

# The Effect of Service Recovery on Customer Loyalty Through Recovery Satisfaction and Service Quality: Evidence from Carwash Customers in Jabodetabek

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## Abstract

This study examines the effect of interactional justice, procedural justice, and distributive justice on customer loyalty through recovery satisfaction and service quality among carwash customers in Jabodetabek. Using a quantitative method with SEM-PLS analysis, 135 active carwash customers who experienced service failure participated in this research. Results show that distributive justice significantly influences recovery satisfaction. Furthermore, procedural justice strongly impacts overall satisfaction. Service quality plays a critical role in determining both satisfaction and customer loyalty. The findings underscore the importance of justice dimensions and service quality in enhancing customer satisfaction and loyalty after service failure recovery in the carwash industry.

**Keywords:** Interactional Justice, Procedural Justice, Distributive Justice, Recovery Satisfaction, Overall Satisfaction, Service Quality, Customer Loyalty, Carwash

## 1. INTRODUCTION

The rapid increase in vehicle ownership in Indonesia, combined with lifestyle changes in metropolitan areas, has spurred demand for practical services like carwashes. However, service failures such as incomplete cleaning, unclear procedures, or inadequate waiting area facilities affect customer experience. Effective service recovery, especially incorporating justice dimensions, becomes crucial in this context.

This paper builds on Chang & Chang (2010) and incorporates service quality as a mediating factor, aiming to understand how justice perceptions and recovery satisfaction influence customer loyalty.

## 2. Literature Review

The theoretical framework of this study draws from the Expectancy Theory (Vroom, 1964), Customer Delight Theory (Keeling et al., 2017), and the Service Recovery Paradox (Lovelock, 2022). - **Interactional Justice** emphasizes courteous, respectful communication between staff and customers. - **Procedural Justice** focuses on the fairness and transparency of complaint-handling processes. - **Distributive Justice** relates to the perceived fairness of outcomes, such as compensation or rework. - **Recovery Satisfaction** reflects how well the service provider addresses a failure. - **Service Quality**

includes dimensions such as responsiveness, reliability, and physical environment quality. - **Customer Loyalty** is defined by repeat purchases and advocacy.

### 3. Research Methodology

This quantitative study used a structured online survey targeting Jabodetabek carwash customers aged 18–42 who had experienced service recovery. A non-probability purposive sampling method yielded 135 valid responses. The model is based on Chang & Chang (2010) with modifications to include service quality.

Data were analyzed using SEM-PLS. Measurement validity was tested via convergent and discriminant validity. Structural model fit was evaluated through R-square and path coefficient significance.

### 4. Results and Discussion

Findings confirm the following: - Distributive, procedural, and interactional justice significantly affect recovery satisfaction. - Recovery satisfaction positively influences overall satisfaction. - Service quality impacts both overall satisfaction and customer loyalty. - Overall satisfaction strongly predicts customer loyalty.

These results align with existing literature (e.g., Zeithaml et al., 2023; Brady & Cronin, 2001). Justice dimensions indirectly influence loyalty through satisfaction, highlighting the critical role of service recovery handling.

### 5. Conclusion and Future Scope

This study emphasizes the importance of fair and empathetic service recovery in enhancing customer satisfaction and loyalty. Carwash operators must train staff to handle complaints with courtesy, provide transparent procedures, and ensure fair outcomes.

Future research could explore other demographic segments or include qualitative insights. Integrating technology-based service quality indicators (e.g., online booking ease) may also yield valuable findings.

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