related to complainants’ perceptions of interactional justice.

Brown and Peterson (1994) point out that effort is for accomplished the work means to the power, energy, or bustle dealing by the staffs. In service recovery contex, effort can be pictured as the proportion of positive effort used up by the staffs for compensate service failures. Brown and Peterson (1994) argued that job performance rises when staffs give much effort into their job.

H11. Effort is positively related to complainants’ perceptions of interactional justice.

According to Davidow (2000) facilitation implies to the strategies, tactics, and devices in order to use compensate customer complaints. Via facilitation activities, customers can declare their complaints to the organizations. Facilitation has a positive relationship with satisfaction from the complaint handling, repurchase intentions and decreased negative word of mouth.

H12. Facilitation is positively related to complainants’ perceptions of procedural justice.

Afflicted customers desire to be suggested a right-mind and answerable assign for their problem, which may get the sort of correction, replacement, or running the service delivery. It has been found by Carson et al. (1998) that expressive reparation increases customers’ sensation of an firms’ ability as well as the credit of other products and services.

H13. Reparation is positively related to complainants’ perceptions of distributive justice.

According to Caruana (2002) customer satisfaction is a sensual post consumption assessment of the service performance. With respect of the Yi (1990), Fournier and Mick (1999) cus-
Customer satisfaction is at large meant as an behavioural decisions about buying condition before and after exchange. Customer satisfaction may be related to an individual dealing or to a set of buying by the time. Researcher have often stated that customer satisfaction is essential to provide customer loyalty (Szymanski & Henard, 2001; Fullerton, 2003).

H14. Satisfaction with recovery will be positively related to loyalty to the employee.
H15. Satisfaction with recovery will be positively related to loyalty to the organization.
H16. Overall firm satisfaction will be positively related to loyalty to the employee.
H17. Overall firm satisfaction will be positively related to loyalty to the organization.
H18. Satisfaction with recovery will be positively related to Overall firm satisfaction.

Customer loyalty can be been identified as iterative buying treatment operated by regular behaviours or as a coherent buying dealing emerging from the judgement making and assesment continuum (Jacoby and Kyner, 1973). Customer loyalty can be be created throughout customer satisfaction, ground on the perceived performance of the service product; therefore service quality and customer satisfaction are two determinants of customer loyalty (Mittal and Lassar, 1998; Shoemaker and Lewis, 1999). Ganesh et al. (2000) and Jamal and Naser (2002) argued the effect of customer loyalty on customer satisfaction. Perceived service quality has also been found to have a positive association with customer loyalty (Ruyter et al., 1997, Zeithaml et al., 1996), and has even been said to be a key determinant of service loyalty (Lee and Cunningham, 2001).

H19. Loyalty to the employee will be positively related to loyalty to the organization.

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**Research Methodology**

**Data collection, sample and procedure**

However the most service recovery investigations connected to justice were lab surveys, this study is a field investigations. The answerings were real consumers of a major Turkish banks.
(four banks) and had formerly complained for problems that happened during the one year. The banks’ records were used to specify complained customers. Retail banking was selected as sector of this survey. Respondents were chosen with random sample procedure. Data were gathered with a phone survey.

A total of 549 respondents were reached, 129 of these stanced apart to subscribe, causing in response rate of 77 %. From the residuary 420 questionnaires, 12 questionnaires were suspended due to they were imperfect and missing essential data. After deduction, 408 questionnaires were entered the analysis. The sample size was determined by general guidelines for structural equation modeling (SEM). Initiative analysis of the items and the factors tested in the this survey showed that their communalities were high (around 0.8) to reconcile a temperate sample size suggested by MacCallum et al. (1999). So that, a sample size of 408 was supposed enough for a robust analysis of the suggested model.

The questionnaires were handled between 01 April 2007 and 15 April 2007. A designed inquiry was applied with closed ended questions and 7 point Likert type rely scale. Respondents were wanted to evaluated how much they subscribed with each questions on the scale. The initial questionnaire was pre tested with a suitable sample of 20 customers to further improve the list of questions and as a result of this improvement, questionnaire has been altered (Appendix A).

The suggested hypotheses were assessed throughout structural equation modelling using AMOS 5.0. The investigation method handled was the maximum likelihood estimation. When evaluating SEM, two probability occur: the assesment of both the measurement and the structural model can be done either simultaneously or sequentially (Diamantopoulos, 1994). We settled to handle the sequential prodesure advised by Anderson and Gerbing (1982).

**Measures**

Procedural justice was scaled by four questions adapted from Folger and Konovsky’s (1989). Interactional justice was also measured with a four questions. Interactional justice was scaled with two items concerted from Folger and Konovsky’s (1989). Perceived justice was measured with two items adapted from Blodgett et al. (1997). Whole justice items were measured with seven point strongly disagree, strongly agree scales. Satisfaction with recovery and overall firm satisfaction were scaled with three questions scales concerted from former investigation (Appendix A).

**Result**

**Measurement Model**

In this study, the suggested investigation model is consist of fourteen constructs with interrelated dependence relationships or causal paths among themselves, calling for a structural equation model (SEM) analysis (Bollen, 1989; Hair et al, 1998). SEM analysis generally wants that the investigation scales should first be evaluated by confirmatory factor analysis (CFA) (Hair et al., 1998). On account of create trustworthy guesses on causal paths among scales, the minimum sample amount for SEM analysis ranges from 100 or 150 to 200 or more (Anderson and Gerbing, 1982; Bollen, 1989; Boomsma, 1982). With account of the survey model with fourteen constructs, 408 collected sample can be thought sufficient. In order to asses model fit measures, seven indices were handled that are model’s overall goodness of fit: the ratio \( \chi^2/(\text{d.f.}) = 2.154 \), adjusted goodness-of-fit index (AGFI) = 0.97, normalized fit index (NFI) = 0.98, nonnormalized fit index (NNFI) = 0.96 comparative fit index (CFI) = 0.97, relative fit index (RFI) = 0.97 and root mean square error of approximation (RMSEA) = 0.073. The whole model fit indices passed beyond general approval grades showing that the measurement model displayed a good fit with the data gathered.

Table 1 exhibits the consequences of CFA from bearing by AMOS 5.0. Convergent validity of CFA consequences should be sustained by item reliability, construct reliability and average variance extracted (Chau, 1996; Hair et al., 1998). Item reliability shows the measure of variance in an question because of the underlying construct, t values for all the standardized factor loadings of items were obtained significant (p<0.05), providing item reliability. Hair et al. (1998) proposed construct reliability assessed should be greater than 0.70. In this survey, construct reliability values
range from 0.723 to 0.931, that are sufficient. The average variance extracted, which should be above 0.50, assessed the portion of variance clarified by the constructs (Chau, 1996; Hair et al., 1998). Table 1 points that the average variance extracted are between 0.656 and 0.891. These consequences show that the measurement items have high reliability and validity.

Table 1. Measurement Model Results

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<td>0.815</td>
<td>15.43</td>
<td>.839</td>
<td>.788</td>
</tr>
<tr>
<td>R3</td>
<td>0.821</td>
<td>19.13</td>
<td>.839</td>
<td>.788</td>
</tr>
</tbody>
</table>

Structural model

A parallel set of fit indices was handled to assess the structural model. Comparison of the whole fit indices supplied proof of a good model fit ($X^2$/d.f. = 3.265, AGFI = 0.91, NFI = 0.94, NNFI = 0.91, CFI = 0.95, RFI = 0.96, RMSEA = 0.064). In other words, we could advance to investigate the path coefficients of the structural model. Table 2 and Figure 2 shows the parameter estimates of the structural equations.
Figure 2. Hypotheses Testing Results

Table 2. The Structural Equation Model Result

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Estimated Value</th>
<th>t-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Distributive justice</td>
<td>satisfaction with recovery</td>
<td>0.498</td>
<td>13.21</td>
</tr>
<tr>
<td>2. Distributive justice</td>
<td>overall firm satisfaction</td>
<td>0.214</td>
<td>8.43</td>
</tr>
<tr>
<td>3. Interactional justice</td>
<td>satisfaction with recovery</td>
<td>0.043</td>
<td>0.12</td>
</tr>
<tr>
<td>4. Interactional justice</td>
<td>overall firm satisfaction</td>
<td>0.712</td>
<td>23.65</td>
</tr>
<tr>
<td>5. Procedural justice</td>
<td>satisfaction with recovery</td>
<td>0.813</td>
<td>31.78</td>
</tr>
<tr>
<td>6. Procedural justice</td>
<td>overall firm satisfaction</td>
<td>0.765</td>
<td>25.14</td>
</tr>
<tr>
<td>7. Compensation</td>
<td>distributive justice</td>
<td>0.412</td>
<td>12.98</td>
</tr>
<tr>
<td>8. Apology</td>
<td>interactional justice</td>
<td>0.423</td>
<td>11.16</td>
</tr>
<tr>
<td>9. Promptness</td>
<td>procedural justice</td>
<td>0.715</td>
<td>27.71</td>
</tr>
<tr>
<td>10. Empathy</td>
<td>interactional justice</td>
<td>0.656</td>
<td>23.54</td>
</tr>
<tr>
<td>11. Effort</td>
<td>interactional justice</td>
<td>0.803</td>
<td>35.76</td>
</tr>
<tr>
<td>12. Facilitation</td>
<td>procedural justice</td>
<td>0.312</td>
<td>6.47</td>
</tr>
<tr>
<td>13. Reparation</td>
<td>distributive justice</td>
<td>0.878</td>
<td>42.77</td>
</tr>
<tr>
<td>14. Satisfaction with recovery</td>
<td>loyalty to the employee</td>
<td>0.553</td>
<td>38.76</td>
</tr>
<tr>
<td>15. Satisfaction with recovery</td>
<td>loyalty to the organization</td>
<td>0.591</td>
<td>15.21</td>
</tr>
<tr>
<td>16. Overall firm satisfaction</td>
<td>loyalty to the employee</td>
<td>0.543</td>
<td>13.45</td>
</tr>
<tr>
<td>17. Overall firm satisfaction</td>
<td>loyalty to the organization</td>
<td>0.623</td>
<td>25.87</td>
</tr>
<tr>
<td>18. Satisfaction with recovery</td>
<td>overall firm satisfaction</td>
<td>0.723</td>
<td>29.96</td>
</tr>
<tr>
<td>19. Loyalty to the employee</td>
<td>loyalty to the organization</td>
<td>0.686</td>
<td>18.37</td>
</tr>
</tbody>
</table>
Conclusion

All the path coefficients significant except 3rd path with respective t-values greater than 1.96. Distributive justice was found to display a direct positive effect on satisfaction with recovery ($\beta=0.498$, $p<0.05$) and overall firm satisfaction ($\beta=0.214$, $p<0.05$). Interactional justice has a positive direct effect on overall firm satisfaction ($\beta=0.712$, $p<0.05$), but no direct effect on satisfaction with recovery ($\beta=0.043$, $p>0.05$). Procedural justice was found to display a direct positive effect on satisfaction with recovery ($\beta=0.813$, $p<0.05$) and overall firm satisfaction ($\beta=0.765$, $p<0.05$). Satisfaction with recovery has direct positive effect on loyalty to the employee ($\beta=0.553$, $p<0.05$) and has a direct effect on loyalty to the organization ($\beta=0.591$, $p<0.05$). Overall firm satisfaction affects loyalty to the employee ($\beta=0.543$, $p<0.05$) and loyalty to the organization ($\beta=0.623$, $p<0.05$) directly. Satisfaction with recovery affects overall firm satisfaction ($\beta=0.723$, $p<0.05$) and loyalty to the employee influences loyalty to the organization ($\beta=0.686$, $p<0.05$). Compensation and reparation exert positive effects on distributive justice ($\gamma=0.412$, $p<0.05$) ($\gamma=0.878$, $p<0.05$). Apology ($\gamma=0.423$, $p<0.05$), effort ($\gamma=0.803$, $p<0.05$) and empathy ($\gamma=0.656$, $p<0.05$) influence interactional justice positively and directly. Facilitation ($\gamma=0.312$, $p<0.05$) and promptness ($\gamma=0.715$, $p<0.05$) have direct and positive effect on procedural justice. So all of the hypothesis are accepted except 3rd hypothesis.

Discussion and managerial implications

Service failure is unavoidable and it occurs just whole service firms. Firms should take into account afflicted customer due to the future profit. The evidences from the this investigation shows the significance of an expert recovery continuum and accomplishment to compose a sensation of veracity about the consumers’ complaint. The sensation of veracity in the consequences of the consumers’ complaint is more essential than the disconfirmation of prospect of service recovery. Displeased customers hope a well statement of what has taken place, an apology, compensation, reparation that may become unsatisfied customers to happy again. In other words, unsatisfied customers want to the firm to get liability of the condition and detach it.

The consequences of this survey showed that service firms like banks should give importance to the service recovery strategy (compensation, apology, promptness, empathy, effort, facilitation, reparation). This recovery strategies affect customer treatments (customer satisfaction and customer loyalty) via customers’ sensation of justice dimensions (procedural justice, interactional justice, distributive justice).

If the bank can not accomplish it’s duty for the customers then customers get frustrated from that service. So that customers wanted to be suggested compensations. According to customer loyalty and attachment compensation situation and compensation level are diversified. For loyal customers there has been should pay more attention, and firms should take compensation level greater. For in this condition, banks can offer no payment or on the cheap payment for the service. And It is also good for these customers to suggest new services and free gifts. Depending on how much the service failure affects them, customers hope diverse grade levels of compensation. The other recovery strategy is reparation that means suggesting honest and suitable correction, running the service delivery and getting the whole possible amendments. If a failure emerges. From this survey consequences, It can be said that these two recovery tools influence distributive justice and distributive justice affect customer satisfaction and customer loyalty.

Another two recovery tools that influence procedural justice thereby customer satisfaction and loyalty are promptness and facilitation. Lateness when accomplishing service job in the bank have a unfavourable effects on sensation of quality. Quick reply to service failures is a essential to impressive answer of customer grievance. Beside this, facilitation implies the strategies, proce-
dures and instruments that organizations eliminate to customer complaints. Via the facilitation customers can report their complaints about service failures that are exposed easily to the firms. Organizations should provide that customers completely comprehend the voluntariness of the firms to get complaints with the using of fair principles.

Other service failure recovery tools that influence interactional justice are called effort, empathy and apology. Occasionally, just all firms implement the most cost effective recovery strategy that is apology tool for service failures. Only apology is not sufficient to recover failures, other recovery strategies should be used with this tool to accomplish recovery.

Service administrations should supply some activities to the recovery of service failures. Firstly, organizations should build up a perfect service recovery program. In this program should contain subjects about customer communication and behavior manner to satify customer after service failures.

Secondly, firms should build up a firm structure that encourage customer complaint. Generally, customers don’t want to complain, and instead of complain they go another firms. Specifying and interrelating customers who have exposed service failure is a requisite first grade in trying to correct the failures problems.

References

Appendix A

Items

Procedural Justice (Folger and Konovsky, 1989).
1) Despite the hassle caused by the problem, my bank responded fairly and quickly.
2) I feel my bank responded in a timely fashion to the problem.
3) I believe my bank has fair policies and practices to handle problems.
4) With respect to its policies and procedures, my bank handled the problem in a fair manner. (ax)

Interactional Justice (Folger and Konovsky, 1989; Blodgett et al., 1997).
1) In dealing with my problem, my bank’s personnel treated me in a courteous manner.
2) During their effort to fix my problem, my bank’s employee(s) showed a real interest in trying to be fair.
3) My bank’s employee(s) got input from me before handling the problem.
4) While attempting to fix my problem, my bank’s personnel considered my views.

Distributive Justice (Folger and Konovsky, 1989).
1) Although this event caused me problems, my bank’s effort to fix it resulted in a very positive outcome for me.
2) The final outcome I received from my bank was fair, given the time and hassle.
3) Given the inconvenience caused by the problem, the outcome I received from my bank was fair.
4) The service recovery outcome that I received in response to the problem was more than fair.

Overall Firm Satisfaction (Bitner et al., 1990).
1) I am satisfied with my overall experience with my bank.
2) As a whole, I am satisfied with my bank.
3) My bank fulfill my expectations.

Satisfaction with Recovery (Bitner et al., 1990).
1) In my opinion, my bank provided a satisfactory resolution to my banking problem.
2) I am satisfied with my bank’s handling of the particular problem.
3) Regarding the particular event (most recent banking problem), I am satisfied with my bank.

Firm loyalty (Mowday et al., 1979)
1) I am willing to put in extra effort to receive services from my bank.
2) I am proud to tell others that I purchase service provision from my bank.
3) My bank stimulates me to buy repeatedly.
4) For me, my bank is the best possible organization to buy service provision from.

Individual loyalty (Mowday et al., 1979)
1) My values and the values of my current contact person of my bank are very similar.
2) I am extremely glad that I chose my current contact person of my bank over another.
3) I really care about the fate of my current contact person of my bank.

Compensation (Karatepe, 2006)
1) After receiving the my bank’s response, I am in the same shape or better than I was before the complaint.
2) My bank’s response left me in a similar or improved position to where I was before the problem.
3) The outcome that I received from my bank returned me to a situation equal to or greater than before the complaint.
Effort (Karatepe, 2006)
1) My bank’s employee put all his/her energy into resolving my complaint.
2) My bank’s employee worked at his/her full capacity to resolve my complaint.
3) My bank’s employee devoted himself/herself to resolving my complaint.

Facilitation (Karatepe, 2006)
1) It was easy to determine where to lodge my complaint.
2) My bank policies made it clear how to complain.
3) It was hard to figure out where to complain in my bank hotel.

Promptness (Davidow, 2000)
1) It took longer than necessary to react to my complaint.
2) They were very slow in responding to the problem.
3) The complaint was not taken care of as quickly as it could have been.

Apology (Karatepe, 2006)
1) I received a sincere "I'm sorry" from my bank.
2) My bank gave me a genuine apology.
3) I did not receive any form of apology from my bank.

Empathy (Karatepe, 2006)
1) My bank’s employee treated me with respect.
2) My bank’s employee paid attention to my concerns.
3) My bank’s employee was quite pleasant to deal with.

Reparation
1) My bank offer fair and expedient fix form my problem.
2) My bank offer repeating the service delivery when a failure occurs.
3) My bank do every correction when a failure occurs.