

Key Antecedents Influencing Customer Satisfaction With Service

Recovery: A Case Of Airlines In Malaysia

Nurliyana Abas

MBA Marketing, GSM Universiti Putra Malaysia,

nurliyanaabas@gmail.com

ABSTRACT

The purpose of this study is to study the customer satisfaction with service recovery (CSSR) by examining the key antecedent dimensions that able to influence the satisfaction. Quantitative approach questionnaire was used for data collection. A total of 382 questionnaires were gathered from those who had experienced service failures with airlines in Malaysia namely MAS, Air Asia and Firefly. Findings indicate that key antecedents such as perceived justice (distributive, procedural, interactional), service recovery expectation, disconfirmation and empowerment significantly related in influencing CSSR. Empowerment become the most stringent factor that influence CSSR and generally, customer satisfaction level with recovery effort done by airlines in Malaysia is moderate. Furthermore, this study provide the contribution to body of knowledge by testing new dimensions such as service recovery expectation and empowerment in one single model. This study also offers important implications, limitations and further directions for future research.

Key Words: Service Recovery, Perceived Justice, Empowerment, Disconfirmation

INTRODUCTION

For the past few years, airline industry in the world has gone through ups and downs movement. World Airline Report claimed that the world airline industry has recorded a shocking loss of US\$ 16 billion in 2008 and another US\$ 9.9 billion in 2009 (Flint, 2010). Due to that, airlines around the world need to revise their traditional airline strategy and undertaking new association as well as new business models to keep its competitiveness. In the current aviation industry, the growing of low cost airlines becomes one of the important improvement and its including the Asia Pacific region. O'Connell and Williams (2005) stated that, during the economic downturn in 2008 and 2009, low cost airlines have strengthened the direct competition with full service airlines. The emergence of the low cost carriers, furthermore, have changed the way of the competitive situation in opened market and made a big impact in the world's domestic passenger markets, which typically dominated by full service carriers beforehand (O'Connell and Williams, 2005). Forgas, Moliner, San'nchez and Palau (2010) added that the appearance of the low cost airlines has given a vast impact on civil aviation market. Hence, Kua and Baum (2004) claimed that low cost airlines are viewed as the most active growth with current travel history in the United States and Europe. Due to that also, it has attracted many operators to get a share since the beginning of Southwest, Ryanair and easyJet airlines. Where else, in South East Asia, low-cost airlines emerge to be an increasing attention in the region, since the great success of Air Asia and its

low-cost airline flying domestically in Malaysia (Kua and Baum, 2004). Moreover, as Air Asia plan to expanding regionally, Thailand and Singapore governments consider allowing the concern of low-cost airlines (Kua and Baum, 2004). Thus, the establishment of Tiger Airways (Channelnewasia, 2003) as Singapore airlines that related to Ryan air shows the action of establishing the low-cost airlines the South-East Asia (Kua and Baum, 2004). Malaysia Airlines and Air Asia are the two airlines that dominated the airline industry in Malaysia. The rivalry between Malaysia Airlines and Air Asia has been aggressive especially on the price issue. Air Asia tagline "Now Everyone Can Fly" has affected the branding position of the well known Malaysia Airlines. Even though these two airlines focus on different customers' base and provide distinguish service experience, this may not be true since the service differentiation provided in domestic flights and short distance international flights is minimal. On the other hand, O'Connell and Williams (2005) claimed that the degree of customer satisfaction for low cost and full service airlines is different since the customers' perceptions on both airlines are different. Kua and Baum (2004) further identified that, since tourism is one of major industries in South East Asia, therefore, the growth of low-cost airlines is really important as the medium to support the increasing tourism into and within the region. This statement is strengthen with the declaration from the Governor of the Tourism Authority of Thailand (TAT) on December 2001, where he announced that low-cost airline was really necessary to improve the country's tourism industry (Nation, 2001). Furthermore, previously the chairman of the Malaysia-Indonesia-Thailand Tourism Association added that low-cost airlines project would help to enhance and boost the tourism industry, thus, it would be beneficial to the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) (Bernama, 2003a). Moreover, the availability of secondary airports, a few alternative ways of transportation, and the growing middle class with the increasing disposable income and rising usage of the internet also become the further positive factors for low-cost airlines growth in that region (Kua and Baum, 2004). Even though airlines acknowledged the importance of customer satisfaction as their major goal, however not all airlines encounter satisfaction from the customer point of view since service failure does happen in airlines industry as well (Atalik, 2007). Thus, when service failure occurs, customers may come to complaint and they require quick, confident, fair and personalized complaint handling (Shoefer and Ennew, 2004). The extent to which the firm responses and solves customer problem will have a very significant effect for the profitability airlines, as there is positive relationship that exists between the profits and the service excellence of Singapore Airlines (Wirtz and Johnston, 2003). Air Travel Consumer Report further exposed that, low-cost airlines also frequently received complained on flight problems, ticketing problems, refund, fares, customer service advertising, and more (Rhoades and Waguespack, 2005). Hanaoka and Chiamsiri (2006) claimed that high passenger-defection rates experienced by low-cost airlines can be recognized and more or less in part, to their failure to undergo a customer-focused strategy. Furthermore, Chirawan (2008) indicates that current airline consumers' level of expectation is getting high

especially on service quality no matter it is low-cost carrier or full-service carrier. Therefore, it is important for airlines to understand consumers' expectation, perception and perceived service quality. Service failures and the attempt of service recovery can have thoughtful outcome on customer satisfaction with an organisation as well as on the quality of the relationship with the organisation apart from other efforts done by the organisation. In airlines setting industry, they also encounter a number of issues involving their continued existence and one of those issues are mostly at risk to service failure. As a result, it become one reason that airlines should look on the importance in developing relationships with their customers and retain them in order to enhance bottom line over the longer period. As a result, airlines need to discover an effective approach in providing service more satisfactorily compare to their opponents (Nadiri, Hussain, Ekiz and Erdoğan, 2008). Accordingly, in response to service failure, an effective response that is effective in service recovery is necessary in order to enhance customer satisfaction (Smith and Bolton, 1998; Sparks and McColl-Kennedy, 2001). Cheng, Chen and Chang (2008) added, particularly service recovery could give airlines an additional value or competitive advantage to exaggerate the situation and avoiding a customer to switch to competitor. Hence, it is crucial for a firm to recognize the way customers will react to service failures and the impact of service recovery on customers' relationship with the firm (Bejou and Palmer 1998; Schoefer and Diamantopoulos 2008; Smith, Bolton and Wagner 1999). The previous research also agreed that, service failure is unavoidable in service delivery process, but the dissatisfaction feelings can be decreased and perhaps can be avoided in the existence of valuable service recovery in the process (Tax, Brown and Chandashekar, 1998; Andreassen, 2001; Hart, Heskett and Sasser, 1990; Bailey, 1994). Furthermore, due to the intense competition in airlines industry, it is important for an organisation to understand the antecedents better because it influenced customer satisfaction with service recovery deeply. Well-performed service recovery is essential for improving customer satisfaction, enhancing relationship with customers and customers' loyalty as well. Although there are many organisations have already knew about the importance of service recovery attempts, only a few organisations have the required approaches in respond to the service failures (Boshoff and Staude, 2003).

STATEMENT OF PROBLEM

Wirtz and Mattilla (2004) claimed that consumer satisfaction is generally the main key factor measured by the service provider when assessing recovery processes. As mentioned earlier, none of the service system is perfect and failure does happen. Service failure and service recovery are crucial matters not only for those involved in services setting but to researchers as well. Even though organisations do practice service recovery in services, dissatisfaction and complaints can still ensue. With the increasing consciousness of consumers toward services, the service industries are dealing with the demands and pressures to attract new customers as well as retaining the existing customers at the same time. Andreeva

(1998) stated that air travel also exposed to the possibilities of service failure, and it was reported that service failure is a common thing that always occur in air travel. Previously, there were several researches in the area of service recovery focused on the results of service recovery. Particularly, research has empirically correlated improved service recovery with better satisfaction (Maxham, 2001; Smith et al., 1999; Goodwin and Ross, 1992), word-of-mouth (Maxham, 2001; Blodgett, Hill and Tax, 1997), commitment and trust (Tax et al., 1998). Furthermore, there are also considerable numbers of academic researches identifying factors or antecedents that determined CSSR. Conversely, it was found that there is a gap that exists in the findings, where some of the results are inconsistent or contradictory. For example, McCollough, Berry and Yadav (2000) claimed that both disconfirmation and role of perceived justice have significant impact on satisfaction. Whereas, Andreassen (2000) argued that the perception of the complaint's result is more important than the disconfirmation of expectations of service recovery. Fairness does not mean that the customer is always right, inevitably. Patterson, Cowley and Prasongsukarn (2006) nevertheless, pointed that distributive justice gave the huge impact in perceptions of post-recovery satisfaction in Asian Culture. This supported by Huang (2011) and Smith et al. (1999) that distributive justice has the largest impact on customer's post-recovery satisfaction compared to the other two dimensions of perceived justice. Besides, previous studies also indicated that customers evaluate service recovery in terms of the outcomes they receive (distributive justice) and the nature of the interpersonal treatment they receive during the recovery process (interactional justice) (McCollough et al., 2000; Smith et al., 1999; Tax et al., 1998; Blodgett et al., 1997). Furthermore, Kau and Loh (2006) showed those customers who complained are due to the influence of perceived fairness through satisfaction with service recovery. Apart from that, De Ruyter and Wetzels (2000) revealed that distributional fairness and procedural fairness are very important in enhancing service quality, customer satisfaction, customer loyalty and trust, while, interactional fairness only improves the score of customers' trust and perceptions. Accordingly, from the previous results that have been identified, it can be clearly seen that, the focus on antecedents to satisfaction with service recovery are more on the perceived justice theory which consists of distributive, procedural and interactional justice and some on disconfirmation theory. Nevertheless, there are deficiencies on study that view service recovery expectation (SRE) as one of the important elements that influence CSSR. It has been discovered that satisfaction with the recovery process were resulted SRE (Andreassen, 2000). Parasuraman, Berry and Zeithaml (1991) claimed that the degree of customer satisfaction will be increased when the service encountered is able to meet their needs. Similarly, previous studies also fail to see the importance of empowerment in influencing the effectiveness of service recovery hence influencing CSSR. The reason to that is because, it has been verified that providing empowerment to employees is one of the good service recovery strategies for maintaining customer satisfaction (Hoccut and Stone, 1998; Hart et.al, 1990). Other than that, there is limited research related to service recovery and customer

satisfaction in Malaysia especially in airlines industry. Hence, the airline industry was preferred for the study to determine the antecedents influencing CSSR as the fact that it accomplishes the condition for services of inseparability, perishability, and heterogeneity, which means, it involves the high contact between service provider and the customers. As a result, this study proposes a conceptual model comprising six dimensions as the key antecedents of CSSR namely perceived justice theory (procedural, distributive, interactional), disconfirmation theory, SRE and empowerment. Thus, research objectives and research questions of this study are explained next.

RESEARCH OBJECTIVES

The general purpose of this research is to study the customer satisfaction with service recovery by examining the key antecedent dimensions that able to influence the satisfaction.

Specifically, the current research objectives for this study are:

1. To determine the relationship between the key antecedents and customer satisfaction with service recovery
2. To examine the strongest antecedents influencing customer satisfaction with service recovery at airlines based in Malaysia
3. To study the level of customer satisfaction with service recovery among customers that experienced service failure with airlines in Malaysia

RESEARCH QUESTIONS

Therefore, based on the research objectives that have been identified, the findings of this study will focus to answer all of these research questions:

1. Is there any relationship between the key antecedents and customer satisfaction with service recovery?
2. What are the strongest antecedents influencing customer satisfaction with service recovery at airlines based in Malaysia?
3. What is the level of customer satisfaction with service recovery among customers that experienced service failure with airlines based in Malaysia?

LITERATURE REVIEW

Airlines/Aviation Industry in Malaysia

The aviation industry places a vital function in the global economy (Tiernan, Rhoades and Waguespack, 2008) and one of the most elaborate or intangible in term of services (Clemes, Gan, Kao and Choong, 2008). The Malaysian airline industry is in an oligopoly market structure, where it consists of one full service carrier (FSC) Malaysia Airline System (MAS) and two no-frills carriers, namely AirAsia and Firefly. The Malaysian airline industry is tightly regulated by the government and was dominated by the state-controlled MAS before the government's domestic liberalization opened up the market to allow AirAsia, a low-cost airfares to join the industry (Eurn and Foon, 2008). Competition between

the two is intensifying as both began to move into each other's core markets and engage in price-cutting measures.

Low cost airlines

According to Kua and Baum (2004), low-cost airline is recognized as budget carriers or no-frills airlines. Low cost airlines not only have made it possible for people to travel by flight with lower prices and insignificant hassle but also set themselves in competition with full-service airlines and other alternative forms of transportation for instance rail, ferry and car (Pender and Baum, 2000). Low cost carriers have made huge impacts in domestic passenger, which had been formerly controlled by full service carriers and have restructure the competitive environment within liberalised markets (O'Connell and Williams, 2005). In early 2002, due to the dynamic growth of low-cost airlines in Malaysia, it can be seen clearly that these types of airlines have changed the mindset of Malaysian towards air travel (Yeoh and Chan, 2011). Before the existence of the low-cost airlines in Malaysia, air travel has been viewed as a luxury form of travel, which can only be afforded by the middle and upper income groups. Yet, it all changed with the birth of homegrown low-cost carriers in Malaysia such as Air Asia, Air Asia X and Firefly, where these airlines have made it possible for lower income group to use air travel for short leisure trips to neighbouring countries (Yeoh and Chan, 2011). Low cost airlines in Malaysia had moved into new intra Asian market, such as Thailand, Indonesia, Singapore, and now Air Asia X is beginning its progress into long haul routes to Europe, China, Australia and other destinations. The effort to penetrate the long haul routes is a challenge as the concentration of the low cost airline is on domestic and short haul destinations. The deregulation of the aviation industry has had dramatic impacts on the full service carriers particularly in Thailand, Malaysia, Singapore and Indonesia.

Full service airlines

According to eHow, the comparison between low cost airlines and full service airline is on the charged of higher ticket prices. Conventionally, full service airlines have not charged fees for facilities such as baggage, carry-on luggage, booking charges and other facilities. With the increased pressures from lower cost airlines, most of full service airlines currently reduce their prices considerably. In response to the aggressive competition from low cost airlines, full services carriers have launched their own low cost carrier versions (O'Connell and Williams, 2005). For example, Malaysia Airline Firefly, Mas Wings, Singapore Airline Tiger Airways and JetStar Asia, India Airlines Jet launched a no frill subsidiary; Jet Konnect and Kingfisher took over Air Deccan to create Kingfisher Red, a low cost carrier in year 2008 and these low cost carriers are offering similar fare prices for direct competition among themselves (O'Connell and Williams, 2005).

Malaysia Airlines (MAS)

Malaysia Airlines has been classified as a full service airline (O'Connell and Williams, 2005). Malaysia Airlines is the national airline of Malaysia and it focuses on both international and domestic routes across 100 destinations globally, which also comprises on code-sharing flights. Malaysia Airlines possesses one of the biggest fleet sizes in South East Asia and has been awarded a 5-star rating by Skytrax (Skytrax) among the other six airlines. Furthermore, as a full service airline, MAS pursues a differentiation strategy and charges a fare premium to their consumers. Despite being an award-winning airline, MAS also suffered financial problem in the past and has only finished its business turnaround implementation recently. MAS is embarking on a business transformation in order to protect its upcoming competitive situation. Therefore, as a defensive move to the emergence of low cost airlines, MAS has set up its own low cost carriers called Firefly (Thomas, 2003).

Firefly

Firefly is a full-service point-to-point carrier and a full subsidiary of Malaysia Airlines. Even though Firefly being a low cost airline, it does provide light refreshments on board for their passengers (Yeoh and Chan, 2011). Firefly is fully owned by Malaysia Airlines; however the management of Firefly is separated from Malaysia Airlines and it is managed by FlyFirefly Sdn.Bhd. Firefly has been set up to serve the dynamic growth region of Malaysia, Indonesia, Singapore and Thailand.

Air Asia

O'Connell and Williams (2005) has classified Air Asia as a low cost airline. Air Asia is the foremost low cost airline in the region and it serves scheduled domestic and international flights over 75 destinations in 21 countries. Air Asia's cost leadership approach and successful positioning strategy in Asian market has positioned it as the market leader in the Asian airline industry. Moreover, AirAsia has launched a new franchise airline, AirAsia X to service the long-haul routes. Air Asia has made a remarkable turnaround, reengineered and become a profitable airline in 2002. Hence, in 2006 Skytrax World Airline Award nominated Air Asia amongst the top 3 Best Regional airlines in the low cost airline category. Air Asia, as well, has been awarded the World's Best Low Cost Airlines from the same organization for the two consecutive years in 2009 and 2010.

Service failure

Service failure refers to perceived service related problem or mistake that happens in service delivery or during a customer's experience (Palmer, 2001; Maxham, 2001; Hedrick, et.al., 2007). In other words, the customer is under expectation by the organization (Chan and Wan, 2008), and then perceived that the loss is caused by a failure (Patterson, et.al, 2006). None of the organization can perfectly handle the business without encounters any failure. Thus, organisation reaction in dealing with service failure has the possibility to reinstate customer satisfaction

and enhance loyalty or else worsen the situations that lead the customer to switch to competitors (Keaveney, 1995). Customer satisfaction is crucial to the survival of any business organization. Dissatisfaction can lead to activities directed against the organization including customers' switching and negative word-of-mouth (NWOM) behaviour, in which customers can tell others about their dissatisfaction and tarnish the reputation of the organization (Sparks and McColl-Kennedy, 2001). Hedrick et al. (2007) claimed that customers who had an ongoing relationship with their service provider had lower recovery expectations than customers that were in a discrete relationship. In contrast, another study found that customers with service provider relationships based on social attachment or involvement responded more negatively to the service failure compared to other customers (Hedrick et al., 2007; Colgate, 2001). Consumer will create a new set of expectations when service failure happens, which determined on consumer experiences (Smith et al., 1999; Colgate, 2001; Andreassen, 1999; Singh, 1990). Meanwhile, if the consumers have never experienced service failure to draw on, therefore, they will form these expectations the same way to any "novice" experience (McGill and Iacobucci, 1992). Additionally, service failure will cause customer to be disappointed, decrease their confidence towards an organisation (Cranage, 2004), negative word-of-mouth (NWOM), dissatisfaction and defection, behaviours unfavourably, that will affect organization's profitability (Hedrick et al., 2007). Thus, organisations should accurately identify the possible failure points and strategies as well as to avoid failures from reoccurring (Cranage, 2004). Thus, many service firms now are always trying hard to solve service failures through service recovery. With this regard, service recovery training came to industry to reduce mistakes in service delivery to maintain existing customers satisfied on the quality level of service delivery (Magnini and Ford, 2004). Even though organisations cannot eliminate service failures, they can learn to handle these failures effectively in effort to maintain and improve customer satisfaction (Bamford and Xystouri, 2005; Maxham, 2001; Miller, Craighead and Karwan, 2000). There are four main responses of unsatisfied customers where they do nothing, but the service employee's status is jeopardised in the customers' eyes. They will think about the defects if they encounter it again, and protest before they take some form of obvious action with third party and will not continue the service with the company again; and lastly they will spread negative word-of-mouth to other people (Lovelock, Patterson and Walker, 2001). Thus, firm's ability to apply an effective complaint handling, would benefit the firm in improving customer retention and put of the negative word-of-mouth from happening, thus it will enhance firm profitability (Morrison and Huppertz, 2010). Apart from helping to enhance relationship between customers and the firm, well-resolved complaints would also be able to recover customer satisfaction, trust and commitment to the firm (Singh and Sirdeshmukh, 2000; Sirdeshmukh, Singh, and Sobol, 2002; Morgan and Hunt, 1994; Weun, Beatty, and Jones, 2004). Service failure may have different perception and acceptance as it depends on the settings and context. Therefore, this study provides an overview not only for general occurrence of

service failure but also on the service failure that happen in airline industry.

Service Failure in the Airline Industry

Airline industry is particularly to suffer from service failures caused by the service activities practiced in service delivery (Bejou and Palmer, 1998). Airline passengers could have expectations before travel, but a research indicates the factors that bring to the service failures occurrence in airline industry are employees' attitudes, flight cancellations, flight delays, strikes, overbooking flights, reservation problems and others (Bamford and Xystouri, 2005). It is also reported that passengers of Thai low cost carriers usually have encountered service failure regarding flight delays, seat denials, and baggage mishandling such as lost, damaged, pilfered or delayed (Suzuki, 2004). Previous studies regarding the attribution theory have identified customer feedbacks to service failure that happened in the airline industry. Folkes (1984) discovered that passengers who experienced flight delay had judged the delay to be stable or controllable experienced but with more anger and indicated that they are less likely to repeat purchase with the airline and will engaged in increasing complaining behaviour. Taylor (1994) supported that the customers will feel more anger if they perceive airline delay to be controllable or in a stable state. Taylor (1994) found out further that, there is a positive relationship when the customers perceive an airline the service provider has control over the delay and the level of dissatisfaction or anger experienced by them. As a result, it is negatively related with the perceived level of overall service. As mentioned earlier, service recovery is very important in managing service failures; therefore, the overview on the service recovery will be explained next.

Service Recovery

There are many definition of service recovery have been developed in the previous studies, namely Johnston (1995) defined service recovery as actions that service provider made to eliminate dissatisfaction; an attempt the company did in reaction to service failure (Grönroos, 1988; Hart et al., 1990). It is also an action that able to twist the dissatisfied into satisfied customers (Boshoff and Leong, 1998); processes for those actions in which a firm undertaken to deal with a customer complaint in regards of a perceived service failure (Grönroos, 1988). Service recovery also can be regarded as a process of returning upset customers to satisfied customers after a product or service has failed to meet expectations (Zemke and Bell, 1990; Sheth, Sisodia, and Sharma, 2000) and eventually to retain existing customers (Miller et al. 2000). An attempt to recover from improper service delivery is getting more concentration and recognition in prior and current studies (Boshoff, 1997; Swanson and Kelley, 2001; Hocutt, Bowers and Donovan, 2006; Morrisson and Huppertz, 2010). (Zemke, 1999) reported that one dissatisfied customer could spread the unsatisfactory experience he or she had with the service employee to 10 to 20 people, thus jeopardizing the image of the service employee. Service recovery is important action to be taken in order to avoid customer dissatisfaction (Johnston, 1995) and as an action to poor service quality (Gronroos, 1988). In

addition, the ability to successfully recover from service failure is one of crucial aspects in effective service delivery (Miller, et.al, 2000; Prajogo, 2006; Roth and Menor, 2003). In some circumstances, an effort to service recovery can possibly reinforce customers' negative views (Hart et al., 1990). This shows that there is a tendency of disagreement of customer expectations of service recovery and the service recovery action used by service provider. There are several theories introduced by previous researchers that related to service recovery. For example, social exchange theory explains that service recovery experiences can be considered mixed exchanges with both economic resources and symbolic or social dimensions (status, esteem, or empathy) (Walster, Berscheid, and Walster, 1973). In particular, the responsibility of service provider during service recovery is regarded to be a means in influencing overall satisfaction (Martin, 1993). Bhandari, Tsarenko and Polonsky (2007) presented a multi-dimensional way to evaluate service recovery where they claimed that service managers have to understand customers' recovery expectations in managing service recovery. Magnini, Ford, Markowski and Honeycutt, 2007; Ngai, Heung, Wong and Chan (2007) mentioned that a win-win situation for both customer and the organisation would happen through effective service recovery.

Customer satisfaction

Customer satisfaction is defined as customer's judgement concerning the service performance matches their expectations (Anderson and Sullivan, 1993). Satisfaction is an evaluation of emotions (Hunt, 1977) or favourability of the individual's subjective evaluation (Westbrook, 1980). It can also be defined as consumer's fulfilment response (Oliver, 1997; Andreassen, 2000). Yi (1990) stated that, satisfaction is often viewed as an attitude-like judgment based on a series of consumer-product interactions. Customer satisfaction is a customer's overall judgment regarding the extent to which product or service performance meet the expectations, combined (Anderson and Sullivan, 1993; Tronvoll, 2011). Additionally, "expectancy disconfirmation" is broadly adopted from the process theories in which satisfaction is basically based on meeting or exceeding expectation (Erevelles and Leavitt, 1992; Tse, Nicosia, and Wilton, 1990). Cheng et al., (2008) mentioned that customer satisfaction is difficult to maintain in airlines and it faces problems of service failure easily during service delivery that will influence relationship between airline and customer. It is particularly a reaction to service recovery that airlines could have in order to restore customer satisfaction, reinforce loyalty and reduce switching cost. According to De Ruyter and Wetzel (2000), customers who have a certain level satisfactory relationship with a service employee will not switch to other competitors just because of one service failure. If service failure happens a few times, then they would drop their loyalty because of the poor of service consistency. As a result, service recovery is not efficient to serve as a relationship instrument. Nonetheless, effective service recovery that directly improves encounter satisfaction will boost overall satisfaction too, even though to a minimum level.

Customer satisfaction with service recovery

Satisfaction with service recovery is viewed as an essential element in entire evaluation of service experience Bhandari et al. (2007). Moreover, satisfaction with service recovery has been proven to have a huge effect on overall satisfaction compares to any other individual concern of the result of the service delivery (Spreng, Harrell and Mackoy, 1995). Maxham and Netemeyer (2002) also claimed that satisfaction with service recovery could result in positive influence on overall firm satisfaction as well as positive word-of-mouth. Anderson and Fornell (1994) has identified satisfaction with some complaint handling experience and adopted the view of satisfaction as a judgment of service recovery. Spreng, et.al., (1995) indicated that, customer satisfaction with service failure recovery has a larger impact on satisfaction generally, compared to any other personal aspect of the service delivery's result. Other than that, previous research finds that customer satisfaction or dissatisfaction to be a reason of word-of-mouth (Oliver and Swan, 1989a; Spreng et al., (1995). Lastly, (Hart et al., 1990) found that effective service recovery approaches are essential fundamentals for enhancing satisfaction and building customer relationships. Based on all discussions elaborated above, several elements or antecedents to customer satisfaction with service recovery should be recognised and identified. Next section is the elaboration of the key antecedents of CSSR.

Antecedents of CSSR

Antecedents is referred to a thing or an event that existed before or rationally precedes another. Previously, numerous studies have identified antecedents of CSSR. Huang (2011) in his study has identified perceived justice theory as the antecedents to satisfaction with service recovery. From the theory in social and organizational psychology by Greenberg (1996) and Bies and Shapiro (1987), they found out that justice theory is the main theoretical framework to service recovery satisfaction (Tax and Brown, 2000; Wirtz and Mattila, 2004). Meanwhile, Bhandari et.al., (2007) identified SRE as the antecedent of CSSR because consumers will form a set of expectations once they had service failure; past satisfactory or past failed experiences (Smith et al., 1999; Spreng et al., 1995; Colgate, 2001; Andreassen, 2000; Singh, 1990). Furthermore, in the case of no failure experience, customers will draw expectation as any "novice" (McGill and Iacobucci, 1992). Andreassen (2002) stated that, expectations of service recovery, initial negative effect, disconfirmation and equity are the antecedents that have a direct and/or indirect impact on customer satisfaction with service recovery. Boshoff and Allen (2000) on their study attempts to determine the aspects that are able to influence the ability of a firm in turning dissatisfied customers to a position of satisfaction that resulted from service recovery. Therefore, they recognized the possible impact of organisational aspects (antecedents) that affect service recovery performance of frontline employees. Boshoff and Allen (2000) have classified perceived managerial attitudes (top management commitment to service excellence, customer service orientation of the firm and employee rewards for

service excellence) and working attitudes (teamwork, empowerment, staff training, customer complaint handling procedures, role ambiguity and role conflict) in their study. They found job perceptions and attitudes have huge impacts on the way frontline employees react to service recovery. Consequently, all of the antecedents from the previous studies are examined to propose new model of key antecedents influencing CSSR, which consist of perceived justice (procedural, distributive, interactional), service recovery expectation, disconfirmation and empowerment.

Perceived Justice (Procedural, Distributive and Interactional)

Social and organizational psychology theory (Greenberg, 1996; Bies and Shapiro, 1987), has applied justice theory as the leading hypothetical framework to service recovery in service study (Tax and Brown, 2000; Wirtz and Mattila, 2004). The three elements of perceived justice namely distributive justice, procedural justice, and interactional justice, which derived from social exchange theorists, were identified as key enablers to achieve an outcome on how people determine exchanges (Deutsch, 1975; Leventhal, 1980; Lind and Tyler, 1988; Thibaut and Walker, 1975; Bies and Shapiro, 1987). Apart from that, equity theory developed by Adams' (1965) is elaborated as a model social exchange theory in which people are inspired instrumentally in their relationship with others (Cropanzo, Rupp, Mohler and Schminke, 2001). Therefore, customers determine the service recovery fairness via three attributes strategies to perceived justice. Thus, particularly, customers evaluate the fairness of service recovery through three-dimensional approach to perceived justice (De Ruyter and Wetzel, 2000; Smith et al., 1999). This overall fairness is the determinants of perceived justice, which engages with both outcome and element in the process of recovery. In addition, failure to include fairness subsequently will reduce the explanatory influence on customer satisfaction models (Smith et al., 1999). Consequently, Smith, et al., (1999) added that, in order to make sure the fairness of service recovery process is effective; consumers will be required to apply service failure experience rather than a "non-failed" experienced for their reference. Aligned with the previous studies that have been conducted in services marketing, three dimension of perceived justice (i.e., distributive, procedural, and interactional justice) have been identified in influencing customer satisfaction (Maxham and Netemeyer, 2002; Wirtz and Mattila, 2004).

i. Procedural justice

Procedural justice is defined as to experience fairness all the way through the overall process the disagreement resolution (Smith, et al., 1999). Besides, procedural justice includes the manner by which resolutions are made and disagreements are well-executed (Leventhal, 1980; Lind and Tyler, 1988; Thibaut and Walker, 1975). Other than that, Clemmer and Schneider (1996) indicated that procedural justice is important because the element that customers used to evaluate procedure involves policies and procedures in the organisation throughout the service experience. According to Maxham and Netemeyer (2002), procedural

justice signifies that procedural justice affects service recovery outcomes. The speed in resolving and managing the service failures or complaints is one of the main factors of customers' perceptions of procedural justice (Blodgett et al., 1997 and Tax et al., 1998). Maxham and Netemeyer (2002) implied further on the procedural justice as it can influence customers' satisfaction with a service failure and recovery perspective.

ii. Distributive Justice

Smith, et al, (1999) described distributive justice as the fair resolution. Adams (1965) and Deutsch (1975) identified distributive justice as resource allocation and the perceived outcome of exchange. Whereas, Maxham and Netemeyer (2002) defined distributive justice as the degree to which customers would feel when they have been treated fairly with respect to the final recovery outcome. Adams (1965) identified that conventionally, researchers have given more attention on distributive justice in predicting customer satisfaction (Huppertz, Arenson, and Evans, 1978; Lapidus and Pinkerton, 1995). Theory of distributive justice determined that perceptions of justice derive from customers' evaluations of fairness on the outcome. In addition, customers would contrast their outcome to the outcome received by others (Oliver and Wayne, 1988). Once the equity score is relative to the scores of other customers, the process of distributive evaluated as fair in the service delivery process (Greenberg, 1996). These distributive justice results may signify reduction and refunds provided to customers following to a service failure (Tax et al., 1998). Prior study has confirmed that distributive justice is a predictor of satisfaction with service recovery. Blodgett et al. (1997) and Tax et al. (1998) identified that compensation is useful to reinstate customers' perceptions of distributive justice and influences CSSR. Meanwhile, Goodwin and Ross (1992) and Tax et al. (1998) have found that distributive justice have effects on satisfaction with complaint handling. Smith et al. (1999) also claimed that distributive justice influences satisfaction with service recovery for both restaurant and hotel customers.

iii. Interactional Justice

Interactional justice is described as having courtesy and respect in the process of recovery and outcomes (Smith, et al, 1999), by which the information is disseminated and outcomes are communicated (Bies and Shapiro, 1987). It is also the degree to which customers feel they have been treated fairly according to their personal interaction with service providers throughout the entire recovery process (Maxham and Netemeyer, 2002) and interaction, which means the value of customers' interaction received during the service experience (Clemmer and Schneider, 1996). Previous research has revealed that evaluation of service recovery is resulted by the communication between customers and service employees. Smith et al. (1999) revealed a high effect of interactional justice on satisfaction with the service recovery experience, while Tax et al. (1998) identified the effects of interactional justice on satisfaction with complaint handling.

Service Recovery Expectation (SRE)

Bhandari et al., 2007 indicated SRE as customers' evaluations of the actual recovery process in relationship to their expectations that will lead to satisfaction with the recovery process. Typically, the SRE of customer is to be compensated for the inconvenience caused by the service failure (Smith et al., 1999; Tax, et.al, 1998). Customer's SRE will be looked from service aspects. It includes personal experience of past service (Singh, 1990), the severity of service failure (Weun et al., 2004; Smith et al., 1999), the nature of their recent relationship with the organization (Morgan and Hunt, 1994; Halinen and Tahtinen, 2002), the accessibility of another service employees (Colgate, 2001), transaction costs (Colgate and Lang, 2001), as well as a variety of personal factors. Kalamas, Laroche and Cezard (2002) indicated other factors that influence SRE; internal or external information. Wen (2010) identified scenarios as other attributes that effect SRE as it is not consistent to the demand for the definite service recovery. For instance, the skills of the service provider to react and enhance their communication skills in the process may influence customers' attitudes and behaviours. Boulding, Kalra, Staelin and Zeithaml, (1993) claimed that recent theoretical and empirical studies distinguish between two type principles of service delivery expectations which have been regarded to as "will expectations" and "should expectations" A should expectation is different from will expectation because it represents a normative standard while the latter is predictive in nature. Furthermore, will and should expectations have been regarded as adequate expectations and desired expectations (Parasuraman, et.al, 1991), as well as predicted service expectations and desired service expectations (Zeithaml, Berry and Parasuraman, 1993). Additionally, Zeithaml, et.al (1993) have proposed a third type of expectation, which is adequate service expectation; the degree of service the customer will recognize. According to Miller, et.al. (2000), customer formulates SRE during pre-recovery phase that begins with the service failure and lasts until the provider becomes aware of the failure. All service encounters provide as determinants for customer expectations in regards to future experiences (Boulding et al., 1993). Accordingly, all service encounters including those that involve in service recovery will shape future service expectations of customers whether it is satisfactory or failed (Boulding et al., 1993). Additionally, Kelley and Davis, 1994; La and Kandampully (2004) identified that SRE are possibly to be more difficult than expectations concerning successful service encounters. As a result, many service organizations offer a variety of service recovery such as combination of refunds, credit, discounts and apology to resolve customer dissatisfaction caused by service failure. Boshoff (1997) claimed that increasing the degree of atonement could help to achieve the higher recovery satisfaction. Various studies have found out that it is not always successful although the service encounters are trying hard to recover from failure (Gilly and Gelb, 1982; Hart et al., 1990). This emphasizes the potential that managers have not measured the correct outcome variables; customer's SRE processes are likely to differ from management perceptions of appropriate recovery processes; or there are implementation failures.

Disconfirmation

According to Zemke and Bell (1990), the way the organization reacts after disconfirmation indicates the service organization's proper commitment to service quality and customer satisfaction. Based on disconfirmation paradigm, expectation exert a vital influence on customer satisfaction with the service encounter and furthermore on service quality perceptions (Bitner, 1990). Positive disconfirmation is generated once customers' perceived experience surpasses a customer's expected results. On the other hand, negative disconfirmation generated when customers' expectations outcome is not achieved (Bearden and Teel, 1983; Oliver 1980, 1981). Christo (1996) indicated that expectations are the outcomes of the motivational processes and expectations to be formed towards subject and object relationship based on their understanding and knowledge. Consumers would judge the perceived performance of service aligned with their prior expectations (Oliver and Wayne, 1988; Tse, Nicosia and Wilton, 1990; Rust and Oliver, 1994). In service recovery, service recovery satisfaction, service recovery expectation (SRE), and service recovery performance (SRP) are the three attributes of disconfirmation. In Expectancy Disconfirmation Theory, a customer will have SRE from the service provider when he or she suffered a service failure (Boshoff, 1999). There will be a service recovery confirmation, if the evaluation of the service recovery is positive ($SRE < SRP$). In other words, it will produce a service recovery disconfirmation ($SRE > SRP$), when a customer feels the negative service recovery satisfaction. The service recovery confirmation/disconfirmation also conveys an overall attitude towards a product, service, or firm. Consequently, the attitude will direct the behaviours of repeat purchases, eventual brand loyalty and word-of-mouth. Other than that, the disconfirmation model has received strong empirical support from Boulding, et.al. (1993). It is cost-conscious and naturally attractive (Iacobucci, Grayson, and Ostrom, 1994).

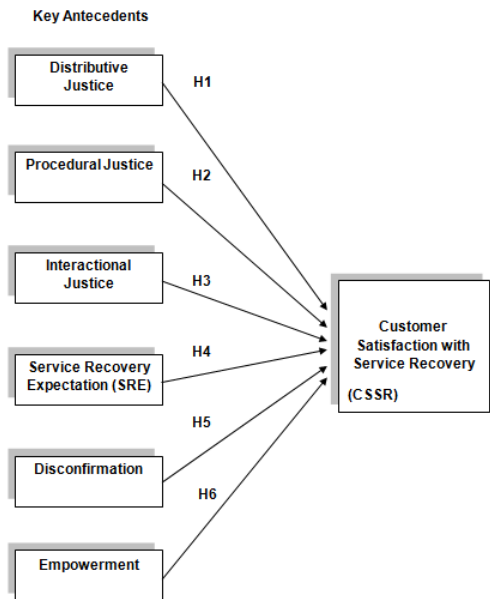
Empowerment

Empowerment happens when an employee has the access to use their skills, tools, authority to serve the customer (Zeithaml and Bitner, 2000). Empowerment has been presented as a good resolution to various issues, including poor customer service (Bowen and Lawler, 1995). According to Conger and Kanungo (1998), empowerment is an answer to managerial and organizational effectiveness and corporate success as what have been proven in successful firms, for instance, Federal Express and the Ritz Carlton Hotel Company (George and Weimerskirch, 1994) and Disney World (Tschohl, 1998). Empowerment offers frontline employees as the authority to respond and act quickly without the higher authority's approval (Lewis and Gabrielsen, 1998; Hart et al., 1990). Frontline employees are one of the vital components to the quality of the service recovery practice (Berry and Parasuraman, 1991; Hart, et.al. 1990). Frontline employees as well, will communicate directly with customers and are in the finest position to respond to failures that occur during service experience. Apart from that, the manager can hand over control on many areas of service delivery to their frontline employees

(Hartline and Ferrell, 1996). As a result, the employees can provide immediate, suitable and sufficient responses to customers dissatisfaction (Boshoff and Allen, 2000). Moreover, previous studies also identified that service failures are able to create satisfied customers when it addresses the appropriate response (Kelley, Hoffman and Davis, 1993; Schlessinger and Heskett, 1991). Bowen and Lawler (1995) claimed that, empowerment enables the employees to have a personal control over their job performance, responsiveness of business strategies, and higher responsibility for performance output. It is essential that employees should be given the freedom to be flexible in the way they handle customer interactions. Lewis and Syprakopoulos (2001) and Miller et al. (2000) agreed that some benefits could be achieved, if front-line staff handled recovery. A personalized response to service recovery allows emotional reactions to be solved and provides a fairer solution for the customers (Armistead, 2004). Employee empowerment programs are going to be beneficial, when recovery strategies are in the right place and customers' anger is obvious in their relative unwillingness to return to the outlet or recommend it to others. Empowered employees tend to be satisfied employees and increasing job satisfaction among service personnel has the potential of generating higher customer satisfaction with the service, repeat purchases by current customers, and positive word-of-mouth communications to potential customers (Venkatesh and Kulkarni, 2002).

CONCEPTUAL FRAMEWORK

Figure 3.4 The proposed conceptual framework for the study



The proposed conceptual framework for this study as shown in figure 3.4 is developed to examine the relationship between the five key antecedents, which are distributive justice, procedural justice, interactional justice, SRE,

disconfirmation and empowerment on CSSR. Each of these key antecedents has been hypothesized to have relationship with CSSR. Distributive, procedural and interactional justice was adopted from the perceived justice theory in which have been identified for being able to influence CSSR (Huang, 2011; Maxham and Netemeyer, 2002; Wirtz and Mattila, 2004). Whereby, SRE was adopted since it has been proven to have a significant impact on satisfaction with service recovery (Andreassen, 2000). Meanwhile, disconfirmation is conceptualized based on the disconfirmation paradigm that has been used usually to analyze customer satisfaction and dissatisfaction (Andreassen, 2000). Finally, empowerment variables were adopted since Boshoff and Allen (2000) claimed that the employees could provide immediate, suitable and sufficient responses to transform dissatisfied to satisfied customers.

Hypotheses Development

This part will discuss on the relationship between variables and the proposed hypothesis for this study. Elaboration of the connection between each dimension (distributive justice, procedural justice, interactional justice, SRE, disconfirmation, and empowerment) towards CSSR will be explained further.

Perceived justice theory and CSSR

Previously, many studies agreed that the three-dimensional approach of justice, which are distributive justice, procedural justice, interactional justice give an important effect on CSSR (Huang, 2011; Karatepe, 2006; Smith et al., 1999; Tax et al., 1998; Kau and Loh, 2006). From the customer's perspective, these three-dimensional approaches of justice are important to indicate the fairness of service recovery (De Ruyter and Wetzel, 2000; Smith et al., 1999). Several studies have confirmed that distributive justice is one of indicators for CSSR. For instance, distributive justice has been found to have significant effect on customer satisfaction with complaint handling (Goodwin and Ross, 1999; Tax et al., 1998). Blodgett et al. (1997) and Tax et al. (1998) discovered that action of distributive justice (eg. compensation) is one of the useful means in maintaining customer perception of distributive justice as well as satisfaction with service recovery. They specify that procedural justice affects service recovery outcomes since it enables the perceived fairness of recovery policies and procedures including the recovery attempt (Maxham and Netemeyer, 2002). Moreover, it also identified that the main factor of customers' perceptions of procedural justice depends on the extent to which the complaints or service failure are recovered and handled by service providers Blodgett et al. (1997) and Tax et al. (1998). Maxham and Netemeyer (2002) added that procedural justice is indicated to affect customer satisfaction with a service failure or on any recovery aspect. Maxham and Netemeyer (2002) discovered that during the recovery process, it is essential for customer to feel that they are being treated fairly during interaction with the service provider along the recovery process happen. Therefore, it signifies the importance of interactional justice in influencing the evaluations of service recovery. Tax et al. supported

that the result of interactional justice towards customer satisfaction in complaint handling. In addition, interactional justice has been discovered to have great impact on customer satisfaction with service recovery experience (Smith et al., 1998). Therefore, based on the discussion above, the following hypotheses for this study are proposed:

- H1: Distributive justice has a positive relationship on CSSR
- H2: Procedural justice has a positive relationship on CSSR
- H3: Interactional justice has a positive relationship on CSSR

SRE and CSSR

Customers evaluate their service recovery experience based on the extent to which the actual service experience meets their expectations (Bhandari et.al., 2007; Lovelock et al., 1998). Service experience that meets customers' need will enhance customer satisfaction level (Parasuraman et al., 1991). Moreover, previous studies on service recovery proposed that SRE from customers determine the evaluation of recovery performance (Gilly and Gelb, 1982; Hart et al., 1990). Maxham and Netemeyer (2002) explained further that irrespective of outcome that the customers received during service failure, is more or less will influence their future service expectations. It will also affect their expectation on service recovery process that they should get if any service failure occurs in the future (Gilbert and Wong, 2003; Walchi and Landman, 2003). In addition, Andreassen (2000) found that SRE has a significant impact on CSSR. Thus, the following hypothesis is developed:

- H4: SRE has a positive relationship on CSSR.**

Disconfirmation and CSSR

Earlier studies from Oliver (1980) found out that disconfirmation have been used in evaluating customer satisfaction. In two studies, it was discovered that disconfirmation and equity have an important impact on satisfaction (Oliver and Wayne, 1988; Oliver and Swan, 1989b). Customer satisfaction is derived from the performance of service recovery in action to solve failures that occurred during initial service failure (Halstead and Page, 2002). Smith, et.al. (1999) added that disconfirmation complements perceived justice in determining customer satisfaction with service failure and recovery encounters. Moreover, Andreassen (1998) identified that consistent with the previous studies that have been conducted, it is agreed that disconfirmation has a significant impact on satisfaction with service recovery. Therefore, the following hypothesis is proposed:

- H5: Disconfirmation has a positive relationship on CSSR**

Empowerment and CSSR

According to Hoccutt and Stone (1998), employee empowerment is one of the most essential aspects in the service recovery's quality perspective and its impact

on customer satisfaction. Hart et al. (1990) further claimed in empowering service employees is one of the crucial elements which assured a good service recovery. Venkatesh and Kulkarni (2002) added, when empowered employees are satisfied, consequently it will increase job satisfaction among the employees, thus it has potential of generating higher customer satisfaction with the service, repeat purchases by current customers, and positive word-of-mouth communications to potential customers. It is essential that employees should be given the freedom to be flexible in the way they handle customer interactions (Normann, 2000). Besides, strategic perspective fails to look into the fact that quality and speed of decision making are important factors in successful service performance and service recovery (Boshoff, 1997; Smith and Bolton, 2002; Bamford and Xystouri, 2005). As a result, the following hypothesis is developed for this study:

H6: Empowerment has a positive relationship on CSSR

Based on the hypotheses development, the proposed hypotheses for each variable are depicted in figure 3.4. There are six hypotheses that have been developed and to be tested for this study. All of the hypotheses are hypothesized to have positive relationship on CSSR.

RESEARCH METHODOLOGY

The sampling frame is a record of all the essentials in the population from which the sample is taken from. This study is for respondents who have experienced service failure with Airlines based in Malaysia, which are Air Asia, Firefly and MAS. Therefore, the sampling frame applied in this study was drawn from Low Cost Carrier Terminal (LCCT), Sultan Abdul Aziz Shah Airport in Subang and Kuala Lumpur International Airport (KLIA). The population for this survey referred to the total number of customers, which refers to those who have experienced service failure with airlines (Air Asia, Firefly and MAS), based in Malaysia. According to The Star online on its latest report August (2012), passenger traffic for Air Asia in first quarter is around 580,000. Meanwhile, the passenger traffic for Malaysia Airlines and Firefly for the first quarter is around 3 million (Centre of Aviation, 2012). Since the data collection for this study was conducted around July, therefore, passenger traffic for one month for MAS and Firefly is 1 million. Therefore, the population for this study is 370,000. Based on table Kerjcie and Morgan (1970), from a given population of more than 75,000, the total of sample size is 384. This study will take sample size based on Krejcie and Morgan (1970) table (Appendix 7) with the population of more than 1,000,000 the sample size supposed to be 384 respondents.

The questionnaires consist of two (3) sections. The first section (Section A) questionnaire was developed related to the independent variables, which refers to key antecedents influencing CSSR which are justice theory (distributive justice, procedural justice, interactional justice), SRE, disconfirmation theory and empowerment. Table 4.2 shows the key antecedents and the measurement items

Table 4.2 Measurement items for section A

Measurement Dimension	Measurement Items	Source	Reliability
Distributive Justice	1. In resolving the service failure, this airline gives me the outcome that was fair	Huang (2011), Smith <i>et al.</i> , (1999)	0.85
	2. In resolving the service failure, this airline did not give what I deserved		
	3. In resolving the service failure, this airline gave what I needed		
	4. In resolving the service failure, this outcome I receive from this low cost airline was not up to my expectation		
Procedural Justice	1. The employees dealt with my problem immediately	Huang (2011), Smith <i>et al.</i> , (1999)	0.74
	2. This airlines showed adequate flexibility in dealing with my problem		
	3. They listened to my entire complaint		
	4. The complaint process was easy to access		
Interactional Justice	1. The employees were appropriately concerned about my problem	Huang (2011)	0.85
	2. The employees did not put the proper effort into resolving my problem		
	3. When I experience service failure, the employees' communications with me were		

	appropriate		
	4. When I experience service failure, the employees did not give the courtesy I deserved		
Service Recovery Expectation	1. When I experience any service failure, I have high expectations of service recovery 2. When I experience any service failure, I expect the staff to provide me with explanations 3. When I experience any service failure, I expect to receive practical compensations and claim 4. When I experience any service failures, I expect that the service staff make sincere efforts to apologise	Zeithaml et al. (1993), Kalamas et al. (2002)	0.82
Disconfirmation	1. This low cost airline's reliability was about what I expected whenever I experience service failure 2. This low cost airline's on-time performance was much better than I expected when service failure happen 3. I expected this airline would do more in response to the service failure 4. The service recovery for my problem was much better than I expected an airline would provide	McCullough et al., (2000)	0.56
Empowerment	1. The employees are confident about their abilities to do the job in solving my problem 2. The employees have mastered the skills to do their job in solving my problem 3. The employees have a chance to use their own personal initiative in their work when solving my problem. 4. The employees have freedom in determining how to do their job in solving my problem 5. The employees cannot decide how to go about doing their work when handling with my problem 6. The employees have a great deal of control over their job in solving my problem	Aziz and Zaiton, 2010	0.85

The third section (Section B) was the question concerning the level of CSSR by airlines customer (Air Asia, Firefly and MAS) based in Malaysia. Table 4.3 shows the satisfaction with service recovery and the measurement.

Table 4.3 Measurement items for section B

Measurement Decision	Measurement	Source	Reliability
CSSR	1. Overall, this airline resolves my problem according to my expectations.	Komunda and Osarenkhoe (2012)	0.60
	2. Overall, this service experience meets my needs		
	3. Overall, I was not happy with the way the problem was handled		
	4. Overall, I felt the service response I received was good		
	5. Overall, I was pleased with the service I experienced		

The third section (Section C) aimed at building a demographic profile such as gender, age, marital status, income level, travel purpose, service failure, type of airlines and so forth.

For this study, pilot test is conducted by distributing 20 questionnaires to respondents in UPM, Graduate School of Management and few from public in order to detect and amend the potential problems with the questionnaires. It included the questions that were not well understood by respondents and ambiguous as well as questions that may combine two or more issues in a single question (double-barreled questions) and questions that made respondent uncomfortable. Result from the pilot test indicate that all construct were reliable with dependent variable reliability acceptance level more than 0.70. From the result of pilot study, few changes had been made to the questions by reducing reverse questions from 6 to 4. Some of respondents were confused and did not realize the existence of the reverse question. Therefore, in order to ensure the validity of the result from the questionnaire, the reverse questions are rewritten to positive questions.

4.12 Data Analysis Method

Questionnaire were edited and analyzed to ensure that all answers are accurate and precise. Then the data were entered and summarized using Statistical Package for Social Science (SPSS) version 20.0. The analysis will involve descriptive statistics, which include frequencies, mean, median and mode. In addition, the findings of the study will be supported with the illustration of tables and graph. Several analysis will be used to examine the data on descriptive analysis, Pearson correlation analysis, multiple regression analysis, validity analysis and reliability analysis.

DATA ANALYSIS AND FINDINGS

Descriptive analysis on demographics characteristics of respondent will be presented in summary of the detail frequency results (Table 5.1), and followed by detail description on each category of demographic characteristics. This section report the frequency results of the respondent demographic characteristics, which consist of gender, age, marital status, employment status, level of income, airline of service failure experience, purpose of trip, nature of service failure and travel often by using airlines. Therefore, descriptive analysis was used in analyzing all of the data. Table 5.1 provide the summary of the detail frequency results:

Table 5.1: Summary of Respondents' Characteristics

	Description	Frequency (n)	Percentage (%)
Gender	Male	174	45.5
	Female	208	54.5
Age (years old)	18 – 25	142	37.2
	26 – 35	126	33.0
	36 – 45	81	21.2
	46 and above	33	8.6
Marital status	Single	215	56.3
	Married	165	43.2
	Divorced	0	0
	Others	2	0.05
Employment Status	Employed	201	52.6
	Self-employed	19	5.0
	Housewife	6	1.6
	Student	150	39.3
	Not working	5	1.3
	Others	1	0.03
Level of Income in one month	Below RM1000	45	11.8
	RM 1000 – 3000	81	21.2
	RM 3000 – 5000	73	19.1
	Above RM 5000	95	24.9
	No Income	88	23
Type of Airlines of service failure experience	Air Asia	266	69.6
	Firefly	39	10.2
	Malaysia Airlines	85	22.3
Purpose of Trip	Business Trip	64	16.8
	Leisure/Vacation	222	58.1
	Study	126	33.0
Nature of service failure	Delayed Flight	275	72.0
	Reservations Problem	57	14.9
	Overbooking flights	12	3.1
	Lost Luggage	36	9.4
	Technical problems	64	16.8
	Employees' attitudes	44	11.5
	Others	21	5.5
In a typical year, how often travel use airlines	1-2 times	226	59.2
	3 – 5 times	123	32.2
	More than 5 times	33	8.6

Figure 5.1 shows that 54 percent respondents are female and 46 percents are male. In other words, from the total of 382 respondents, there are 208 female respondents and 174 male respondents participated in this study.

Pearson Correlation Analysis

Table 5.2 Summary of Correlation Analysis

	Distributive Justice	Procedural Justice	Interactional Justice	SRE	Disconfirmation	Empowerment	CSSR
Distributive Justice	1						
Procedural Justice	.728**	1					
Interactional Justice	.786**	.845**	1				
SRE	.205**	.130*	.147**	1			
Disconfirmation	.575**	.498**	.528**	.401**	1		
Empowerment	.713**	.718**	.774**	.291**	.642**	1	
CSSR	.796**	.770**	.822**	.273**	.610**	.831**	1

* Correlation is significant at the 0.01 level (2-tailed)
 ** Correlation is significant at the 0.01 level (2-tailed), n=382

Table 5.2 indicates that all the constructs were significant at level 0.01 (2-tailed). Correlation Analysis result identified that the highest constructs in influencing CSSR is empowerment (.831**, P = 0.01), while the lowest is SRE (.273**, P = 0.01). The correlation between distributive justice and CSSR is .796** and at 0.01 significant level (2-tailed). Thus, it indicates that the relationship between distributive justice and customer satisfaction with service recovery is high (Guildford, 1954). This results indicate that distributive justice plays an important role in determining CSSR. Besides, it also shows that the customers are satisfied when they received suitable or deserved outcome pertaining to their complaints for service failure. There is a statistically significant correlation between procedural justice and CSSR, .770** at 0.01 significant level (2-tailed). Hence, it signifies high relationship of procedural justice and CSSR (Guildford, 1954). Thus, immediate response, flexibility, employee listening skills, and process of complaint are among the essential elements in procedural justice which able to influence CSSR. It was identified the correlation between distributive justice and CSSR is .822** and at 0.01 significant level (2-tailed). Consequently, it indicates that the strength of relationship between interactional justice and CSSR is high (Guildford, 1954). Therefore, this result signifies the importance of employee’s concerned, effort, communication and courtesy in improving CSSR. The correlation between SRE and CSSR is .273** significant at the 0.01 level (2-tailed). According to Guildford (1954), correlation that fall between the ranges, 0.2 to 0.4 indicate that the strength of relationship is low. Therefore, strength of relationship between SRE and CSSR is low. These results also indicate that CSSR can be enhanced when the firm is able to fulfil customers’ expectation with proper explanation, practical compensations and sincere effort during the occurrence of service failure. Correlation between disconfirmation and CSSR is .610** perfectly significant at the 0.01 level (2-tailed) based on the table 5.2. As a result, the strength of relationship between disconfirmation and CSSR is moderate (Guildford, 1954). This shows that the elements for instance firm’s reliability, on-time performance, more action and better service recovery are vital in influencing

CSSR. The correlation between empowerment and CSSR is .831** and at 0.01 significant level (2-tailed). As a result, it indicates that the strength of relationship between empowerment and CSSR is high (Guildford, 1954). Thus, employee’s confidence level, mastered skills, chance to use personal initiatives, freedom in solving problem and made decision, and lastly great deal of control over their job are among the essential elements in empowerment that will be able to influence CSSR.

Hypotheses Testing

Summary of the hypothesis testing is shown in table 5.3.

Table 5.3 Summary of Hypotheses Testing

	Hypothesis	P -Value	Supported or not supported
H ₁	Distributive justice has a positive relationship on CSSR	.796**	Accept H ₁ Hypothesis Supported
H ₂	Procedural justice has a positive relationship on CSSR	.770**	Accept H ₂ Hypothesis Supported
H ₃	Interactional justice has a positive relationship on CSSR	.822**	Accept H ₃ Hypothesis Supported
H ₄	SRE has a positive relationship on CSSR	.273**	Accept H ₄ Hypothesis Supported
H ₅	Disconfirmation has a positive relationship on CSSR	.610**	Accept H ₅ Hypothesis Supported
H ₆	Empowerment has a positive relationship on CSSR	.831**	Accept H ₆ Hypothesis Supported

**The correlation is significant at the 0.01 level (2-tailed), n=352

Multiple Regression Analysis

Multiple Regression analysis is used in this study to answer research question number 2, which is to examine the strongest antecedents (distributive justice, procedural justice, interactional justice, SRE, disconfirmation and empowerment) in influencing CSSR.

Table 5.4: Result of Multiple Regression Analysis

Dependent Variable	Independent Variable	R ²	R Square	Beta	T	Sig	F
CSSR	Distributive Justice			.248	6.278	.000	
	Procedural Justice			.116	2.598	.010	
	Interactional Justice	.897*	.805	.222	4.287	.000	258.08
	SRE			.062	2.506	.011	
	Disconfirmation			.032	1.014	.311	
	Empowerment			.360	8.782	.000	

Result shown from table 5.4 indicates the regression of customer satisfaction with service recovery and it displays that R is .897a, which means a very high correlation. The result shows that the F value is 258.082. Only distributive justice (b=0.248, p<0.000), interactional justice (b=.222, p<0.000) and empowerment (b=0.360, p<0.000) are significant, while the remaining – procedural justice (b=0.116,

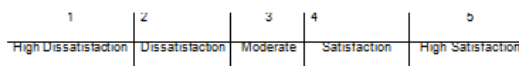
$p < 0.010$), service recovery expectation ($b = 0.062$, $p < 0.36$) and disconfirmation ($b = 0.032$, $p < 0.311$) are not significant. Furthermore, table 5.4 also shows the standardized regression coefficient (beta weight) for six predictors. Beta weight indicates that the bigger the value in Beta among the six predictors, the stronger the effect on customer satisfaction with service recovery. Thus, empowerment shows the highest beta weight with .360. Meanwhile, the lowest beta is .032, which shows the disconfirmation. For every unit change in percentage of empowerment (that is, for every increase by a factor of one standard deviation on empowerment variable), it will increase by a multiple of .360 standard deviations on customer satisfaction with service recovery. Hence, this result shows that empowerment plays a critical role in determining CSSR. Customers are more satisfied with service recovery when the employees are confident about their abilities, mastered the skills, have freedom, able to make decision and have a great of control over the job. Accordingly, this result has answered objective 2 of this study.

Mean score for CSSR

Table 5.5 Summary of Mean score result

Level of CSSR	Mean	Standard Deviation	Overall means score
Overall, this airline resolves my problem according to my expectations	3.35	1.028	
Overall, this service experience meets my needs	3.39	1.029	
Overall I was happy with the way the problem was handled	3.31	1.085	3.40
Overall I felt the service response I receive was good	3.46	1.002	
Overall, I was pleased with the service I experienced	3.45	1.080	

Table 5.5 is presented to answer research objective 3, which is to determine the level of CSSR among customer that experience service failure with airline based in Malaysia. Level of CSSR is determined based on the scale of:



Result from table 5.5 indicates the overall mean score is 3.40. Therefore, it shows that the level of CSSR for this study is fall under the moderate level of satisfaction.

Reliability Analysis (Cronbach's Alpha)

Table 5.6 Value of cronbach's alpha coefficient

Sections	Value of Cronbach's Alpha
Distributive Justice	.897
Procedural Justice	.895
Interactional Justice	.855
SRE	.810
Disconfirmation	.550
Empowerment	.861
CSSR	.956

Table 5.6 indicates the value of cronbach's alpha coefficient for all variables used in this study. The value of cronbach's alpha for almost all variables items are high where value of cronbach's alpha for distributive justice is .897, procedural justice .895, interactional justice .855, SRE .810, empowerment 8.61 and CSSR .956. The value of cronbach's alpha for disconfirmation, however, is lower than 0.70, which is 0.55. The value of cronbach's alpha for disconfirmation is 0.55 after removing lower factor loading or deleting the item that would lower the overall alpha. Table 5.7 shows the value of cronbach's alpha of disconfirmation before removing the lower factor-loading item.

Table 5.7 Value of cronbach's alpha before one item is deleted

Disconfirmation	Cronbach's alpha	Cronbach's alpha if item deleted
Airline reliability as expected	.404	.346
On time performance much better		.206
Do more in response to service failure		.550
Service recovery much better than expected		.091

From the table 5.7, it can be seen that the value of cronbach's alpha will increase to .550 if the item "do more in response to service failure" is deleted. Therefore, the item "do more in response to service failure" was deleted in the questions in order to increase the value of cronbach's alpha to .550. Based on the results, it indicates that most of all variables used in the study were reliable and satisfactory in measuring the constructs.

Validity Analysis

A pilot test was carried out on 20 respondents in order to test the validity and reliability of the items. The results show that the items measurement achieved the validity and reliability required. Then it was represented to supervisor of the research to see if there is any amendment to be made and to get the approval in proceeding with the questions. Once the questionnaire was approved, the questionnaire was delegated to 382 respondents.

FINDINGS AND DISCUSSIONS

Research objective 1: To investigate the relationship between the key antecedents with CSSR.

The relationship between key antecedents namely, distributive justice, procedural justice interactional justice, SRE, disconfirmation and empowerment with CSSR were examined by investigative the developed hypothesis (H1, H2, H3, H4, H5, H6). The findings show that all six hypothesis are positively significant and positively related with each other (refer to Table 5.3).

Hypothesis 1: Distributive justice has a positive relationship on CSSR

As a result, the findings of study supported the previous study conducted by Goodwin and Ross (1992) and Tax et al. (1998), where they identified that distributive justice have effects on satisfaction with complaint handling. Whereby, Smith et al. (1999) also found that distributive justice influences satisfaction with service recovery for both restaurant and hotel customers.

Hypothesis 2: Procedural Justice has a positive relationship on CSSR

Result for procedural justice from this study shows that it is aligned with previous study done by Maxham and Netemeyer (2002) where procedural justice influences the outcome from service recovery. Furthermore, Blodgett et al. (1997) and Tax et al. (1998), in their study identified that service recovery action in order to solve the service failures or complaints is one of the main factors of customers' perceptions of procedural justice.

Hypothesis 3: Interactional has a positive relationship on CSSR

Apart from that, finding from this study also supported the prior study done by Smith, et al (1999), where there is a significant effect of interactional justice on satisfaction with the service recovery experience. Likewise, Tax et al. (1998) identified the effects of interactional justice on satisfaction with complaint handling.

Hypothesis 4: SRE has a positive relationship on CSSR

Other than that, findings from this study also aligned with the study conducted by Boulding et al. (1993), any service experience including service recovery have tendency to shape customer's future service expectations no matter it is a satisfactory or failed.

Hypothesis 5: Disconfirmation has a positive relationship on CSSR

Same goes to the finding for disconfirmation, it has supported the study conducted by Bitner (1990), where based on disconfirmation concept, expectation yield a vital influence on customer satisfaction with the service encounter and furthermore on service quality perceptions (Bitner, 1990).

Hypothesis 6: Empowerment has a positive relationship on CSSR

Furthermore, findings from this study on empowerment also supported the study done by Ventakesh and Kulkarni (2002) where an empowered service personnel will result in satisfied employees and increasing job satisfaction. Consequently, it have a potential in encouraging higher customer satisfaction with the service. Therefore, the result signifies that customer satisfaction with service recovery was resulted from the key antecedents experienced and developed by the customers towards the airlines. Hence, this result enables the firm to understand the customer perspectives further, in evaluating the firm's performance in handling service failure and it can regain customers' confidence as well as satisfaction. Furthermore, the result from Table 5.3 also displays that empowerment as the stronger factor among other variables. Consequently, it is important for airlines to equip their employees with empowerment in order to encounter service failure efficiently. Not all organizations are perfect and they cannot escape from service failure. Thus, it is not about the service failure, but it is on how the firm manage to turn the service failure experience to the pleasant experience with the most appropriate service recovery strategies.

Research objective 2: To examine the strongest antecedents influencing CSSR at airlines based in Malaysia

Multiple regression analysis has been applied in deriving the result for this objective. Table 5.4 shows that distributive justice, interactional justice and empowerment are significant. Meanwhile, procedural justice, SRE and disconfirmation are not significant in this study. Therefore, this indicate that customers recognize distributive justice, interactional justice and empowerment as the important elements in enhancing their satisfaction whenever service failure occurs compare to the remaining three variables. Furthermore, the result of multiple regressions from Table 5.4 shows that empowerment as the strongest antecedents influencing CSSR compare to other variables. Maybe because of during service failure experience, customers want an immediate solution from any employee that they seek, no matter what position the employees hold or their job specification. What is on customers' mind is only an immediate solution. This supported the study conducted by Lewis and Gabrielsen, (1998) and Hart et al. (1990) where frontline empowerment provide employee access to authority to take immediate action in solving service failure without waiting for demand from higher management. Hence, Berry and Parasuraman, (1991) and that frontline employees are one of the essential components to the quality of the service recovery practice. Therefore, it is important for them that the employees are equipped with all information and skills

that the customers needed in solving their problem, which is the empowerment. Moreover, customers may be satisfied with empowerment from employees in which the employees are confidence in dealing with the problems, their skills in solving customers' problem, opportunity to use their own personal initiatives, ability to decide on the suitable way the problem can be handled and have control over their own job

Research objective 3: To determine the level of CSSR among customer that experienced service failure with airlines based in Malaysia

The third objective is to identify the level of CSSR that they experienced during service failure with the airlines. Mean Score from Descriptive statistic analysis is used in answering this research objective and the result indicates that the level of CSSR is 3.40, which fall under moderate level of satisfaction. Consequently, it shows that customers are still not satisfied with the service recovery effort done by airlines in Malaysia. Therefore, it is really importance for airlines in Malaysia to take these things seriously to their current service recovery strategy in order to maintain customer satisfaction. This is because satisfaction with service recovery is really important in evaluation of service encounter (Bhandari et al., 2007). In addition, satisfaction with service recovery also can assist the company to enhance positive effect on overall firm satisfaction and together with positive word-of-mouth.

Result of Hypothesis Testing

The hypothesis developed in this study is to determine the relationship of key antecedents' variables such as distributive justice, procedural justice, interactional justice, SRE, disconfirmation and empowerment to the CSSR. Therefore, the result reported at Table 5.3, which derived from Pearson Correlation Coefficient analysis proved significant for the entire hypothesis (H1 = .796**), (H2 = .770**), (H3 = .822**), (H4 = .273**), (H5 = .610**), (H6 = .831**). Since the findings indicate those entire hypotheses are significant, therefore, the conceptual framework for this study is applicable to be adopted in CSSR study. As a result, research objective 1 of this study is supported by the hypothesis tested.

Contribution of the study

The findings from study provide a new contribution to the body of knowledge by including new additional construct; the empowerment, which has never been tested in previous study. Empowerment constructs have been adopted from Miller et.al., (2000), and from the study Miller et.al. (2000) found the significant benefit when the employees are empowered to solve problem that caused by failure. Hence, finding in this study, Table 5.4 indicates the empowerment is the strongest antecedent that influences CSSR. This result provides new contribution to the new literature and body of knowledge especially on CSSR. Previously, no studies have been tested SRE, disconfirmation, perceived justice and empowerment in one single framework. Hence, from this study it was identified that SRE and

disconfirmation have significant effect on CSSR. Therefore, it indicates the importance for these attributes to get more attention and also to be used as an efficient strategy to enhance CSSR in any service fields.

Implication

As a recommendation, this study is very important for the managers to understand the relative importance of key antecedents that lead to CSSR. Many antecedents lead to CSSR, but the findings from this study indicate that empowerment is an important element that will make customer satisfied. By determining this influence, managers are able to manage and focus on their resources and improving those drivers that enhance customer satisfaction. Based on overview of the result presented in the Chapter 5, it can be recommended that this study is very important for the benefit of many industries especially to hospitality and service industries. This study suggests that there are six dimensions of key antecedents that able to enhance CSSR namely distributive justice, procedural justice, interactional justice, SRE, disconfirmation and empowerment. It is important for the management particularly to be aware of the relative importance of the key antecedents that able to influence customer satisfaction with service recovery when the service failure occurs. The management should also make use this information wisely in determining and enhancing their service recovery strategies in order to fulfil customer expectation, needs and wants especially when they encounter service failure.

Limitation

This study suffers from various limitations that restrict the generalization of its findings and open up directions for future research. First, the generalizability of the findings is somewhat limited because the research went into one sector only (airlines). The study only provides the small scope for airlines that based in Malaysia and only for those who had experience service failure. Thus, replication studies in other service sectors would be fruitful. Demographic data for this study was as well limited for only local consumer. On top of that, the study did not include the use of service recovery paradox as one element to enhance customer satisfaction after the customer experienced service failure. The focus of the study is also limited on the antecedents of CSSR without identifying the result from CSSR. In addition, this study was given the situations in which it required the respondents to summon up their experience with the airline regarding the service failure and the service recovery performance. Therefore, this may affect their present feeling of service failure experience and not giving the accurate responses according to the questions. As a result, it may cause a validity issue concerning the results of the study. Besides, the respondents of low cost airlines (Firefly and Air Asia) outnumbered the respondents for full service airline in this study, which is Malaysia Airlines (MAS). Consequently, the results have the tendency of biasness and the result must be interpreted with cautious.

Future Research

Despite of the lack of this study, necessary action is needed in enhancing the future research in the field of service failure, recovery and customer satisfaction. For that reason, few recommendations for future research are identified for this future research. Firstly, it is recommended to do further research on the outcome of the CSSR. It is beneficial information in order to identify customers' action from the satisfaction that can be on the fact they will come back for the service or will switch to competitors. Other than that, future research should also examine the effect of service recovery paradox since not all service recovery efforts will enhance customer satisfaction. Thus, it is important to understand that with a highly effective service recovery, there is a tendency for service failure offers a chance to achieve higher satisfaction ratings from customer than if the failure had never happened. Hence, it is important to investigate whether service failure can be viewed as a part of opportunity in enhancing customer satisfaction. Demographic data needs to be expanded into international customers as well. This is to identify their perception and cultural differences in evaluating service recovery performance during the service failure. Moreover, this study needs to develop the scope not only to those who had service failure but also to those customers that never had a service failure for the reason to evaluate their response and their expectation for service recovery, if the service failure happens. The comparison can be made between the expectation and the actual experience of the service failure and service recovery. Future research can also be enlarged to the scope for to not only the airlines based in the country, but also all airlines that customer have used. This can help to identify the customers' perspectives of service recovery performance that they had in other airlines. Lastly, it is suggested that the study be replicated in other service industries where service failures are likely to occur. Future research must as well ensure that the sample of the study is equally distributed to in order to prevent the biasness of the result.

CONCLUSION

The first objective of this study is to identify the relationship between key antecedents and CSSR. Key antecedents proposed in this study are perceived justice theory (distributive, procedural, interactional), SRE, disconfirmation and empowerment as the expected precursor that able to manipulate CSSR. It is proven that the result of this study has a significant relationship between the key antecedents and CSSR and it supports the hypothesis testing for the study. This study combines the new dimension in framework and conducted on the same foundation similar to the previous study had done in perceived justice theory, and integrates with the disconfirmation theory, SRE as well as empowerment. As a result, from all of the dimensions, empowerment plays an important role as the strongest antecedents that lead to CSSR. It is important to know the current level of CSSR practiced within a firm. Result from this study indicates that the level of CSSR for airlines in Malaysia is on a moderate level. Therefore, immediate actions are crucial to identify area for improvement in order to enhance CSSR.

Consequently, this study has provided useful information to be utilized and applied by management and academicians in understanding the antecedents of CSSR in the context of airlines industry.

REFERENCES

- Adams, J. Stacy (1965). Inequity in Social Exchange, in *Advances in Experimental Social Psychology*, Vol. 2, Leonard Berkowitz, New York: Academic Press, 267–299.
- Anderson, E.W. and Sullivan, M.W. (1993) The antecedents and consequences of customer satisfaction for firms. *Marketing Science*. 12(2), 125-43.
- Andreassen, T.W. (2000) Antecedents to satisfaction with service recovery. *European Journal of Marketing*. 34(1/2), 156-75.
- Andreassen, T.W. (2001) From disgust to delight: do customers hold a grudge? *Journal of Service Research*. 4(1), 39-49.
- Andreeva, N. Unsnarling traffic jams at U.S. airports. *Business Week*, 1998, pp. 84.
- Armistead, C., Clark, G. and Stanley, P. (1995) *Managing Service Recovery*. Cranfield School of Management.
- Atalik, O. (2007) Customer complaints about airline service: a preliminary study of Turkish frequent flyers. *Management Research News*, 30(6), 409-419.
- Aziz, Y.A and Zaiton, S. The impact of empowerment on emotional labour: A structural equation modeling approach, *Proceeding of the World Academy of Science Engineering and Technology*, Paris, France, June 28-30, 2010.
- Bailey, D. (1994) Recovery from customer service shortfalls. *Managing Service Quality*. 14 (6), 25-28.
- Bamford, D. and Xystouri, T. (2005) A case study of service failure and recovery within an international airline. *Managing Service Quality*. 15(3), 306–322.

- Bearden, W.O. and Teel, J.E. (1983) Selected determinants of consumer satisfaction and complaint reports. *Journal of marketing research*. 12(1), 21-28.
- Bejou, D. and Palmer, A. (1998) Service failure and loyalty: an exploratory empirical study of airline customers. *Journal of Services Marketing*. 12(1), 7-22.
- Bernama (2003a) MITTAS lauds Langkawi-Thailand budget airline proposal. (29 July). Kuala Lumpur.
- Berry, L.L. and Parasuraman, A. (1991). *Marketing Services: Competing through Quality* New York: The Free Press.
- Bhandari, M. S., Tsarenko, Y. and Polonsky, M. J. (2007) Multi-dimensional approach to evaluating service recovery. *Journal of Services Marketing*. 21(3), 174-185.
- Bies, R.J. and Shapiro, D.L. (1987) Interactional fairness judgments: the influence of causal accounts. *Social Justice Research*. 1, 199-218.
- Bitner, M.J. (1990) Evaluating service encounters: the effect of physical surroundings and employee responses. *Journal of Marketing*. 54(2), 69-82.
- Blodgett, J.G., Hill, D.J., and Tax, S.S. (1997) The effects of distributive, procedural, and interactional justice on post complaint behavior. *Journal of Retailing*. 73(Summer), 185-210.
- Bolton, R.N. (1998) A dynamic model of the duration of the customer's relationship with a continuous service provider: The role of satisfaction. *Marketing Science*. 17, 45-65.
- Boshoff, C. (1997) An experimental study of service recovery options. *International Journal of Service Industry Management*. 8(2), 110-130.
- Boshoff, C. (1999) RECOVSAT: An instrument to measure satisfaction with transaction-specific service recovery. *Journal of Service Research*. 1, 236-249.
- Boshoff, C. and Allen, J. (2000) The influence of selected antecedents on frontline staff's perceptions of service recovery performance. *International Journal of Service Industry Management*. 11(1), 63-90.

- Boshoff, C. and Leong, J. (1998) Empowerment, attribution and apologising as dimensions of service recovery: an experimental study. *International Journal of Service Industry Management*. 9(1), 24-47.
- Boshoff. C. and Staude, G. (2003) Satisfaction with service recovery: its measurement and its outcomes. *South African Journal of Business Management*. 34(3), 9–16.
- Boulding, W., Kalra, A., Staelin, R., and Zeithaml, V. (1993) A dynamic process model of service quality: from expectations to behavioral intentions. *Journal of Marketing Research*. 30(1), 7-28.
- Bowen, D. E., and Lawler, E. E. III. 1995 Empowering service employees. *Sloan Management Review*. 36(Summer), 73-84.
- Centre for Aviation . Malaysia Airlines pax numbers down 7% in 2Q2012, cargo traffic down 8%. *Aviation News*, July, 26, 2012.
- Chan, H. and Wan, L.C. (2008). Consumer responses to service failures: a resource preference model of cultural influences. *Journal of International Marketing*. 16(1), 72–97.
- Channelnewsasia, (2003) SIA roars into no-frills market with Tiger Airways to ake off next year. http://www.channelnewsasia.com/stories/afp_asiapacific_business/view/61206/1/.html. Accessed on 25 July 2012.
- Cheng, J., Chen, F., and Chang, Y. (2008) Airline relationship quality: an examination of Taiwanese passengers. *Tourism Management*. 29, 487–499.
- Chirawan, S. (2008) An Assessment of Passengers' Views of Service Quality in Thai Low Cost Carriers. *RU International Journal*, 2(1), 71-81.
- Christopher, M., Payne, A. and Ballantyne, D. (2002). *Relationship Marketing: Creating Stakeholder Value*. Oxford: Butterworth Heinemann.
- Clemmer, E.C. and Schneider, B. (1996) Fair service. In T. A. Swartz, D. E. Bowen, and S. W. Brown (Eds.), *Advances in services marketing and management* (pp. 109-126). Greenwich, Connecticut: JAI Press.
- Clemes M.D., Gan C., Kao, T.H. and Choong, M. (2008) An empirical analysis of customer satisfaction in international travel. *Innovation Marketing*. 4(2), 49- 62.

- Cohen, J., Cohen, P., West, S. G. and Aiken, L. S. (2003). Applied multiple regression/ correlation analysis for the behavioral sciences (3rd ed.). Hillsdale, New Jersey: Erlbaum.
- Colgate, M. (2001) Developing a comprehensive picture of service failure. *International Journal of Service Industry Management*. 12(3), 215-33.
- Colgate, M. and Lang, B. (2001) Switching barriers in consumer markets: an investigation of the financial services industry. *Journal of Consumer Marketing*. 18(4), 332-347.
- Conger, J.A. and Kanungo, R.N. (1998) The empowerment process: integrating theory and practice. *Academy of Management Review*. 13(3), 471-482.
- Cranage, D. (2004) Plan to do to right: and plan for recovery. *International Journal of Contemporary Hospitality Management*. 16(4), 210–219.
- Cropanzano, R., Rupp, D. E., Mohler, C. J., and Schminke, M. (2001), Three roads to organizational justice. In G. R. Ferris (Ed.), *Research in personnel and human resources management*, 20, pp. 1-113, New York: JAI Press.
- De Ruyter, K. and Wetzel, M. (2000) Customer equity considerations in service recovery: a cross-industry perspective. *International Journal of Service Industry Management*. 11, 91-108.
- Deutsch, M. (1975) Equity, equality and need: what determines which value will be used as the basis of distributive justice? *Journal of Social Issues*. 31(3), 137-49.
- Eurn, L.S. and Foon, R.L.S. Application of knowledge management in the Malaysian airline industry: a critical review, *AFBE Conference Paper*, 2008, 429-442.
- Erevelles, S. and Leavitt, C. (1992) A comparison of current models of consumer satisfaction/ dissatisfaction. *Journal of consumer satisfaction, dissatisfaction and complain behavior*. 5, 104-114.
- Folkes, Valerie S. (1984) Consumer Reactions to Product Failure: An Attributional Approach. *Journal of Consumer Research*. 10 (March), 398–409.

- Fornell, C. and Wernerfelt, B. (1987) Defensive marketing strategy by customer complaint management: a theoretical analysis. *Journal of Marketing Research*. 24(November), 337-46.
- George, S. and Weimerskirch, A. (1994). *Total Quality Management: Strategies and Techniques Provent at Today's Most Successful Companies* New York:John Wiley and Sons.
- Gilbert, D. and Wong, R.K.C. (2003) Passenger expectations and airline services: a Hong Kong based study. *Tourism Management*. 24(5), 519-532.
- Gilly, M.C. and Gelb, B.D. (1982) Post-purchase consumer processes and the complaining consumer. *Journal of Consumer Research*. 9(3), 323-328.
- Goodwin, C., and Ross, I. (1992) Consumer Responses to Service Failures: Influence of Procedural and Interactional Fairness Perceptions. *Journal of Business Research*. 25 (September), 149-163.
- Greenberg, J. (1996). *The Quest for Justice on the Job: Essays and Experiments* California: Sage Publications, Thousand Oaks.
- Grönroos, C. (1988) Service quality: the six criteria of good perceived service quality. *Review of Business*. 9 (Winter), 10-13.
- Guildford, J. P. (1954). *Psychometric Methods* New York: McGraw-Hill.
- Halstead, D. and Thomas J. P. Jr. (1992) The Effects of Satisfaction and Complaining Behavior on Consumer Repurchase Intentions. *Journal of Satisfaction, Dissatisfaction, and Complaining Behavior*, 5, 1-11.
- Halinen, A. and Tahtinen, J. (2002) A process theory of relationship ending. *International Journal of Service Industry Management*. (13), 163-180.
- Hanaoka, S. and Chiamsiri, S. (2006) Strategic entry and impact of low-cost carriers in Southeast Asia. Working paper, School of Management, Asian Institute of Technology.
- Hart, C.W.L., Heskett, J.L., and Sasser, W.E. JR (1990) The profitable art of service recovery. *Harvard Business Review*. July/August, 148-156.
- Hartline, M.D. and Ferrell, O.C. (1996) The management of customer-contact service employees: an empirical investigation. *Journal of Marketing*. 60(October), 52-70.

- Hedrick, N., Beverland, M., and Minahan, S. (2007) An exploration of relational customers' response to service failure. *Journal of Services Marketing*. 21(1), 64 –72.
- Hocutt, M.N., Bowers, M.R., and Donovan, T. (2006) The art of service recovery: fact or fiction? *Journal of Services Marketing*. 20(3), 199-207.
- Hocutt, M.A. and Stone, T.H. (1998) The impact of employee empowerment on the quality of a service recovery effort. *Journal of Quality Management*. 3(1), 117-132.
- Huang, M.H. (2011) Re-examining the effect of service recovery: the moderating role of brand equity. *Journal of Services Marketing*. 25(7), 509–516.
- Hunt, H.K. (1977). CS/D-overview and future research direction, in Hunt, H.K. (Ed.), *Conceptualization and Measurement of Customer Satisfaction and Dissatisfaction*, Marketing Science Institute, Cambridge.
- Huppertz, J.W., Arenson, S.J., and Evans R.H. (1978) An Application of Equity Theory to Buyer-Seller Exchange Situations. *Journal of Marketing Research*. 15(May), 250-260.
- Iacobucci, D., Grayson, K., and Ostrom, A. (1994) Customer Satisfaction Fables. *Sloan Management Review*. 35(4), 93-96.
- Johnston, R. (1995) Service failure and recovery: impact, attributes and processes. *Advances in Services Marketing and Management: Research and Practice*. 4, 211-228.
- Kalamas, M., Laroche, M., and Cezard, A. (2002) A model of the antecedents of should and will service expectations. *Journal of Retailing and Consumer Services*. 9(6), 291–308.
- Karatepe, O.M. (2006) Customer complaints and organizational responses: The effects of complainants' perceptions of justice on satisfaction and loyalty. *International Journal of Hospitality Management*, 25(1), 69-90.
- Karatepe, O.M. and Ekiz, E.H. (2004) The effects of organizational responses to complaints on satisfaction and loyalty: a study of hotel guests in Northern Cyprus. *Managing Service Quality*. 14(6), 476-486.
- Kau, A.K. and Loh, E.W.Y. (2006) The effects of service recovery on consumer satisfaction: a comparison between complaints and non-complaints. *Journal of Service Marketing*. 20(2), 101–111.

- Keaveney, S.M. (1995) Customer switching behaviour in service industries: an exploratory study. *Journal of Marketing*. 59(2), 71-82.
- Kelley, S.W. and Davis, M.A. (1994) Antecedents to customer expectations for service recovery. *Journal of the Academy of Marketing Science*. 22(1), 52-61.
- Kelley, S.W., Hoffman, K.D. and Davis, M.A. (1993) A typology of retail failures and recoveries. *Journal of Retailing*. 69 (4), 429-452
- Komunda, M. and Osarenkhoe, A. (2012) Remedy or cure for service failure? Effects of service recovery on customer satisfaction and loyalty. *Business Process Management Journal*. 18(1), 82-103.
- Krejcie, R. V. and Morgan, D. W. (1970) Determining sample size for research activities. *Educational and Psychological Measurement*, 30, 607-610.
- Kua, J., and Baum, T. (2004) Perspectives on the Development of Low-cost Airlines in South-east Asia. *Current Issues in Tourism*, 7(3), 262-276.
- La, K.V. and Kandampully, J. (2004) Market oriented learning and customer value enhancement through service recovery management. *Managing Service Quality*. 14 (5), 390-401.
- Lapidus, R. S., and Pinkerton, L. (1995) Customer complaint situations: An equity theory perspective. *Psychology and Marketing*. 12, 105-122.
- Leventhal, G.S. (1980). What Should Be Done with Equity Theory? New A Approaches to the Study of Fairness in Social Relationships,” in *Social Exchange: Advances in Theory and Research*, Kenneth J. Gergen, Martin S. Greenberg, and Richard H. Willis, (eds.), New York: Plenum Press, pp. 27-55.
- Lewis, B.R. and Gabrielsen, G.O.S. (1998) Intra-organizational aspects of service quality management: the employees’ perspective. *The Service Industries Journal*. 18(2), 64-89.
- Lewis, B, R and Syprakopoulos (2001) Transaction or relationship marketing : Determinants of strategic choices. *Journal of Marketing Management*, 17(4), 449-464.
- Lorenzoni, N. and Lewis, B.R. (2004) Service recovery in the airline industry: a cross-cultural comparison of the attitudes and behaviours of British and Italian front-line personnel. *Managing Service Quality*. 14(1), 11 – 25.

- Lovelock, C.H., Patterson, P.G., and Walker, R.H. (2001). *Services marketing: An Asia- Pacific perspective* Sydney: Pearson Education 2nd ed.
- Lovelock, C.H., Patterson P.G. and Walker, R.H. (1998). *Services Marketing: Australia and New Zealand* Sydney:Prentice-Hall,.
- Malhotra, N.K. (2010). *Marketing research: An applied orientation* (6th ed.). New Jersey: Pearson.
- Magnini, V.P., Ford, J.B., Markowski, E.P. and Honeycutt, E.D. Jr (2007) The service recovery paradox: justifiable theory or smoldering myth? *Journal of Services Marketing*. 21(3), 213–225.
- Magnini, V.P. and Ford, J.B. (2004) Service failure recovery in China. *International Journal of Contemporary Hospitality Management*. 16(5), 279–286.
- Martin, C.L. (1993) Editorial – welcome new readers, new publisher. *Journal of Services Marketing*. 7(1), 3.
- Maxham, J.G. III (2001) Service recovery's influence on consumer satisfaction, positive word-of-mouth, and purchase intentions. *Journal of Business Research*. 54, 11–24.
- Maxham, J.G. III and Netemeyer, R.G. (2002) A longitudinal study of complaining customers' evaluations of multiple service failures and recovery efforts. *Journal of Marketing*. 66(October), 57-71.
- McCollough, M.A., Berry, L.L and Yadav, M.S. (2000) An Empirical Investigation of Customer Satisfaction after Service Failure and Recovery. *Journal of Service Research*. 3(2), 121-137.
- McGill, A. and Iacobucci, D. (1992) The role of post-experience comparison standards in the evaluation of unfamiliar services. *Advances in Consumer Research*. 19, 570-578.
- Miller, J.L., Craighead, C.W. and Karwan, K.R. (2000) Service recovery: a framework and empirical investigation. *Journal of Operations Management*. 18, 387–400.
- Morgan, R.M., and Hunt, S.D. (1994) The commitment-trust theory of relationship marketing. *Journal of Marketing*. 58(July), 20-38.

- Morrisson, O. and Huppertz, J.W. (2010) External equity, loyalty program membership, and service recovery. *Journal of Services Marketing*. 24(3), 244-54.
- Nadiri, H., Hussain, K., Ekiz, E.H. and Erdoğan, S. (2008) An investigation on the factors influencing passengers' loyalty in the North Cyprus national airline. *TQM Journal*. 20(3), 265–280.
- Nation (2001), TAT wants new airline and Phuket hub (by Choosak Jirasakunthai). (17 December). Bangkok.
- Ndubisi, N.O. and Ling, T.Y. (2005) Complaint behaviour of Malaysian consumers. *Management Research News*. 29(1), 65-76.
- Ngai, E.W.T., Heung, V.C.S., Wong, Y.H. and Chan, F.K.Y. (2007) Consumer complaint behaviour of Asians and non-Asians about hotel services: an empirical analysis. *European Journal of Marketing*. 41(11/12), 1375–1391.
- Normann, R. (2000). *Service Management Strategy and Leadership in Service Business* (3rd ed.,). New Jersey: Wiley.
- Nunnally, J. (1978). *Psychometric theory*. New York: McGraw-Hill.
- Oliver, R.L. (1997). *Satisfaction: A Behavioral Perspective on the Consumer* McGraw-Hill, New York, NY.
- Oliver, R.L. (1980) A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. *Journal of Marketing Research*. 17(September), 46-49.
- Oliver, R.L. (1981) Measurement and Evaluation of Satisfaction Processes on Retail Settings. *Journal of Retailing*. 57(3), 25-48.
- Oliver, R.L., and Swan, J.E. (1989a) Consumer perceptions of interpersonal equity and satisfaction in transactions: A field survey approach. *Journal of Marketing*. 53(2), 21-35.
- Oliver, R.L., and Swan, J.E. (1989b) Equity and disconfirmation perceptions as influences on merchant and product satisfaction. *Journal of Consumer Research*. 16, 372-383.

- Oliver, R.L. and Wayne, S.D. (1988) Response Determinants in Satisfaction Judgments. *Journal of Consumer Research*. 14(March), 495-507.
- O'Connell, J.F. and Williams, G. (2005) Passengers' perceptions of low cost airlines and full service carriers: A case study involving Ryanair, Aer Lingus, Air Asia and Malaysia Airlines. *Journal of Air Transport Management*. 11, 259–272.
- Palmer, A. (2001). *Principles of Services Marketing* (3rd ed.) Singapore: McGraw-Hill.
- Parasuraman, A., Berry, L.L., and Zeithaml, V.A. (1991) Understanding Expectations of Service. *Sloan Management Review*. 32(Spring), 39-48.
- Patterson, P.G., Cowley, E. and 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.
- Pender L, Baum T. (2000) Have the frills really left the European airline industry? *International Journal of Tourism Research*. 2, 423–436.
- Prajogo, D. (2006) The implementation of operations management techniques in service organizations: an Australian perspective. *International Journal of Operations and Production Management*. 26(12), 1374-1390.
- Rhoades, D. L., and Waguespack, B. Jr. (2005) Strategic imperatives and the pursuit of quality in the US airline industry, *Managing Service Quality*. 15(4), 344-356.
- Robson C. (1993). *Real World Research. A Resource for Social Scientists and Practitioner–Researchers* Oxford: Blackwell Publishers.
- Roth, A. and Menor, L. (2003) Insights into service operations management: a research agenda. *Journal of Production and Operations Management*. 12(2), 145-64.
- Salkind, N. J. (2008). *Statistics for people who (think they) hate statistics* (3rd ed.). Los Angeles: Sage.
- Schlessinger, L.A. and Heskett, J.L. (1991) Breaking the cycle of failure in services. *Sloan Management Review*. 17-28.

- Schoefer, K. and Diamantopoulos, A. (2008) Measuring experienced emotions during service recovery encounters: construction and assessment of the ESRE scale. *Service Business*. 2, 65–81.
- Schoefer, K., and Ennew, C. (2005) The impact of perceived justice on consumers' emotional responses to service complaint experiences. *Journal of Services Marketing*, 19(5), 261-270.
- Sekaran, U and Bougie, R. (2011). *Research methods for business: A skill building approach* (5th ed.). United Kingdom: John Wiley and Sons Ltd.
- Sheth, J.N., Sisodia, R.S. and Sharma, A. (2000) The antecedents and consequences of customer-centric marketing. *Journal of the Academy of Marketing Science*. 28(1), 55-66.
- Singh, J. (1990) Voice, exit, and negative word-of-mouth behaviors: an investigation across three service categories. *Journal of the Academy of Marketing Science*. 18(1), 1-15.
- Singh, J. and Sirdeshmukh, D. (2000) Agency and trust mechanisms in customer satisfaction and loyalty judgements. *Journal of the Academy of Marketing Science*. 28(1), 150-167.
- Sirdeshmukh, D., Singh, J. and Sobol, B. (2002). Customer trust, value and loyalty in relational exchanges. *Journal of Marketing*. 66(1), 15-37.
- Smith, A.K., Bolton, R.N. and Wagner, J. (1999) A model of customer satisfaction with service encounters involving failure and recovery. *Journal of Marketing Research*. XXXVI, 356-372.
- Smith, A.K. and Bolton R. N. (1998) An Experimental Investigation of Customer Reactions to Service Failure and Recovery Encounters Paradox or Peril? *Journal of Service Research* August. 1, 65-81.
- Sparks, B.A. and McColl-Kennedy, J.R. (2001) Justice strategy options for increased customer satisfaction in a services recovery setting. *Journal of Business Research*. 54 (3), 209-18.
- Spreng, R.A., Harrell, G.D., and Mackoy, R.D. (1995) Service recovery: impact on satisfaction and intentions. *Journal of service marketing*. 9(1), 15.
- Swanson, S.R. and Kelley, S.W. (2001) Service recovery attributions and word-of-mouth intentions. *European Journal of Marketing*. 35(1/2), 194-211.

- Suzuki, Y. (2004) The impact of airline service failures on travelers' carrier choice: A case study of central Iowa. *Transportation Journal*. 43(2), 26-37.
- Tax, S.S. and Brown, S.W. (2000). *Service Recovery: Research Insights and Practices* Thousand Oaks, California: Sage.
- Tax, S.S., Brown, S.W. and Chandrashekar, M. (1998) Customer evaluations of service complaint experiences: implications for relationship marketing. *Journal of Marketing*. 62, 60-76.
- Taylor, S. (1994) Waiting for service: The relationship between delays and evaluations of service. *Journal of Marketing*. 58(April), 56-69.
- The Star Online. AirAsia X passenger growth rises 29% in second quarter. Saturday, August 18, 2012.
- Thibaut, J. and Walker, L. (1975). *Procedural justice: A psychological analysis*. Hillsdale, NJ: Lawrence Erlbaum.
- Thomas, G. (2003) In tune with low fares in Malaysia. *Air Transport World*. 45-46.
- Tiernan S., Rhoades D.L. and Waguespack, B. Jr. (2008) Airline service quality: Exploratory analysis of consumer perceptions and operational performance in the USA and EU. *Managing Service Quality*. 18(3), 212-224.
- Tronvoll, B. (2011) Negative emotions and their effect on customer complaint behaviour. *Journal of Service Management*. 22(1), 111-134.
- Tschohl, J. (1998) Empowerment – the key to quality service. *Managing Service Quality*. 8 (6), 421-425.
- Tse, D.K., Nicosia, F.M., and Wilton, P.C. (1990) Consumer satisfaction formation: An extension. *Journal of Marketing Research*. 25, 204-212.
- Venkatesh, U. and Kulkarni, A. (2002) Employee motivation and empowerment in hospitality: rhetoric or reality? Some observations from India. *Journal of Services Research*. 2(1), 31-53.
- Walchi, S.B. and Landman, J. (2003) Effects of counterfactual thought on postpurchase consumer affect. *Psychology and Marketing*. 20(1), 23-46.

- Walster, E., Berscheid, E., and Walster, G. (1973) New directions in equity research. *Journal of Personality and Social Psychology*. 25(2), 151-176.
- Wen, B.L. (2010) Service recovery expectation model – from the perspectives of consumers. *The Service Industries Journal*. 30(6), 873-889
- Westbrook, R.A. (1980) Intrapersonal affective influences upon consumer satisfaction with products. *Journal of Consumer Research*, 7(June), 49-54.
- Weun, S., Beatty, S.E., and 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
- Wirtz, J. and Mattila, A.S. (2004) Consumer responses to compensation, speed of recovery and apology after a service failure. *International Journal of Service Industry Management*, 15(2), 150-166.
- Wirtz, J. and Johnston, R. (2003) Singapore Airlines: what it takes to sustain service excellence – a senior management perspective. *Managing Service Quality*. 13(1), 10-19.
- Yeoh, E. and Chan, J.K.L. (2011) Malaysian Low Cost Airlines: Key Influencing Factors on Customers' Repeat Purchase Intention. *World Applied Sciences Journal*. 12(Special Issue of Tourism & Hospitality), 35-43.
- Yi, Y. (1990). A critical review of consumer satisfaction, In A. Zeithaml (Ed.), *Review of Marketing*, pp. 68–123, Chicago: American Marketing Association.
- Yuksel, A., Kilinc, U.K., and Yuksel, F. (2006) Cross-national analysis of hotel customers' attitudes toward complaining and their complaining behaviours. *Tourism Management*. 27, 11–24.
- Zemke, R. (1999) Service recovery: turning oops into opportunity, *Best Practices in Customer Service*, 279-28.
- Zemke, R. and Bell, C. (1990) Service recovery: doing right the second time. *Training*. 27(6), 42-48.
- Zeithaml, V., Bitner, M.J. (2000) *Services Marketing: Integrating Customer-Focus Across the Firm*.

- Zeithaml, V.A., Bolton, R.N., Deighton, J., Keiningham, T.L., Lemon, K.N., Peterson, J.A. (2006) Forward-looking focus: can firms have adaptive foresight? *Journal of Service Research*. 9(2), 168-183.
- Zeithaml, V.A., Berry, L.L., and Parasuraman, A. (1993) The nature and determinants of customer expectations of service. *Journal of the Academy Of Marketing Science*. 21 (Winter), 1-12.