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Post-Recovery Satisfaction and Customer Loyalty: A Study on Service Recovery at Shwapno, Bangladesh's Leading Retail Chain

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Abstract: **Customers of Shwapno, the biggest retail chain in Bangladesh, are the subject of this study, which looks at post-recovery happiness. It focuses on how justice and courteous treatment affect customer loyalty following service failures. The study assesses distributive justice, interactional justice, customer happiness, likeability, reconciliation, repurchase intention, and word-of-mouth, all under the guidance of justice theory and relationship marketing. Using structured questionnaires, a quantitative cross-sectional survey of 100 Dhaka clients was carried out. While reliability was weaker for satisfaction and behavioral intents, it was adequate for distributive justice, interactional justice, and reconciliation. All of the assumptions were supported by correlation analysis, which demonstrated that distributive and interactional justice have a good effect on reconciliation and satisfaction, while contentment also significantly predicts repurchase and lowers unfavorable word-of-mouth. The results show that rather than focusing only on transactional solutions, service recovery should prioritize equitable results, civil communication, and the development of emotional trust. Notwithstanding the study's breadth and sample size restrictions, it offers useful information for enhancing recovery tactics in Bangladesh's expanding retail industry.**

Keywords: **Service Recovery, Customer Satisfaction,Retail Sector (Bangladesh)**

I. INTRODUCTION

Customer happiness has become a crucial component of long-term organizational success in today's fiercely competitive retail sector. Customer loyalty and confidence can be severely damaged by service failures, which can range from stockouts and billing problems to unprofessional staff conduct. Well-planned recovery initiatives, however, have the ability to improve client opinions of the service provider in addition to restoring satisfaction. Because of the size and complexity of its operations, Shwapno, one of the biggest supermarket store chains in Bangladesh, regularly has these kinds of service problems. Maintaining customer loyalty and long-term engagement after service failures requires an understanding of how customers react to recovery tactics.This study looks into how customer happiness and their desire to reconcile—the intention to continue doing business with a brand after a failure—are affected by service recovery. Based on theories of perceived justice, this study examines two important antecedents of customer satisfaction: distributive justice, or the perceived fairness of recompense, and interactional justice, or the caliber of interpersonal treatment experienced during recuperation. Customer satisfaction then affects whether they decide to make another purchase or spread unfavorable rumors. This study is important because it gives Shwapno's management practical advice on how to enhance recovery efforts and better meet consumer expectations. This study attempts to determine the key determinants of loyalty and reconciliation following service failures by examining both direct and moderating factors, such as the likeability of frontline staff. Retailers like Shwapno will be able to maintain their competitive edge, improve customer retention, and create more efficient service recovery plans thanks to the findings.

Explanation of the variables

In this report the variables are mentioned in the diagram. The article is based on post recovery satisfaction of customers of Shawpno (a retail grocery chain). Based on the topic the variables have been designed. The variables are briefly described below.

Distributional Justice- It is an independent variable. By distributional justice it means the service recovery was equally justified with the failure. That is, the steps taken by the management to solve the service failure makes the customer feel that the steps were fair enough compared with the seriousness of the failure.

Interactional Justice- It is an independent variable. Interactional justice means in case of service recovery the behavior of the personnel was polite, honest or in short fair. A polite and humble interaction by the encountering person is good enough and it makes the customer satisfied that the recovery seems to be enough

Customer Satisfaction with Service Recovery- This variable means that after getting the service recovery if the customers are satisfied or not. This is a very important variable because this determines if the other variables will be useful or not. That is if the customers are not satisfied then they will not go for repurchase or in any next steps.

Likability- Likability is a moderating variable. It directly does not impact any variable rather it indirectly impacts the other

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variables. This means how likable the outcome was that is how much did the customer like the outcome.
A Desire to Reconcile- This variable means if the customer is happy with the recovery process, then they are ready to restore their relationship with the store.
Repurchase- The variable means that the customer is happy with the service recovery and is ready to go back to the store to buy anything again or not.
Negative word of Mouth- Word of mouth means if the customers tell bad things about the service to their friends and family. The customer is unhappy with the service recovery and tells negative things and discourages his known people to go to the shop.

II. LITERATURE REVIEW

Distributive Justice
Distributive justice refers to customers' perception of fairness in complaint outcomes, including equity, equality, and need-based compensation [22]. Expectations vary based on the impact of the service failure—minor issues may call for a simple fix, while severe cases may require added compensation [7]. Research shows distributive justice significantly affects repurchase intentions and negative word of mouth [9]. Fairness is judged by consistency, impartiality, and ethical procedures [20], as well as by the customer's loss and treatment [21]. Customers in close relationships may perceive recovery efforts as less fair due to higher expectations [19], and unfair treatment can lead to anger and distrust toward the company [4].
Interactional Justice
Interactional justice refers to the fairness of interpersonal treatment during service recovery, including how respectfully and honestly customers are treated [21]. It shapes perceptions of dignity, honesty, and courtesy [20]. Studies show that respectful treatment can boost satisfaction and positive word of mouth, even if compensation is limited [3]. Conversely, a lack of concern from the company can trigger negative emotions [7].
Customer Satisfaction with service recovery

How a business handles service outages with the goal of transforming bad experiences into good ones is known as service recovery. A successful recovery strengthens commitment, fosters trust, and raises general satisfaction [21]. Following a failure, satisfied customers are more likely to use the service again and refer others to it [17]. Even more goodwill can be generated by a successful recovery than if there had been no failure [15]. Long-term connections are strengthened, loyalty is encouraged, and service quality judgments are raised [17]. Recovery initiatives frequently have a greater effect on customer satisfaction than the initial service [19].

Diagram

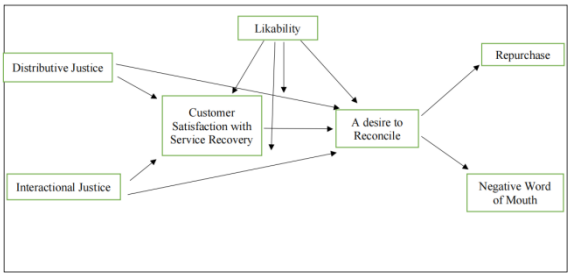


Fig. 1. Research Model

Hypothesis and questions
H 1 0 - There is no relation between Distributive justice and Customer satisfaction with service recovery.
H 1 a – There is a relation between Distributive justice and Customer satisfaction with service
recovery.
H 2 0 - There is no relation between Distributive Justice and A desire to reconcile.
H 2 a – There is a relation between Distributive Justice and A desire to reconcile.
H 3 0 - There is no relation between Interactional justice and Customer satisfaction with service
recovery.
H 3 a – There is a relation between Interactional justice and Customer satisfaction with service
recovery
H 4 0 - There is no relation between Interactional justice and A desire to reconcile.
H 4 a – There is a relation between Interactional justice and A desire to reconcile.
H 5 0 - There is no relation between Customer satisfaction with service recovery and A desire to
reconcile.
H 5 a – There is a relation between Customer satisfaction with service recovery and A desire to
reconcile.
H 6 0 - There is no relation between A desire to reconcile and Repurchase intention.
H 6 a – There is a relation between A desire to reconcile and Repurchase intention.
H 7 0 - There is no relation between A desire to reconcile and Word of mouth.
H 7 a – There is a relation between A desire to reconcile and Word of mouth.

III. METHODOLOGY

Research Design
The present study employed a formal study design with a descriptive goal to investigate post-service recovery satisfaction at Shwapno, one of Bangladesh's top mega-malls. I carried out a field study with quantitative techniques and a

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cross-sectional temporal dimension. We used a standardized questionnaire with eight questions that covered demographic information and factors such as distributive justice, interactional justice, likability, satisfaction with service recovery, desire to reconcile, intention to repurchase, and positive word-of-mouth.
Most items have a Likert scale with seven points. Convenience sampling was used to gather data from 100 Dhaka city clients, primarily private university students who have encountered issues with Shwapno's service. Customers who had experienced service problems made up the sampling unit, and customers from Shwapno's database made up the sampling frame. Both primary data—from survey responses—and secondary data—from journals, publications, and internet sources—were gathered using our approaches. We were able to examine the effects of service recovery on client loyalty, trust, and satisfaction thanks to this statistical analysis.

Data Analysis

The distribution of income levels and genders, as well as a cross-tabulation of income and gender, are included in the study's demographic frequency analysis. Of the 100 respondents, 40 percent were women and 60 percent were men. Of those surveyed, 24% earned between 5,000 and 15,000 BDT, 12% earned between 26,000 and 35,000 BDT, and 40% earned less than 5,000 BDT. Additionally, five respondents earned between 36,000 and 45,000 BDT, and seven respondents earned over 46,000 BDT.The cross-tabulation of income and gender revealed that there were 25 men and 15 women among those earning less than 5,000 BDT. The group that received 5,000–15,000 BDT consisted of 8 women and 16 males. For the 16,000–25,000 and 26,000–35,000 BDT levels, the gender ratio was six males and six females apiece. In the 36,000–45,000 BDT income range, there were three males and two women, whereas in the 46,000 BDT and above income range, there were four men and three women.

IV. RESULTS

Reliability Analysis: Reliability analysis shows the internal consistency among the items of a
construct. Through a reliability test, it shows us a Cronbach Alpha value. The more this value is
closer to 1, the more it is reliable.

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Fig.2: Cronbach's alpha values indicating the internal consistency and reliability of the study variables.

This table shows the Cronbach alpha value and the internal consistency for that value. Through this table, we will interpret the reliability test of our study.
Interactional Justice: Interactional Justice is a construct. This construct has 4 items. Here in the table, we can see that, the alpha value from 0.7 to 0.8 is acceptable. After the analysis, we found the Cronbach Alpha value for Interactional justice is .747. So, we can say that the internal consistency among the items is acceptable.
Distributive Justice:The Cronbach alpha value for Likability, which consists of three items, is.617. The table indicates that there is doubt about the internal coherence of these two things
Likability: Likability has 3 items, and the Cronbach alpha value is .617. So, according to the table, the internal consistency among these 2 items is questionable.
Satisfaction with service recovery: Three items make up Desire to Reconcile, and its Cronbach alpha value is.796. Therefore, the table indicates that there is appropriate internal consistency among these three elements.There are two items on the satisfaction with service recovery scale, and its Cronbach alpha value is.539. According to the table, these two items are not internally consistent with one another.
Desire to Reconcile:
Repurchase Intention: Repurchase Intention has 3 items, and the Cronbach alpha value is .124. So, according to the table, the internal consistency among these 2 items is not acceptable.
Positive word of mouth: Positive word of mouth has 2 items, and the Cronbach alpha value is
.117. So, according to the table, the internal consistency among these 2 items is not acceptable.
Hypothesis Testing:
Hypothesis analysis testing tells us whether to reject null hypothesis and accept alternative hypothesis or accept null hypothesis and reject alternative hypothesis. It also shows the strengths of the relationship. There is a certain condition behind this acceptance or rejection. If the correlation coefficient (rho) is not equal to 0 and Alpha <0.05, then accept the Alternative hypothesis which means there is a relationship between A and B. If one condition is not fulfilled, then accept

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the null hypothesis and reject the alternative hypothesis that says there is no relationships between A and B

Pearson Correlation Coefficient:
Hypothesis 1: (Distributive justice and Customer satisfaction)
H 1 0 - There is no relation between Distributive justice and Customer satisfaction with service recovery.
H 1 a – There is a relation between Distributive justice and Customer satisfaction with service recovery.
H 1 a is accepted because,
For Spearman's, rho, the correlation coefficient between Distributive justice and Customer satisfaction is .431, as $\boldsymbol{\rho}$ is $\neq 0$ and significance alpha value is .000 which is less than 0.05. So according to the table11 we will accept the alternative Ha1, this concludes that there is a relationship between Distributive justice and Customer satisfaction.
For Pearson, the correlation coefficient between Distributive justice and Customer satisfaction is 0.552. According to the table12, this value shows us that the relationship between Distributive justice and Customer satisfaction is moderate and positive.
Hypothesis 2: (Distributive Justice and A desire to reconcile)
H 2 0 - There is no relation between Distributive Justice and A desire to reconcile.
H 2 a – There is a relation between Distributive Justice and A desire to reconcile.
H 1 a is accepted because,
For Spearman's, rho, the correlation coefficient between Distributive justice and A desire to reconcile is .420, as $\boldsymbol{\rho}$ is $\neq 0$ and significance alpha value is .000 which is less than 0.05. So according to the table13 we will accept the alternative Ha1, this concludes that there is a relationship between Distributive justice and A desire to reconcile.
For Pearson, the correlation coefficient between Distributive justice and A desire to reconcile is 0.494. According to the table14, this value shows us that the relationship between Distributive justice and A desire to reconcile is moderate and positive.
Hypothesis 3: (Interactional justice and Customer satisfaction with service recovery)
H 3 0 - There is no relation between Interactional justice and Customer satisfaction with service recovery.
H 3 a – There is a relation between Interactional justice and Customer satisfaction with service recovery
H 1 a is accepted because,
For Spearman's, rho, the correlation coefficient between Interactional justice and Customer satisfaction with service recovery is .523, as $\boldsymbol{\rho}$ is $\neq 0$ and significance alpha value is .000 which is less than 0.05. So according to the table 15 we will accept the alternative Ha1, this concludes that there is a relationship between Interactional justice and Customer satisfaction with service recovery.
For Pearson, the correlation coefficient between Interactional justice and Customer satisfaction with service recovery is 0.554. According to the table16, this value shows us that the relationship between Interactional justice and Customer satisfaction with service recovery is moderate and positive.
Hypothesis 4: (Interactional justice and A desire to reconcile)
H 4 0 - There is no relation between Interactional justice and A desire to reconcile.
H 4 a – There is a relation between Interactional justice and A desire to reconcile.
H 1 a is accepted because,
For Spearman's, rho, the correlation coefficient between Interactional justice and A desire to reconcile is .433, as $\boldsymbol{\rho}$ is $\neq 0$ and significance alpha value is .000 which is less than 0.05. So according to the table 17 we will accept the alternative Ha1, this concludes that there is a relationship between Interactional justice and A desire to reconcile
For Pearson, the correlation coefficient between Interactional justice and A desire to reconcile is 0.414. According to the table 18, this value shows us that the relationship between Interactional justice and a desire to reconcile is moderate and positive.
Hypothesis 5: (Customer satisfaction with service recovery and A desire to reconcile)
H 5 0 - There is no relation between Customer satisfaction with service recovery and A desire to reconcile.
H 5 a – There is a relation between Customer satisfaction with service recovery and A desire to reconcile.
H 1 a is accepted because,
For Spearman's, rho, the correlation coefficient between Customer satisfaction with service recovery and A desire to reconcile is .625, as $\boldsymbol{\rho}$ is $\neq 0$ and significance alpha value is .000 which is less than 0.05. So according to the table 19 we will accept the alternative Ha1, this concludes that there is a relationship between Customer satisfaction with service recovery and A desire to reconcile
For Pearson, the correlation coefficient between Customer satisfaction with service recovery and A desire to reconcile is .663. According to the table 20, this value shows us that the relationship between Customer satisfaction with service recovery and A desire to reconcile is strong and positive.

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Hypothesis 6: (A desire to reconcile and Repurchase intention)
H 6 0 - There is no relation between A desire to reconcile and Repurchase intention
H 6 a – There is a relation between A desire to reconcile and Repurchase intention.
H 1 a is accepted because,
For Spearman's, rho, the correlation coefficient between A desire to reconcile and Repurchase
intention is .386, as $\boldsymbol{\rho}$ is $\neq 0$ and significance alpha value is .000 which is less than 0.05. So
according to the table 21 we will accept the alternative Ha1, this concludes that there is a
relationship between A desire to reconcile and Repurchase intention
For Pearson, the correlation coefficient between A desire to reconcile and Repurchase intention
is .412. According to the table 22, this value shows us that the relationship between A desire to
reconcile and Repurchase intention is moderate and positive.
Hypothesis 7: (A desire to reconcile and Word of mouth)
H 7 0 - There is no relation between A desire to reconcile and Word of mouth.
H 7 a – There is a relation between A desire to reconcile and Word of mouth.
H 1 a is accepted because,
For Spearman's, rho, the correlation coefficient between A desire to reconcile and Word of mouth is .270, as $\boldsymbol{\rho}$ is $\neq 0$ and significance alpha value is .000 which is less than 0.05. So according to the table 23 we will accept the alternative Ha1, this concludes that there is a relationship between A desire to reconcile and Word of mouth
For Pearson, the correlation coefficient between A desire to reconcile and Word of mouth is .330.
According to the table 24, this value shows us that the relationship between A desire to reconcile
and Word of mouth is weak and positive.

V. DISCUSSION

In order to improve customer happiness and loyalty after service failures, this study highlights the significance of efficient service recovery solutions. The results are consistent with theories of perceived justice, demonstrating that customer satisfaction and the desire for reconciliation are strongly influenced by both distributive justice—the fairness of compensation or results—and interactional justice—respectful and sympathetic treatment [21]. In line with earlier study by [21], which contends that equitable remuneration and result fairness encourage re-patronage behavior, distributive justice was found to have a beneficial effect on both customer satisfaction and reconciliation intentions. According to [18], who maintained that courteous interpersonal treatment improves clients' post-recovery perspectives, interactional fairness was also demonstrated to increase pleasure. Customer satisfaction with service recovery stood out as a crucial mediating element among the factors examined, exhibiting the highest association with the desire to make amends. This lends credence to the idea that behavioral reactions and perceptions of justice are connected through customer satisfaction [19]. In line with the service recovery paradox—the idea that a great recovery can result in higher satisfaction than if no failure had occurred—the study also found that the desire to make amends is a strong predictor of repurchase intention, suggesting that happy and understanding customers are more likely to return following a service failure [20].

Despite being statistically significant, the relationship between the desire to make amends and positive word-of-mouth was comparatively weaker. According to [22], this implies that although customers might decide to make another purchase, they might be reluctant to advise the service unless they notice noticeable changes. Likeability is also proposed as a moderating variable, albeit not being thoroughly examined in the statistical findings. It might affect how fairness and satisfaction are seen, suggesting that it plays a part in determining how well service recovery goes. Future studies and managerial training should also take likeability into account, particularly for front-line staff who deal directly with consumers during recovery circumstances [17].

All things considered, these results support the suggested conceptual framework and highlight how crucial perceived justice is to mending client relationships and guaranteeing long-term company viability in Bangladesh's retail industry.

VI. CONCLUSION

The purpose of this study is to gather data on Shwapno's customer satisfaction in Bangladesh. The management, who were instrumental in making sure that the requirements and desires of the customers were appropriately met, will receive accurate and helpful information from this study. This would assist them in creating fresh concepts that may form the foundation of their marketing plans to draw in more clients. Since they are the study's responders, answering the questionnaire will enable Shwapno to offer a high-quality service, product, location, and cost by learning what customers anticipate from the store.This study investigated how consumers' desire to make amends following service failures at Shwapno was impacted by distributive justice, interactional justice, and customer satisfaction with service recovery. It was established through quantitative research employing surveys and correlation testing that restoring customer trust is greatly aided by fairness in both outcome and engagement.The desire to make amends, which is primarily motivated by customer happiness, is crucial in deciding whether or not customers will recommend the brand to others

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or return. These results give Shwapno and other retail chains practical advice on how to spend money on fair remuneration policies and employee behavior training.Notwithstanding many drawbacks, including the study's short sample size and geographic scope, it provides insightful suggestions for enhancing service recovery procedures. For the repurchase and word-of-mouth constructs, future studies should take into account larger sample sizes and enhanced instrument reliability. Rebuilding connections, trust, and brand image is more important than only fixing problems when a service fails. Fairness and polite communication are highly valued by merchants in Bangladesh's dynamic retail sector, and doing so will help them maintain consumer loyalty and obtain a competitive advantage

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