

# The Mediating Effect of Recovery Satisfaction on the Relationship between Distributive Justice and Electronic Word-of-Mouth in KTMB Services

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**Abstract.** Distributive justice is one of the factors affecting electronic word-of-mouth due to the existence of advanced technology. The purpose of this study is to determine the effect of distributive justice on electronic word-of-mouth. Precisely, the objective of this study is to investigate whether recovery satisfaction mediates the relationship between distributive justice and electronic word-of-mouth. The novelty of this research is to examine the role of recovery satisfaction as the customer's evaluation of the organization's efficacy in handling the service failure to improve desired outcomes of the organization's recovery effort and enhance electronic word-of-mouth. The data will be collected using a non-probability sampling of passengers of Keretapi Tanah Melayu (KTM). The proposed hypotheses of this study are tested using Partial Least Squares Structural Equation Modeling (PLS-SEM). Future research recommends considering customer delight as the mediating variable to improve the quality of user-generated online reviews, known as electronic word-of-mouth.

**Keywords:** Distributive Justice, Recovery Satisfaction, Electronic Word-of-Mouth, Keretapi Tanah Melayu passengers.

## 1. Introduction

United Nations Conference on Trade and Development (UNCTAD) (2011) stated that a nation's development and growth rely heavily on the services sector. Particularly in Malaysia, the services sector is the highest contributor to the country's economic growth. In the second quarter of 2021, the percentage of this sector increased by 13.4 per cent compared to the first quarter of the same year, with a decline of 2.3 per cent [5]. Nevertheless, the overall services sector declined at a rate of 3.5 per cent in the first quarter of 2021 due to the pandemic situation in the country. This service sector includes six sub-sectors, namely wholesale and retail trade, finance and insurance, transportation and storage, information and communication, food and beverages and accommodation.

Excellent service delivery is essential in today's service sector business. During the first and second waves of the pandemic, most companies have already taken steps to implement some innovative marketing activities to address the growing customers' concerns. For example, some companies take this opportunity to empower themselves by trying to run an online business. Some even build an application to make their businesses work soundly.

Many challenges must be faced by all businesses to retain their business during the pandemic. One of the challenges is to achieve service encounter success, which makes it impossible for the service sector to avoid mistakes and deliver flawless services to customers. In order to maintain success in the industry for the long term, service providers need to maintain excellent relationships with customers. Therefore, the level of customer satisfaction should be emphasized. [3] stated that customer satisfaction is determined by the customers' consideration they have of a product or service. However, failure to meet customers' expectations is something that organizations cannot avoid. Service failures could occur at anytime and anywhere. Therefore, how the service provider handles the services offered is crucial, especially during the pandemic, because it will determine the customers' subsequent behaviour. As a result, measures to minimize service failures are essential, as these adverse events may tarnish the company's reputation.

KTM has introduced several marketing efforts to attract locals and foreigners to use public transportation, hence overcoming the issue of traffic congestion. These marketing efforts include MyRail, Go Cashless, Komuter Link Card, Ladies Coach, Ride and Ride and many more [34]. Despite these efforts, numerous complaints concerning KTM services still arise [35]. Among the issues raised by these unsatisfied users were the ticketing machine process, inadequate schedule and facilities, rude KTM staff, and poor customer service. Consequently, this influences the experience and attitude of the customers towards the service provider, which will influence to negative word-of-mouth and a bad image of the service provider [28]. Therefore, this has caused the number of KTM users to decrease yearly, and it is evident by the data shown in Figure 1:

Type of Services	City Rail				Total	Intercity Rail			Final Total
	KTM Commuter Lembah Klang	KTM Commuter of South	KTM Commuter of North	KTM Skypark		KTMETS	Intercity KTM	Total	
2017	32,986,704	278,493	4,008,718	-	37,273,916	4,147,634	3,092,299	7,239,933	44,512,849
2018	26,311,485	307,362	5,417,424	41,392	32,077,663	3,933,093	3,527,137	7,460,230	39,537,893
2019	23,642,779	310,995	6,373,646	77,870	30,405,290	3,901,858	3,746,367	7,648,225	38,053,515
2020	9,235,396	99,670	2,436,956	23,806	11,795,828	1,646,513	1,041,040	2,687,553	14,483,381
2021	2,388,040	16,208	623,207	Not operating	3,027,455	260,103	90,089	350,192	3,377,647
Jan	397,059	3,138	130,804	following the	531,001	68,837	12,642	81,479	612,480
Feb	333,455	2,633	81,379	movement	417,467	28,658	7,279	35,937	453,404
March	567,107	3,505	143,803	control	714,415	56,611	29,787	86,398	800,813
April	612,317	3,578	150,054	period	765,949	66,190	25,135	91,325	857,274
May	341,735	2,412	81,700		425,847	36,310	13,129	49,439	475,286
June	136,367	942	35,467		172,776	3,497	2,117	5,614	178,390

**Fig. 1** Statistic Penumpang Tahunan Perkhidmatan KTM di Malaysia Bagi Tahun 2017-2021 (Agensi Pengangkutan Awam Darat, 2021)  
Source: Zakaria, Hussin, Batau & Zakaria (2010)

These problems showed that the quality of the KTM services is still lacking and poorly implemented, even if the public transportation is modernized. According to [33], public transport issues are becoming more common in Malaysia, and services are still below the required level as they could not meet the needs and demands of customers. As stated by [4], service failure is the most common research theme in service marketing that has a negative impact on customer and provider relationships. It is not surprising that despite diligent efforts for flawless service delivery, service failures will occasionally occur. [29] defined service failures as any delays or obstacles, such as errors, mistakes and shortcomings, that often occur while meeting customer needs. Hence, disasters such as an organisation's short-term or long-term existence will occur due to service failures. Consequently, some customers will file a complaint to seek an appropriate compensation from the service provider to reimburse for the losses suffered as a result of the service failures experienced by them.

## **2. Literature Review**

### **2.1 Distributive Justice and Recovery Satisfaction**

The remuneration received by the customers in respect to service recovery is referred to as distributive justice [20]. Several examples of distributive justice can be explained through a few situations such as a free stay at a hotel if the service is poor, a complimentary drink if the service is sluggish, free credit/airtime for prepaid mobile subscribers if the service is terrible and an erroneous meal replaced with a fresh one ([20]; [27]). In addition, [18] described distributive justice as a financial reward during service recovery. Recently, a few studies have been explored to study the relationship between distributive justice and recovery satisfaction. A study by [22] found that distributive justice positively relates to recovery satisfaction. The researchers also found that the impact of distributive justice on recovery satisfaction is more vital than interactional justice. [25] claimed that distributive justice influenced recovery satisfaction in retailing, hospitality, food service, airline, and auto repair industries. These findings showed that customers evaluate the compensation they receive, which subsequently affects their satisfaction following service recovery. Thus, the hypotheses were proposed;

*H1: Distributive justice have a significant positive effect on recovery satisfaction.*

### **2.2 Recovery Satisfaction and Electronic Word-of-Mouth**

Customer satisfaction is defined as the degree related to consumer emotional, a subjective judgement, as well as favourable feelings towards a product or service in terms of positive influence. In respect to consumer purchasing behaviour, satisfaction is received from the consumers' emotional state relatively to consumer purchasing behavior [23]. Likewise, attitudes among consumer and intention of the consumer are highly correlated with customer satisfaction [11] and its associated conceptions of consumers' positive behavioural intentions, for instance, customer will repurchase and loyal to buy the same products or paying for the same services. This kind of attitudes and action has highly interactions to positive word of mouth (WOM) [36]. Specifically, a company will obtain higher customer satisfaction than initial

service when its recovery approach meets the expectations of dissatisfied customers following a service failure [19].

E-WOM and social networking sites have created frequent forms of contact in our everyday lives throughout the internet. The social exchange theory [12] has been greatly utilised to explain why people share information and knowledge and why e-WOM is produced. The theory is focused on people's perception of interchange or fairness in a common relationship exchange. Based on the context of this study, mutual relationship exchange is related to consumer and service provider ([2]; [9]). Consequently, customers are more inclined to repurchase in the future and spread positive e-WOM when they are satisfied with the company's service recovery approach ([26]; [6]).

Furthermore, numerous empirical researches have been conducted to evaluate the impact of satisfaction with service recovery on WOM behaviour ([3]; [19]; [15]; [30]; [8]; [17]; [1]). In particular, consumer satisfaction towards the services relieves in approximating their positive WOM intentions ([3]; [19]; [15]; [18]; [6]; [17]). Additionally, unhappy customer may be prompted to spread negative WOM if their service recovery is not satisfactory ([30]; [1]). However, there is still lack of studies concerning the effect of customer satisfaction towards e-WOM specifically of service failure [7]. Thus, In respect to online service recovery, this study suggests the following hypothesis.

*H2: Recovery satisfaction have a significant positive effect on electronic word-of-mouth.*

### **2.3 The Mediating Effect of Recovery Satisfaction**

Recovery satisfaction is typically explained by the theory of justice ([10]; [16]; [24]). Service recovery satisfaction is an essential predictor of customer loyalty. It will also creating positive word-of-mouth and e-WOM while spreading through the internet. [13]. [14] also determined that customer loyalty (intentions to repurchase) positively correlates with recovery practices and sufficient treatment by the service provider. The perception of *distributive justice* influences customer satisfaction by implementing service recovery strategies whereby the concept of distributive justice describes when the service recovery procedure reached the final outcome. To explain the distributive justice more clearly, the company's substantial compensation may compensate for the service breakdown cost to the customer as a returned [22].

*H3: Recovery satisfaction mediates the relationship between distributive justice and electronic word-of-mouth.*

Based on the stimulus organism response (SOR) theory established by [37] and a comprehensive literature review, this research composed a proposed research framework as Figure 2. Figure 2 shows the link concerning distributive justice, recovery satisfaction, and electronic word-of-mouth. In this study, distributive justice represents as independent variable, recovery satisfaction is the mediating variable, while electronic word-of-mouth is the dependent variable. Hence, Fig.2 shows the proposed research framework of this study.

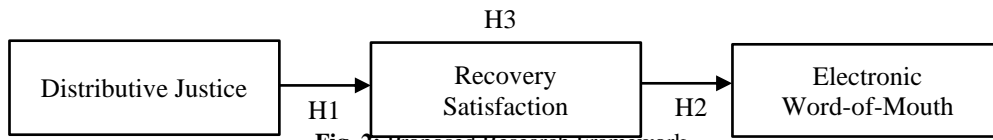


Fig. 2: Proposed Research Framework

### 3 Proposed Research Methodology

Data collection is an essential component of every form of a research study. The data will be collected at a single point in time or also known as cross-sectional study to discover the answer to the mentioned research questions. The unit of analysis of this study is individuals that will be represented by the KTM passengers. Data will be collected using a survey questionnaire. The survey will be designed accordingly to acquire the data from individuals with bad experiences and have experienced with complaints handling from KTM services. To reach the respondents, the researcher will use a purposive sampling technique where the respondents will be approached in several KTM stations near the Klang Valley area. In terms of sample design, purposive sampling will be chosen since the researcher knows about the individual instances and picked them purposefully because they were most likely to provide the best findings [38]. This study will use [39] to determine the needed sample size. According to the Z- score formula, the sample size for this research is 385 respondents. To validate the hypotheses, the researcher will analyze the gathered data using Partial Least Squares Structural Equation Modeling (PLS-SEM).

### 4 Conclusion and Recommendations

This study proposed that distributive justice-electronic word-of-mouth link is stronger when recovery satisfaction is higher. This study provides an essential knowledge to the literature by attempting to shed some light on how recovery satisfaction influences the connection between distributive justice and electronic word-of-mouth. The finding of this research brings practical implications for the upper management of the railway transportation industry as one of the initiatives to the public service to employ imperative policy related to a long-term relationship with the KTM passengers. Furthermore, it will also be valuable input for marketing managers of transportation companies to enrich their service levels. Within Malaysia, recovery satisfaction has been passively focused on many Malaysian service industries as an element to mitigate failure severity. With that, it is anticipated that the public or passengers can provide positive electronic word-of-mouth that might reflect the excellent image of the organization. Further research is desired for the justice service model to develop an exemplary model service by retaining the consistency of valid and reliable variables.

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