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From service failure to brand loyalty: evidence of service recovery paradox

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Abstract

The transition from service failure to brand loyalty represents both a critical challenge and opportunity. Underpinned by the multi-theoretical foundation of equity theory, social exchange theory, expectancy disconfirmation theory, affect control theory, and commitment-trust theory, this study examines the mechanisms through which service recovery efforts by a brand can transform dissatisfied customers into engaged and loyal patrons, exemplifying a service recovery paradox. Employing structural equation modeling to analyze data from 638 survey responses, our findings illuminate the pivotal roles of distributive and procedural justice in crafting satisfactory service recovery experiences, overshadowing the negligible impact of interactional justice. Significantly, we uncover that fostering brand attachment amplifies the relationship between satisfaction derived from service recovery and subsequent brand engagement, wherein this engagement plays a vital role in the development of brand loyalty. These insights collectively chart a clear and strategic course for brand managers to convert service failures into triumphant resolutions, enhancing brand engagement and loyalty amidst potential hiccups in service delivery. The implications of this study also extend beyond academic discourse by offering practical strategies for brands seeking to navigate service recovery with finesse.

Keywords Brand attachment \cdot Brand engagement \cdot Brand loyalty \cdot Distributive justice \cdot Interactional justice \cdot Procedural justice \cdot Service failure \cdot Service recovery

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Introduction

The distinction between traditional service encounters and service recovery scenarios is stark. In typical service interactions, customer satisfaction primarily hinges on the initial and continuing service experience (Hapsari et al. 2017; Shamsudin et al. 2023; Sousa & Voss 2009). Contrastingly, within service recovery, satisfaction becomes multifaceted, rooted not only in the effective resolution of a service failure but also in the fairness of the outcome (distributive justice), the fairness of the processes used to resolve complaints (procedural justice), and the quality of interpersonal communication during the recovery effort (interactional justice) (Ali et al. 2023; Chen & Kim 2019; Kim et al., 2009). This layered approach to satisfaction shows the complex dynamics at play when addressing service failures, highlighting the importance of a comprehensive response to restore customer trust and loyalty. Effective service recovery is instrumental for brands as it helps deescalate deterioration in the customer-brand relationship, prevents customer churn, and contributes to long-term success. Preserving and enhancing



brand equity, effective service recovery positively influences customers' perceptions, attitudes, and behaviors toward the brand (Pappu & Quester 2016; Yoo & Donthu 2001). Thus, understanding the dynamics of service recovery and its impact on brand-related outcomes is of paramount importance for brand managers.

Service failures, though undesirable, are inherent in service delivery, posing significant challenges for organizations and their brand management strategies (Doring 2022; del Río-Lanza et al. 2009). Effective service recovery efforts are pivotal in transforming potential dissatisfaction into reaffirmed or enhanced satisfaction (Bhandari et al. 2007; de Mesquita et al. 2023). Research has explored various facets of service recovery, including the role of perceived justice (Ali et al. 2023; Filho et al. 2023), the impact of service recovery satisfaction on engagement (Cambra-Fierro et al. 2016; Zhang & Wang 2023), and the potential for a service recovery paradox, where exceptionally effective recovery efforts lead to higher satisfaction than if no failure had occurred (Ali et al. 2023; Koc et al. 2019; Magnini et al. 2007). However, the interplay between perceived justice, service recovery satisfaction, brand attachment, and brand engagement in fostering brand loyalty post-service recovery remain underexplored. Understanding these dynamics is crucial for brand managers to tailor their service recovery efforts, build trust, and create lasting brand value. Notably, while satisfaction with a complaint-handling mechanism often reflects positive responses to the structured processes for addressing grievances (Cambra-Fierro et al. 2016; Homburg & Furst 2005), satisfaction with service recovery encapsulates the emotional relief and resolution perceived by customers' post-service failure (de Mesquita et al. 2023; Kim et al. 2009). This distinction is particularly relevant for brands, as the emotional component of service recovery satisfaction can enhance customers' brand attachment, shaping loyalty and advocacy behaviors (Chaudhuri & Holbrook 2001; Iglesias et al. 2019), resulting in an evangelical customer base for brands (Purohit et al. 2023).

Extant research has primarily concentrated on the specific aspect of complaint-handling, investigating its influence on customer satisfaction and the subsequent effects on customer engagement (Cambra-Fierro et al. 2016; Zhang & Wang 2023). Moving beyond this limited focus, our study extends the scope to include the dynamics of perceived justice (comprising distributive, procedural, and interactional justice) in a brand's service recovery and examine their collective impact on service recovery satisfaction, brand engagement, and brand loyalty, including the mediating role of service recovery satisfaction and the moderating role of brand attachment post-service failure. This comprehensive approach is crucial for brands, as it captures the complex nature of customer responses to service recovery, impacting

brand perceptions, relationships, and loyalty (Do et al. 2020; Hapsari et al. 2017; Shamsudin et al. 2023).

The overarching purpose of this study is to examine the mechanisms through which service recovery efforts can transform dissatisfied customers into loyal patrons for brands, thereby exemplifying the service recovery paradox. Specifically, we aim to examine the interplay between perceived justice dimensions (distributive, procedural, and interactional), service recovery satisfaction, brand attachment, and brand engagement in fostering brand loyalty postservice recovery. Our study transcends the traditional narrative posited by Maxham III et al. (2003), which suggests that the outcomes of service failures are directly shaped by brand actions. We propose that adept service recovery can pivotally transform service failures into strategic opportunities for bolstering brand loyalty. Addressing this conceptual void, our study provides empirical backing to the service recovery paradox (Ali et al. 2023; Koc et al. 2019; Magnini et al. 2007) by offering strong evidence showing that when service failures are handled effectively, they can, counterintuitively, lead to increased brand loyalty. This insight is particularly valuable for brand managers as it highlights the transformative potential of effective service recovery in strengthening customer-brand relationships and cultivating enduring brand loyalty (Lim et al. 2022; Pappu & Quester 2016).

Our inquiry is grounded in a multi-theoretical foundation: equity theory (Adams 1963, 1965), social exchange theory (Blau 2017), expectancy disconfirmation theory (Oliver 1980), affect control theory (Heise 1977, 1979), and commitment-trust theory (Morgan & Hunt 1994). Integrating these theories, we propose a comprehensive model for understanding the complex interplay between service recovery, brand engagement, and brand loyalty, and, in turn, offering valuable insights for brand management theory and practice. Bridging extant gaps and providing a rich understanding of the service recovery process, we endeavor to advance branding literature and offer practical strategies for brand managers to effectively handle service failures, foster brand engagement, and nurture brand loyalty. The insights from this investigation will empower brand managers to transform service failures into opportunities for (re) building customer-brand relationships and strengthening brand equity.

This study offers notable theoretical and practical implications. *Theoretically*, the integration of multiple theories provides a holistic lens through which the complex dynamics of service recovery's impact on brand-related outcomes can be comprehensively understood. This multi-theoretical approach extends the boundaries of existing service recovery frameworks, providing a more complete understanding of the interplay between perceived justice, service recovery satisfaction, brand attachment, brand engagement, and brand loyalty. Moreover, by empirically substantiating the service



recovery paradox, this study contributes to the theoretical discourse surrounding the transformative potential of service failures, challenging conventional wisdom and opening new avenues for research. Practically, the insights from this study serve as a strategic roadmap for brand managers navigating the challenging terrain of service failures. Illuminating the critical roles of distributive and procedural justice in shaping recovery satisfaction and the mediating effect of service recovery satisfaction between perceived justice dimensions and brand engagement, this study offers actionable guidance for brands to design effective service recovery strategies. Highlighting the moderating role of brand attachment, this study underscores the importance of cultivating strong emotional bonds with customers to enhance the impact of recovery efforts on brand engagement and loyalty. These findings empower brand managers to allocate resources strategically, prioritizing the dimensions of justice that yield the greatest returns in terms of brand engagement and loyalty. Overall, leveraging insights from this study allows brand managers to develop a resilient and adaptive approach to service recovery, transforming service failures into opportunities for building an evangelical customer base.

Literature review and hypothesis development

Theoretical background

The present study and its proposed research model are grounded in a multi-theoretical foundation, integrating insights from equity theory (Adams 1963, 1965), social exchange theory (Blau 2017), expectancy disconfirmation theory (Oliver 1980), affect control theory (Heise 1977, 1979), and commitment-trust theory (Morgan & Hunt 1994). This integrated application offers a strong theoretical foundation for understanding the interplay between service recovery, brand engagement, and brand loyalty, providing valuable insights for brand management theory and practice.

Equity theory (Adams 1963, 1965) posits that individuals anticipate equitable treatment in an exchange process and base their justice perceptions on the fairness of the outcome (i.e., distributive justice) (Chen & Kim 2019; Kim et al. 2009). In service recovery, customers expect fairness from a brand's response post-complaint. Their assessment depends on the perceived fairness of the outcome (e.g., compensation). Applying this theory in service recovery suggests that customers' perceived fairness of the outcome (distributive justice) directly influences their satisfaction and engagement with the brand.

Social exchange theory (Blau 2017) enriches our understanding of the service recovery paradox by highlighting the importance of procedural and interactional justice. The

theory argues that social behavior results from an exchange process where people weigh benefits against risks (Emerson, 1976). When risks outweigh benefits, people abandon the exchange, and vice versa. Social exchange is seen as an outcome of trust, commitment, and reciprocity (Kumar et al. 2019). In the context of service recovery, these outcomes stem from procedural justice (the fairness of the processes and procedures in handling service recovery; Olson & Ro 2020) and interactional justice (the quality of interpersonal treatment and communication; Chen & Kim 2019). The application of this theory suggests that equitable exchanges, characterized by fair procedures and respectful communication, can foster trust and commitment, leading to enhanced satisfaction and engagement with the brand.

Expectancy disconfirmation theory (Oliver 1980) offers insights into satisfaction judgments post-service failure. The theory suggests that satisfaction results from comparing performance against expectations, wherein meeting or exceeding expectations leads to satisfaction (Do & Bowden 2024). In service recovery, surpassing the lowered expectations caused by the initial failure results in positive disconfirmation, heightening customer satisfaction and potentially their engagement with the brand.

Affect control theory (Heise 1977, 1979) grounds the mediating role of satisfaction with service recovery between perceived justice components and brand engagement. This theory posits that individuals' emotional responses to social interactions are shaped by the congruence between expected and actual experiences. When applied to service recovery, affect control theory suggests that customers' perceptions of justice influence their actual experiences and, in turn, their satisfaction with service recovery efforts. When brands implement service recovery measures that align with or exceed customers' expectations, the result is enhanced satisfaction. This satisfaction fosters cognitive, affective, and behavioral involvement with the brand, reflected through brand engagement and leading to heightened brand loyalty.

Commitment-trust theory (Morgan & Hunt 1994) explains the moderating role of brand attachment. Brand attachment represents the emotional bond customers form with a brand, which can be intensified by positive service recovery experiences. This theory suggests that higher levels of attachment with a brand can amplify the impact of service recovery satisfaction on brand engagement. Essentially, customers with stronger emotional attachments to a brand are more likely to respond positively to service recovery efforts, further consolidating their brand engagement and fostering greater brand loyalty.

Integrating these theoretical perspectives, this study explores how customers perceive and react to service failures, examining the roles of distributive, procedural, and interactional justice in the service recovery process. In addition, this study sheds light on how satisfaction with



service recovery mediates the impact of perceived justice dimensions on brand engagement and how brand attachment intensifies the link between satisfaction derived from service recovery and subsequent brand engagement. This integrated approach, therefore, enables us to unravel the mechanisms through which effective service recovery can amplify brand loyalty, thus providing valuable insights for brand managers.

Service failure and service recovery paradox

Service failure refers to any mishap during a customer's interaction with a service provider that leads to dissatisfaction (Maxham III & Netemeyer, 2002). These failures can range from minor inconveniences to major disruptions, caused by factors such as employee errors, system breakdowns, or service delivery delays (Hess Jr et al. 2003). The severity and frequency of service failures vary by industry, with sectors like airlines and hospitality being more prone to such issues (Kim et al. 2009; Nikbin et al. 2015), possibly due to their larger scale of operations.

Given the inherent nature of service failures, exploring perceived justice is essential to understanding customer responses and their potential impact on brand-related outcomes (Blodgett et al. 1997; Sidhu et al. 2023; Vazquez-Casielles et al. 2010). Effective service recovery efforts are crucial in transforming potential dissatisfaction into reaffirmed satisfaction (Bhandari et al. 2007; de Mesquita et al. 2023). The effectiveness of these efforts depends on factors such as the timeliness of the response, the perceived fairness of the recovery process and outcomes, and the quality of interpersonal interactions (Ali et al. 2023; Filho et al. 2023).

The service recovery paradox suggests that customers who experience a service failure followed by successful recovery efforts may become more satisfied and loyal to a brand than those who did not experience any failure (Maxham III & Netemeyer, 2002). This paradox highlights the transformative potential of effective service recovery in strengthening customer relationships and loyalty to a brand. The occurrence of the service recovery paradox depends on factors such as the severity of the failure, the effectiveness of the recovery efforts, and customer characteristics (Magnini et al. 2007).

One explanation for the service recovery paradox is that exceptional recovery efforts can exceed customer expectations, leading to positive disconfirmation and heightened satisfaction (Oliver 1980). When service providers demonstrate empathy, responsiveness, and fairness, customers may perceive the recovery experience as a pleasant surprise, resulting in increased satisfaction and loyalty (Bhandari et al. 2007; Kim et al. 2009). Another perspective suggests that the enhanced effort invested by service providers during recovery can make customers feel valued and cared for,

which, in turn, further boosts satisfaction and loyalty (Magnini et al. 2007; Maxham III & Netemeyer, 2002).

However, the service recovery paradox is not universal and may not occur in all service failure and recovery situations (Augusto de Matos et al. 2007; Michel & Meuter 2008). The occurrence of the paradox is influenced by contextual factors and individual customer characteristics (Michel & Meuter 2008). Therefore, service providers should approach the service recovery paradox with caution and not use it as a justification for intentionally creating failures (Michel & Meuter 2008).

Understanding the nature and impact of service failures and the potential for the service recovery paradox is crucial for brands to develop effective service recovery strategies and manage customer relationships during service breakdowns. Proactively addressing service failures and implementing appropriate recovery measures allow brands to minimize negative consequences and turn these failures into opportunities for enhancing brand loyalty, and by extension, brand equity (Bhandari et al. 2007; de Mesquita et al. 2023).

Perceived justice

Service failures are inevitable in service delivery, posing significant challenges for brands (de Mesquita et al. 2023; del Río-Lanza et al. 2009). Given their inherent nature as conflict situations, service failures necessitate an exploration of perceived justice to understand customer responses to these incidents and their potential impact on brand perceptions and relationships (Blodgett et al. 1997; Sidhu et al. 2023; Vazquez-Casielles et al. 2010). The concept of perceived justice is pivotal in influencing behavioral intentions such as recommendation, revisitation, and repurchase (3Rs) following service recovery efforts (Ali et al. 2023; Augusto de Matos et al. 2013; Schoefer & Ennew 2005). Therefore, perceived justice emerges as a critical factor for brands seeking to optimize outcomes post-service recovery and maintain strong brand equity.

Perceived justice is defined as the extent to which customers feel they have been treated fairly during a service encounter (Balaji et al. 2018). Justice theory posits that individuals' perceptions of fairness in social exchanges, such as service encounters, are shaped by three dimensions: distributive, procedural, and interactional justice (Adams 1963, 1965; Bies & Moag 1986; Blodgett et al. 1997). These perceptions are influenced by the brand's recovery actions, encompassing the procedures, outcomes, and interpersonal interactions during the service recovery process (de Mesquita et al. 2023; Ha & Jang 2009; Gelbrich & Roschk 2011; Orsingher et al. 2010). Consequently, perceived justice is conceptualized as a multidimensional construct, comprising distributive, procedural, and interactional justice (Chen & Kim 2019; Kim et al. 2009; La & Choi 2019; Vazquez-Casielles et al. 2010),



each playing a distinct role in shaping customer satisfaction and their attitude and behavior toward the brand.

Distributive justice focuses on the fairness of the outcomes of the service recovery efforts by a brand (Filho et al. 2023; La & Choi 2019; Jung & Seock 2017; McColl-Kennedy & Sparks 2003). This dimension addresses the customer's evaluation of the tangible remedies (e.g., compensation, refunds, vouchers for future purchases) offered by the brand, wherein the perceived fairness of these outcomes can significantly influence customers' satisfaction with the brand and their likelihood to continue patronizing and purchasing from it (Pappu & Quester 2016; Yoo & Donthu 2001).

Procedural justice pertains to the fairness of the processes and policies employed by a brand to address complaints and rectify service failures (Ali et al. 2023; Ha & Jang 2009; Liu et al. 2021b; Nikbin et al. 2015). This dimension evaluates the transparency, efficiency, and consistency of the complaint-handling procedures, influencing customer perceptions of fairness, wherein the perceived fairness of these procedures shapes customers' trust in the brand and their willingness to engage with the brand in the future (Chaudhuri & Holbrook 2001; Morgan & Hunt 1994).

Interactional justice relates to the quality of interpersonal treatment customers receive during the service recovery process, including competence, courtesy, and care (3Cs) demonstrated by the brand's employees (Filho et al. 2023; Karatepe 2006; Vazquez-Casielles et al. 2010). This dimension underscores the importance of respectful and sensitive communication in fostering a sense of fairness among customers, wherein the perceived fairness of these interactions can influence customers' emotional connection with the brand (Iglesias et al. 2019).

These dimensions of perceived justice collectively influence customer satisfaction following service recovery efforts (Ali et al. 2023; Filho et al. 2023). Moreover, they play a crucial role in shaping customers' perceptions of the brand, their emotional attachment to the brand, and their brand loyalty (Chaudhuri & Holbrook 2001; Pappu & Quester 2016). Thus, understanding and effectively managing these dimensions of perceived justice is of paramount importance for brand managers seeking to preserve and enhance brand equity in the face of service failures.

Perceived justice, satisfaction with service recovery, and brand engagement

Customers often do not automatically equate failures with dissatisfaction (Ali et al. 2023; del Río-Lanza et al. 2009). It is the brand's response—or lack thereof—to these failures that predominantly shapes customer (dis)satisfaction. Effective service recovery efforts are thus pivotal in transforming potential dissatisfaction into a reaffirmed or even enhanced sense of satisfaction (Bhandari et al. 2007; de Mesquita et al.

2023). These efforts, which encompass a range of actions taken to address and rectify service failures, are instrumental in influencing customers' satisfaction with service recovery and, consequently, their relationships with the brand (Lim et al. 2022; Pappu & Quester 2016).

Satisfaction with service recovery is pivotal in evaluating a brand's response to service failures, serving as a barometer for the effectiveness and appropriateness of recovery actions (Ali et al. 2023; Filho et al. 2023; Kim et al. 2009; Liao 2007). This satisfaction reflects not just contentment with the resolution but a comprehensive assessment of how well the brand's efforts align with the customer's expectations and perceptions of fairness, covering distributive, procedural, and interactional dimensions of justice (Chen & Kim 2019). When recovery efforts are perceived as fair and equitable, they bolster the customer's confidence and trust in the brand, fostering ongoing engagement and loyalty. This underscores the critical role of satisfaction with service recovery in shaping the overall brand experience and subsequent brand-related behaviors (Lim et al. 2022; Pappu & Quester 2016). The interplay between the perceived justice of recovery efforts and resultant satisfaction highlights the transformative potential of service recovery, converting potential dissatisfaction into reaffirmed or enhanced brand satisfaction and strengthening the customer-brand relationship. Effectively managing perceived justice dimensions in service recovery can be a powerful tool for brand managers to fortify customer-brand relationships and cultivate enduring brand loyalty (Chaudhuri & Holbrook 2001).

Beyond the direct impact on satisfaction, effective service recovery efforts, perceived through the lenses of distributive, procedural, and interactional justice, also play a crucial role in fostering brand engagement. Brand engagement, defined as the emotional, cognitive, and behavioral investment a customer extends toward a brand (Lim et al. 2022), extends beyond transactional exchanges to encompass an ongoing relationship between the customer and the brand. When customers perceive fairness in the outcome of the service recovery (distributive justice), the process by which the recovery is executed (procedural justice), and the interpersonal manner in which they are treated during the recovery (interactional justice), they are not only more satisfied but also more likely to engage deeply with the brand, aligning with the service recovery paradox (Ali et al. 2023; Koc et al. 2019; Magnini et al. 2007). This engagement can manifest in various forms, including increased advocacy, loyalty, and participation in co-creating value with the brand (Lim et al. 2022). Such deep brand engagement fostered through effective service recovery can, therefore, significantly enhance brand equity and strengthen the customer-brand relationship (Hollebeek et al. 2019).

The psychological underpinning of this relationship can be traced to the expectancy disconfirmation theory (Oliver



1980), where positive disconfirmation leads to satisfaction, which, in turn, catalyzes deeper engagement, and the social exchange theory (Blau 2017), which posits that positive exchanges strengthen relational bonds, encouraging ongoing engagement. Therefore, the interplay between perceived justice, satisfaction with service recovery, and brand engagement underscores a dynamic where effective service recovery not only mitigates the adverse effects of service failures but also transforms these incidents into opportunities for enhancing customer—brand relationships. This highlights the strategic importance of managing service recovery effectively to not only preserve but also strengthen customer—brand relationships, and by extension, brand equity (Pappu & Quester 2016).

Distributive justice, satisfaction with service recovery, and brand engagement

Distributive justice occurs when customers perceive the outcomes of a brand's service recovery efforts—such as refunds or discount vouchers—as fair and equitable compensation for a service failure (Ali et al. 2023; Filho et al. 2023; Kim et al. 2009; La & Choi 2019; Jung & Seock 2017; McColl-Kennedy & Sparks 2003; del Río-Lanza et al. 2009). These tangible forms of compensation play a critical role in eliciting positive emotions, significantly enhancing customers' overall satisfaction with the service recovery process. The perceived fairness of these outcomes can influence customers' satisfaction with the brand and their subsequent brand loyalty (Chaudhuri & Holbrook 2001; Pappu & Quester 2016). This relationship is underpinned by equity theory, which posits that customers desire a fair balance between their contributions and the outcomes they receive (Adams 1965). In the context of service recovery, when customers perceive the compensatory efforts as equitable, their satisfaction is naturally expected to increase.

The impact of distributive justice extends beyond satisfaction to influence brand engagement directly. When customers perceive that a brand has made fair and adequate efforts to rectify a service failure, their sense of equity and justice is affirmed, fostering a deeper connection with the brand. This connection can manifest in increased brand engagement (Lim et al. 2022), as customers are more likely to participate in positive word-of-mouth, loyalty programs, and other forms of engagement when they feel valued and fairly treated by a brand. Such enhanced brand engagement, driven by perceived distributive justice, can significantly contribute to brand equity and strengthen the customer—brand relationship (Hollebeek et al. 2019; Lim et al. 2022).

The link between distributive justice and brand engagement can also be explained through the lens of social exchange theory, which suggests that positive exchanges foster stronger relationships (Blau 2017). In this case, fair

compensation acts as a positive exchange, enhancing the customer's relationship with the brand and encouraging active engagement. From a brand management perspective, this highlights the importance of ensuring fair and equitable service recovery outcomes to not only restore customer satisfaction but also to cultivate deeper brand engagement and loyalty (Chaudhuri & Holbrook 2001; Lim et al. 2022). Given these insights, we propose the following hypotheses:

 \mathbf{H}_{1a} Distributive justice positively impacts satisfaction with service recovery.

 \mathbf{H}_{1b} Distributive justice positively impacts brand engagement.

Procedural justice, satisfaction with service recovery, and brand engagement

Procedural justice is gauged by the fairness of the processes and policies a brand utilizes to manage service failures, notably the adaptability and timeliness of the responses (Ali et al. 2023; Filho et al. 2023; Ha & Jang 2009; Kim et al. 2009; Liu et al. 2021b; Nikbin et al. 2015). Fair and efficient procedures significantly contribute to enhancing customers' satisfaction with the service recovery, as they reflect the brand's commitment to addressing customer concerns promptly and effectively. The perceived fairness of these procedures can influence customers' satisfaction with the brand and their trust in it (Kim et al. 2018; Morgan & Hunt 1994). This aligns with the expectancy disconfirmation theory, which suggests that satisfaction arises when actual experiences surpass expectations (Oliver 1980), a common outcome of fair and responsive service recovery processes (Ali et al. 2023; Filho et al. 2023).

Beyond influencing satisfaction, procedural justice also directly impacts brand engagement. When customers perceive that a brand has transparent, fair, and efficient procedures for handling service failures, their trust in the brand increases (Liu et al. 2021a, b). This trust fosters a deeper connection with the brand, encouraging customers to engage more actively with the brand through various channels such as social media interaction, participation in loyalty programs, and positive word-of-mouth (Lim & Rasul 2022; Lim et al. 2022). Such enhanced brand engagement, driven by perceived procedural justice, can significantly contribute to brand equity and strengthen the customer—brand relationship (Lim et al. 2022).

The link between procedural justice and brand engagement can also be explained through the lens of the social exchange theory, emphasizing that equitable and rewarding exchanges lead to stronger, more engaged relationships (Blau 2017). From a brand management perspective, this underscores the importance of ensuring fair and efficient



service recovery procedures to not only enhance customer satisfaction but also to foster deeper brand engagement and loyalty (Chaudhuri & Holbrook 2001; Lim et al. 2022). Given the instrumental role of procedural justice in enhancing both customer satisfaction and their brand engagement, we propose the following hypotheses:

H_{2a} Procedural justice positively impacts satisfaction with service recovery.

H_{2b} Procedural justice positively impacts brand engagement.

Interactional justice, satisfaction with service recovery, and brand engagement

Interactional justice emerges through the competent, courteous, and caring behavior (3Cs) demonstrated by a brand's employees during the service recovery process (Ali et al. 2023; Filho et al. 2023; Karatepe 2006; Vazquez-Casielles et al. 2010). This dimension of justice is pivotal in fostering customers' perceptions of empathy, respect, and value, leading to positive cognitive appraisals and, as a result, increased satisfaction with the brand's recovery efforts (Migacz et al. 2018; del Río-Lanza et al. 2009). The perceived fairness of these interactions significantly influences customers' emotional connection with the brand and their emotional attachment to it (Iglesias et al. 2019). The social exchange theory supports this relationship, positing that positive social interactions, characterized by mutual respect and understanding, enhance relational satisfaction and strengthen bonds (Blau 2017).

The impact of interactional justice extends beyond satisfaction to directly influence brand engagement. When customers feel understood and valued through empathetic and respectful communication, their emotional connection to the brand is deepened (Lim et al. 2022). This emotional bond encourages not only continued patronage but also active engagement with the brand, manifesting in behaviors such as brand advocacy, participation in feedback mechanisms, and social media interaction (Lim & Rasul 2022; Lim et al. 2022). Such enhanced brand engagement, driven by perceived interactional justice, can significantly contribute to brand equity and strengthen the customer—brand relationship (Lim et al. 2022).

The principles of the commitment-trust theory further underscore the role of interactional justice in building trust and commitment, which are foundational to brand engagement. Trust, nurtured through positive interpersonal exchanges, leads to a commitment that transcends satisfaction, driving customers to engage more deeply with the brand (Morgan & Hunt 1994). From a brand management perspective, this highlights the importance of ensuring

caring, empathetic, and respectful interactions during service recovery to not only enhance customer satisfaction but also foster deeper brand engagement and loyalty (Chaudhuri & Holbrook 2001; Lim et al. 2022). Given the significant role of interactional justice in both enhancing customer satisfaction and fostering their engagement with brands, we advance the following hypotheses:

 \mathbf{H}_{3a} Interactional justice positively impacts satisfaction with service recovery.

 H_{3b} Interactional justice positively impacts brand engagement.

Satisfaction with service recovery and brand engagement

The relationship between customers' satisfaction with service recovery and their subsequent engagement with the brand is pivotal in understanding the dynamics of postrecovery customer behavior. Bhattacherjee (2001) posits that satisfaction cultivates continuance intentions, suggesting that customers who are satisfied with a service recovery effort are more inclined to maintain their relationship with the brand through continued interactions and loyalty behaviors (Ali et al. 2023). This sustained relationship, characterized by brand engagement and loyalty, is crucial for building and maintaining strong brand equity (Hollebeek et al. 2019). Behaviors such as repeat usage and positive wordof-mouth signify an enhanced level of positive engagement with the brand (Lim et al. 2022; Thakur 2019). Conversely, dissatisfaction may prompt customers to seek alternatives, potentially leading to negative engagement behaviors such as complaints and negative word-of-mouth (Anderson & Srinivasan 2003; Do et al. 2020). Such negative brand engagement can significantly damage the customer-brand relationship, and by extension, harm brand equity—a dichotomy that underscores the crucial role of satisfaction in directing brand engagement (Lim et al. 2022). Specifically, within the service recovery context, the perception of fair and satisfactory treatment is instrumental in fostering brand engagement (Balaji & Sarkar 2013).

The concept of the service recovery paradox further illuminates this relationship, suggesting that customers may exhibit higher levels of satisfaction following an effectively resolved service failure than if the failure had never occurred (Ali et al. 2023; Koc et al. 2019; Magnini et al. 2007). This paradox highlights the potential for service recovery efforts to not only mitigate dissatisfaction but also to elevate customer satisfaction and brand engagement beyond their prefailure levels. From a brand management perspective, this underscores the strategic importance of effectively managing service recovery to not only restore customer satisfaction



but also potentially enhance the customer-brand relationship and strengthen brand equity (Hollebeek et al. 2019; Lim et al. 2022).

Drawing upon the expectancy disconfirmation theory and the social exchange theory, we propose that satisfaction with service recovery acts as a critical antecedent to brand engagement, wherein satisfied customers, perceiving fairness and value in the recovery efforts, are more likely to engage positively with the brand, reinforcing their loyalty behaviors toward that brand. Such enhanced brand engagement and loyalty, driven by satisfaction with service recovery, can significantly contribute to brand equity and strengthen the customer–brand relationship (Hollebeek et al. 2019; Lim et al. 2022). Based on these theoretical insights and empirical evidence, we advance the following hypothesis:

H₄ Satisfaction with service recovery positively impacts brand engagement.

Mediating role of satisfaction with service recovery

The preceding discussion illuminated the potential influence of perceived justice dimensions in shaping satisfaction with service recovery and brand engagement. Given these connections, it is plausible to suggest that satisfaction with service recovery may serve as a mediating variable, bridging the gap between perceived justice and brand engagement in service recovery scenarios. This mediating role of satisfaction with service recovery has significant implications for brand management, emphasizing the importance of ensuring satisfaction to translate perceptions of justice into deeper brand engagement and, by extension, stronger brand equity (Muhammad 2020).

The mediating role of satisfaction with service recovery finds theoretical support in the affect control theory proposed by Heise (1977, 1979). Affect control theory posits that individuals' emotions in social interactions are shaped by the context in which these interactions occur. According to this theory, individuals define the situation and the significant events within it, considering both their own actions and the social setting. When unexpected events disrupt the anticipated flow of interaction, individuals strive to realign their perceptions and actions to restore perceptual consistency and emotional equilibrium.

In the context of service recovery, when a brand implements recovery measures (the situation and events), customers' perceptions of justice (the perception) influence their emotional responses (the affect), which, in turn, guide their engagement behaviors with the brand (affect control), seeking to align these behaviors with their sentiments (del Río-Lanza et al. 2009). Higher levels of perceived justice in service recovery should, therefore, lead to positive emotions

and satisfaction with the recovery efforts, subsequently encouraging customers to engage more deeply with the brand (Ali et al. 2023). This deeper engagement, fostered by satisfaction with service recovery, can significantly contribute to brand equity and strengthen the customer–brand relationship (Rather 2019; So et al. 2016).

In this regard, satisfaction with service recovery can be seen as a critical link in the chain from perceived justice to brand engagement, acting as a mediator that translates perceptions of fairness into engagement with the brand. This mediating role suggests that the impact of perceived justice on brand engagement is, at least partially, contingent upon the level of satisfaction customers derive from the service recovery efforts. From a brand management perspective, this underscores the strategic importance of fostering satisfaction with service recovery to effectively translate perceptions of justice into deeper brand engagement and, ultimately, stronger brand equity (Cambra-Fierro et al. 2021; Ozuem et al. 2024). Based on this understanding, we propose the following hypotheses:

H_{5a} Satisfaction with service recovery mediates the relationship between distributive justice and brand engagement.

H_{5b} Satisfaction with service recovery mediates the relationship between procedural justice and brand engagement.

H_{5c} Satisfaction with service recovery mediates the relationship between interactional justice and brand engagement.

Moderating role of brand attachment

Customer commitment is conceptualized as a pledge of relational continuity between exchange partners, encompassing affective, calculative, and normative dimensions (Dwyer et al. 1987). Among these, brand attachment emerges from an emotional connection and is built on trust within a relationship between a customer and a brand (Sashi 2012). This attachment represents customers' psychological desire to maintain a lasting relationship with a brand, driven more by emotional investment than by rational calculation (Bansal et al. 2004). Brand attachment is a crucial factor in brand management, as it significantly influences brand engagement and loyalty (Rather et al. 2021; Roy et al. 2022).

In the context of service recovery, where customers have the freedom to discontinue their relationship with a brand following a recovery effort, calculative and normative commitments are less relevant. Calculative commitment, stemming from perceived constraints such as high switching costs, and normative commitment, arising from a sense of obligation, do not provide the discretionary element that characterizes brand attachment. Conversely, brand attachment reflects a voluntary desire to continue the relationship



due to positive feelings and satisfaction derived from past interactions (Iglesias et al. 2019). From a brand management perspective, this emotional bond is particularly valuable, as it holds the potential to foster deeper brand engagement and loyalty, even in the face of service failures.

Customers with high brand attachment exhibit behaviors indicative of a deeper, more engaged relationship with the brand (Ali et al. 2023). This attachment can manifest in various forms, including active participation in brand communities, brand advocacy, and the sharing of positive brand experiences with others, wherein such behaviors are crucial for building and maintaining strong brand equity (Schau et al. 2009; van Doorn et al. 2010). The emotional bond underpinning brand attachment implies that customers with higher levels of brand attachment are more likely to respond positively to satisfactory service recovery efforts, translating their satisfaction into enhanced engagement with the brand.

Given the emotionally driven nature of brand attachment and its foundation in trust and reciprocity, it is posited to amplify the impact of satisfaction of service recovery on brand engagement. Customers with high brand attachment are expected to exhibit stronger responses to service recovery efforts, thereby intensifying their engagement with the brand in the wake of a satisfactory recovery experience. From a brand management perspective, this underscores the strategic importance of cultivating brand attachment to enhance the effectiveness of service recovery efforts in fostering brand engagement and, ultimately, strengthening brand equity (Yuan et al. 2020). Based on these considerations, we hypothesize the following:

H₆ The relationship between satisfaction with service recovery and brand engagement will vary based on brand attachment, such that the effect will be higher for high brand attachment and vice versa.

Brand engagement and brand loyalty

Brand loyalty is characterized by consistent, preferential purchasing behavior, driven by a deep-seated commitment to a brand over time (Hollebeek 2011). This loyalty manifests in customers' deliberate choice to favor a specific brand, reflecting a blend of both attitudinal and behavioral dimensions (Pappu & Quester 2016; Yoo & Donthu 2001). Attitudinal loyalty encompasses the affective and cognitive inclinations that predispose customers to continually patronize a brand, whereas behavioral loyalty captures the tangible, habitual purchasing patterns exhibited by customers toward the brand (Anisimova 2007; Zheng et al. 2015). Brand loyalty is a critical outcome for brand managers, contributing to sustainable competitive advantage, enhanced brand equity, and long-term profitability (Parris & Guzman 2023).

In the context of service recovery, brand engagement plays a critical role in affirming and amplifying the existing trust and commitment that customers have toward a brand. Engagement activities, which include interactive behaviors such as providing feedback, participating in brand communities, and social sharing, not only deepen the customer–brand relationship but also serve to validate and strengthen customers' loyalty to the brand (Bastrygina & Lim 2023; Lim et al. 2022). This deepend relationship, nurtured through positive engagement experiences, can have a profound impact on both the attitudinal and behavioral components of brand loyalty (Gummerus et al. 2012; Hollebeek 2011).

From a brand management perspective, fostering brand engagement, particularly after service recovery efforts, is strategically important for maintaining and strengthening brand loyalty (Lim et al. 2022). Actively engaging customers and providing them with positive experiences, even in the face of service failures, allows brand managers to cultivate a deeper emotional connection and commitment to the brand. Given the pivotal role of brand engagement in cultivating a strong and enduring brand loyalty, especially within the context of service recovery, the following hypothesis is proposed:

H₇ Brand engagement positively impacts brand loyalty.

The research model illustrates these hypotheses along with their supporting theoretical lenses (Fig. 1).

Methods

Instrumentation

To gather empirical data, we administered a structured questionnaire to measure the constructs central to our research model. The questionnaire items were carefully selected and adapted from previously validated scales to ensure reliability and relevance to our study's context.

Distributive justice. The perception of fairness in the outcomes of service recovery efforts was measured using four items derived from Kim et al. (2009). These items were tailored to capture the extent to which respondents felt the compensation they received by the brand was acceptable, adequate, fair, and deserving.

Procedural justice. The fairness of the processes and methods employed by brands to handle service failures was assessed through four items adapted from Kim et al. (2009). These items were modified to reflect the clarity, effectiveness, and timeliness of the service recovery procedures adopted by the brand from the customer's perspective.

Interactional justice. The quality of interpersonal communication and treatment during the service recovery



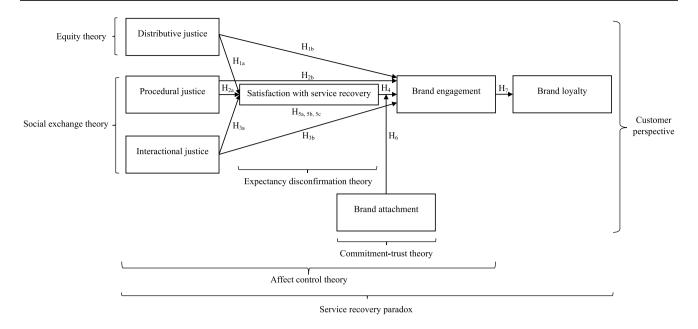


Fig. 1 Research model of service recovery paradox

process by the brand was operationalized using five items from Kim et al. (2009). The items were customized to gauge the competence, courtesy, and care exhibited by the brand's personnel during recovery interactions.

Satisfaction with service recovery. The customers' overall satisfaction with the service recovery efforts was measured using five items sourced from Vazquez-Casielles et al. (2010). These items were adapted to assess the respondents' contentment with the brand's response to service failures.

Brand engagement. The level of customer engagement with the brand was assessed using 11 items adapted from Harrigan et al. (2017). The items were designed to capture various dimensions of engagement, including cognitive, emotional, and behavioral aspects (i.e., absorption, identification, and interaction). We followed prior scholars (e.g., Cheng et al. 2024) in using a holistic approach to brand engagement, thereby capturing its totality rather than treating the dimensions as separate constructs.

Brand attachment. The emotional attachment toward the brand was operationalized using three items taken from Shukla et al. (2016). These items were chosen to reflect the depth of the emotional bond and the desire to maintain a relationship with the brand.

Brand loyalty. The commitment to continue using the brand in the future was measured using three items from Nam et al. (2011). These items were selected to evaluate the likelihood of repeat purchases and recommendations to others.

Brand image. The customers' overall impression of the brand's image, which was measured using three items adapted from Cretu and Brodie (2007), was included as a

control variable in this study as past scholars suggest that brand image significantly influences brand loyalty (Parris and Guzman 2023). Thus, accounting for brand image prevents confounding effects on the direct impact of justice dimensions on brand engagement and loyalty, thereby enhancing the precision of the analysis.

We also included other control variables such as age, education, gender, and occupation based on literature suggesting their potential influence on brand loyalty (Saeed et al. 2013; Yeh et al. 2016). These controls were included to account for their possible effects on the relationships being studied.

Sampling

For this investigation, we engaged 661 individuals who identified themselves as frequent travelers within the Indian travel industry. The selection of this particular context was driven by two primary considerations. First, the travel industry, characterized by its highly personalized service experiences, inherently presents a heightened risk of service failures. The effective resolution of such failures is pivotal in converting dissatisfied customers into loyal advocates and proponents of the brand (So et al. 2014), underscoring the critical nature of service recovery in this sector. Second, the choice of the Indian travel industry was a pragmatic one, stemming from the authors' geographical location and their in-depth familiarity with the local industry dynamics. This familiarity not only facilitated access to relevant participants but also provided in-depth insights into the typical service recovery practices and customer expectations within this market. Such a pragmatic approach ensured that the study



was grounded in a context where the authors could leverage their expertise and knowledge for more accurate data collection and analysis, thereby enhancing the study's overall validity and relevance.

The criteria for defining a 'frequent traveler' were based on the benchmark of having undertaken at least 10 trips in the preceding year (Knutson 1988). This subgroup was targeted because frequent travelers, by virtue of their extensive travel, are more susceptible to encountering service failures and the subsequent recovery efforts by brands across various sectors within the travel industry, including airlines, hotels, and related services. These services are not commodities but rather provided by brands, thus highlighting the relevance of this context for our brand-focused research. Moreover, frequent travelers provide a rich context for studying the transition from service failure to brand loyalty due to their heightened exposure to services and, by extension, the likelihood of encountering service recovery scenarios. Their experiences offer valuable insights into how effective service recovery can lead to increased brand loyalty, demonstrating the service recovery paradox in a real-world setting. This makes them an ideal sample for examining the dynamics of service recovery and its impact on brand loyalty.

To ensure relevant participants were recruited, three screening questions were posed: (1) Have you ever encountered a service failure with a travel company? (2) Did the company undertake any efforts to rectify the issue? (3) How many trips have you taken in the last year? To bridge any gaps in understanding, brief explanations of 'service failure' and 'service recovery' were provided, addressing the potential unfamiliarity with these academic concepts among participants.

Respondents who affirmed experiencing service failures and recovery efforts and met the travel frequency criterion were included in the survey. The survey was structured and included attention check questions to verify respondent attentiveness (Paolacci et al. 2010), a step that led to the exclusion of 23 respondents due to failed attention checks. This resulted in 638 valid responses for analysis. The demographic breakdown of the respondents was as follows: 54% (345) were male, and 46% (293) were female. Age distribution included 26% (166) between 25 and 35 years, 33% (211) between 36 and 45 years, 24% (153) between 46 and 55 years, with the remaining participants (108) above 55 years. Regarding educational attainment, 29% (185) had

completed higher secondary education or less, 36% (230) were graduates, and 35% (223) held post-graduate degrees or higher qualifications. Professionally, 32% (204) were employed in the public sector, 36% (230) in the private sector, with the remainder (204) being self-employed.

Results

Assessment of measurement model

Data were analyzed using the SPSS AMOS v.25 software. The initial evaluation of the measurement model involved a confirmatory factor analysis (CFA) to ascertain the factorial structure of the constructs under study. During this process, items with low factor loadings, indicative of weak associations with their respective constructs, were identified and removed to enhance the model's integrity (DeVellis 2017; Hair et al. 2019; Kline 2015). Specifically, five items related to brand engagement and one item from brand image were excluded. The refined measurement model, subjected to CFA using the maximum likelihood estimation method, demonstrated satisfactory item loadings on their designated constructs, as summarized in Table 1. The factor loadings for all retained items exceeded the 0.7 threshold, except for five that were lower yet retained for their conceptual importance (ensuring content validity) and because their inclusion did not compromise overall reliability or validity. Retaining these items ensured the measurement model remained robust (Lim 2024, 2025).

Convergent validity, a measure of the extent to which items of a construct are in agreement, was confirmed through the average variance extracted (AVE) values and factor loadings (Lim 2024, 2025). All constructs exhibited AVE values and factor loadings surpassing the 0.5 benchmark, signifying a substantial proportion of variance captured by the constructs relative to measurement error (Hair et al. 2017).

Discriminant validity, assessing the distinctiveness of the constructs, was also established (Lim 2024, 2025). Following Fornell and Larcker (1981), this was evidenced by the square roots of AVE values for each construct—presented diagonally in Table 2—being greater than the inter-construct correlation coefficients, ensuring that each construct is empirically distinct.

Reliability of the constructs was ascertained through Cronbach's alpha and composite reliability values (Lim 2025), all of which exceeded the 0.7 criterion, indicating a high level of internal consistency among the items of each construct (Hair et al. 2017).

The fit indices derived from the CFA provided evidence for the acceptable fit of the measurement model to the data. The model fit was evaluated through various indices including the chi-square to degrees of freedom ratio $(\chi^2/df = 3.87, 4.87)$



¹ Our procedure included scrutinizing the dataset for monotonic responses and outliers, in addition to examining its distribution. Specifically, we analyzed histograms, skewness values, and normal probability plots (Q–Q plots) to verify normality assumptions before proceeding with the CB-SEM approach. The results confirmed that the data were sufficiently normal, which allowed us to use CB-SEM for hypothesis testing.

 Table 1
 Measurement model statistics

Construct	Item	Factor loading	Average variance extracted	Cronbach's alpha	Composite reliability	Source
Distributive justice	DJ1. Compared to what I expected, the offer received (e.g., discount) from the firm/brand was acceptable.	0.863	0.669	0.888	0.889	Kim et al. (2009)
	DJ2. Taking everything into account, the firm's/brand's offer was quite fair.	0.909				
	DJ3. Given the circumstances, I feel that the firm/brand has offered adequate compensation.	0.777				
	DJ4. I did not get what I deserved from the firm/ brand (e.g., regarding a refund/coupon/room upgrade/etc.).*	0.708				
Procedural justice	PJ1. My complaint was handled by the firm/brand in a very timely manner.	0.902	0.761	0.926	0.927	Kim et al. (2009)
	PJ2. My complaint was not resolved by the firm/brand as quickly as it should have been.*	0.928				
	PJ3. The procedure for handling my complaint by the firm/brand was complicated.*	0.860				
	PJ4. The employees of the firm/brand made an effort to adjust the procedure of handling my complaint according to my needs.	0.794				
Interactional justice	IJ1. Employees of the firm/ brand were courteous to me.	0.705	0.500	0.807	0.809	Kim et al. (2009)
	IJ2. Employees' communica- tion with me was appropri- ate.**	0.667				
	IJ3. Employees of the firm/ brand put the proper effort into resolving my problem.	0.803				
	IJ4. Employees of the firm/ brand showed a real inter- est in trying to be fair.**	0.686				
	IJ5. Employees showed concern.**	0.511				



 Table 1 (continued)

Construct	Item	Factor loading	Average variance extracted	Cronbach's alpha	Composite reliability	Source
Satisfaction with service recovery	SSR1. I am satisfied with the way my problem was dealt with and resolved by the firm/brand.	0.814	0.655	0.904	0.904	Vazquez-Casielles et al. (2010)
	SSR2. I am happy with the way my problem was solved.	0.879				
	SSR3. I am satisfied with the treatment from the employ- ees involved in resolving the problem.	0.880				
	SSR4. I am satisfied with the procedure (way of working) and the resources used by the firm/brand to solve the problem.	0.716				
	SSR5. In my opinion, the firm/brand provided a satisfactory solution to my problem.	0.743				
Brand engagement	BE1. When someone criticizes this firm/brand, it feels like a personal insult.	0.897	0.686	0.813	0.815	Harrigan et al. (2017)
	BE2. When I talk about this firm/brand, I usually say 'we' rather than 'they'.	0.880				
	BE3. When someone praises this firm/brand, it feels like a personal compliment.	0.908				
	BE4. I am passionate about this firm/brand.	0.788				
	BE5. Anything related to this firm/brand grabs my attention.	0.897				
	BE6. In general, I like to get involved in the firm/brand community discussions.**	0.421				
Brand attachment	BA1. I was not 'emotionally attached' to this firm/brand prior service failure also.*	0.758	0.505	0.703	0.703	Shukla et al. (2016)
	BA2. Prior service failure, this firm/brand had a great deal of personal meaning to me.	0.705				
	BA3. Prior service failure, I had a strong sense of belonging to this firm/ brand.**	0.455				



Table 1 (continued)

Construct	Item	Factor loading	Average variance extracted	Cronbach's alpha	Composite reliability	Source
Brand loyalty	BL1. I will recommend this firm/brand to someone who seeks my advice.	0.782	0.650	0.845	0.848	Nam et al. (2011)
	BL2. Next time I will use the services of this firm/brand.	0.846				
	BL3. I will switch to other firms/brands if I experience a problem with this firm/brand.*	0.790				
Brand image	BI1. This firm/brand is trendy.	0.831	0.660	0.795	0.795	Cretu and Brodie (2007)
	BI2. This firm/brand has a reputation for quality.	0.794				

^{*}Reverse-coded item. ** Item not meeting the 0.70 benchmark for factor loading but retained for their conceptual importance and because their inclusion did not compromise overall reliability or validity

Table 2 Correlation matrix

Constructs	Mean	Standard deviation	DJ	PJ	IJ	SSR	BE	BA	BL	BI
Distributive justice (DJ)	4.47	1.15	0.82 ^a							
Procedural justice (PJ)	3.85	1.43	0.35**	0.87^{a}						
Interactional justice (IJ)	3.25	1.21	-0.05	-0.01	0.71^{a}					
Satisfaction with service recovery (SSR)	2.63	1.16	0.47**	0.33**	0.06	0.81 ^a				
Brand engagement (BE)	2.88	1.22	-0.22*	-0.18**	0.04	-0.15**	0.82^{a}			
Brand attachment (BA)	3.55	1.06	0.03	0.06	0.53**	0.04	0.07*	0.71^{a}		
Brand loyalty (BL)	4.39	1.30	0.18**	0.16**	0.06	0.11**	-0.03	0.28**	0.81^{a}	
Brand image (BI)	2.45	1.36	0.14**	0.13**	0.09	0.12**	-0.05	0.25**	0.71**	0.77^{a}

^aSquare root of average variance extracted. ** p < 0.01. * p < 0.05

p < 0.001), comparative fit index (CFI = $0.88 \approx 0.90$), goodness-of-fit index (GFI = $0.86 \approx 0.90$), adjusted goodness-of-fit index (AGFI = $0.84 \approx 0.90$), normed fit index (NFI = $0.87 \approx 0.90$), Tucker-Lewis index (TLI = $0.88 \approx 0.90$), and the root mean square error of approximation (RMSEA = 0.067 < 0.08), all of which indicated a satisfactory fit between the proposed model and the observed data.

Assessment of common method bias

In addressing the potential for common method bias (CMB), which can arise from the use of self-reported data within a single questionnaire, a combination of procedural and statistical techniques was employed in line with recommendations by Podsakoff et al. (2003) and Lim (2024, 2025).

Procedural measures. During the data collection, several procedural precautions were taken to minimize the risk of CMB. Confidentiality of the respondents was assured to foster an environment of trust and encourage the provision of genuine responses (Lim 2024, 2025). In addition, respondents were informed that there were no 'right' or 'wrong' answers, a tactic that sought to reduce evaluation apprehension and promote honest feedback (Jebarajakirthy & Das 2020). These steps were intended to alleviate any potential biases stemming from the data collection process itself.

Statistical measures. To statistically assess the presence of CMB, two distinct methods were employed:

Harman's single-factor test. This method involves conducting an exploratory factor analysis (EFA) on all survey items to check if a single factor emerges or if one



factor accounts for the majority of the covariance among the variables (Purohit et al. 2023). A significant dominance by a single factor would suggest the presence of CMB. However, in our analysis, the eight-factor model proposed in the study demonstrated significantly better fit indices (χ^2 /df = 3.87, p < 0.001; CFI = 0.88 \approx 0.90; GFI = 0.86 \approx 0.90; AGFI = 0.84 \approx 0.90; NFI = 0.87 \approx 0.90; TLI = 0.88 \approx 0.90; RMSEA = 0.067 < 0.08) compared to the single-factor model (χ^2 /df = 15.69, p > 0.05; CFI = 0.37 < 0.90; GFI = 0.33 < 0.90; AGFI = 0.30 < 0.90; NFI = 0.32 < 0.90; TLI = 0.35 < 0.90; RMSEA = 0.21 > 0.08), suggesting that CMB was not a significant concern in our data.

• Latent factor test. As an additional check, a latent variable representing the common method factor assessed the presence of CMB by observing its impact on the relationships between constructs (Sivapalan et al. 2022). The analysis revealed that the differences in the factor loadings for the items post-analysis with common latent factor with that of without latent factor was less than 0.2 (Table 3). This minor change further supports the conclusion that CMB is unlikely to bias the findings (Podsakoff et al. 2003).

Assessment of structural model and hypothesis testing

The study's hypotheses were rigorously tested through a combination of structural equation modeling (SEM) and conditional process analysis. SEM, conducted using AMOS v.22, was employed to assess the direct effects posited in H_{1a-b} , H_{2a-b} , H_{3a-b} , H_{4} , and H_{7} . The mediating role of satisfaction with service recovery in the relationships between the dimensions of perceived justice and brand engagement as per H_{5a-c} was examined using PROCESS Model 4 while the moderating effect of brand attachment on the relationship between satisfaction with service recovery and brand engagement as per H_{6} was tested using PROCESS Model 1, with both models employing 5000 bootstrapped resamples (Hayes 2013).

Main effects. The SEM revealed significant positive effects of distributive justice (β =0.43, t=11.39, p<0.01) and procedural justice (β =0.15, t=5.15, p<0.01) on satisfaction with service recovery, substantiating H_{1a} and H_{2a}. However, interactional justice did not significantly influence satisfaction with service recovery (β =0.05, t=1.43, p>0.05), leading to the rejection of H_{3a}. In terms of the impact on brand engagement, both distributive justice (β =0.21, t=3.01, p<0.01) and procedural justice (β =0.13, t=2.76, p<0.01) showed significant positive effects,

Table 3 Latent factor test

Construct	Item	Factor loading (without latent factor)	Factor loading (with latent factor)
Distributive justice	DJ1	0.86	0.72
(DJ)	DJ2	0.91	0.83
	DJ3	0.78	0.63
	DJ4	0.71	0.59
Procedural justice (PJ)	PJ1	0.90	0.82
	PJ2	0.93	0.81
	PJ3	0.86	0.74
	PJ4	0.79	0.60
Interactional justice	IJ1	0.71	0.61
(IJ)	IJ2	0.67	0.55
	IJ3	0.80	0.66
	IJ4	0.69	0.62
	IJ5	0.51	0.49
Satisfaction with ser-	SSR1	0.81	0.72
vice recovery (SSR)	SSR2	0.88	0.78
	SSR3	0.88	0.79
	SSR4	0.72	0.63
	SSR5	0.74	0.59
Brand engagement	BE1	0.90	0.83
(BE)	BE2	0.88	0.81
	BE3	0.91	0.74
	BE4	0.79	0.64
	BE5	0.90	0.72
	BE6	0.42	0.46
Brand attachment	BA1	0.76	0.61
(BA)	BA2	0.71	0.63
	BA3	0.45	0.44
Brand loyalty (BL)	BL1	0.78	0.65
	BL2	0.85	0.77
	BL3	0.79	0.71

For full item statements, refer to Table 1

confirming H_{1b} and H_{2b} . Interactional justice, however, did not significantly affect brand engagement (β =0.08, t=1.51, p>0.05), resulting in the non-support of H_{3b} . Furthermore, satisfaction with service recovery exhibited a significant positive effect on brand engagement (β =0.13, t=5.11, p<0.01), affirming H_4 , while brand engagement significantly influences brand loyalty (β =0.21, t=3.04, p<0.01), supporting H_7 .

Mediating effects. The conditional process analysis utilizing PROCESS Model 4 indicated that satisfaction with service recovery mediates the relationships between distributive justice and brand engagement (β =0.11, SE=0.02, LLCI=0.03, ULCI=0.20) and between procedural justice and brand engagement (β =0.08, SE=0.01, LLCI=0.02, ULCI=0.15), thereby supporting H_{5a} and H_{5b}.



The mediation effect of satisfaction with service recovery in the relationship between interactional justice and brand engagement was not significant ($\beta = -0.01$, SE = 0.02, LLCI = 0.002, ULCI = 0.003), leading to the rejection of H_{5c} .

Moderating effects. The conditional process analysis of the moderating role of brand attachment, using PRO-CESS Model 1, revealed a significant positive moderation effect of brand attachment on the relationship between satisfaction with service recovery and brand engagement (β =0.12, t=2.01, p<0.01), supporting H₆. This indicates that higher levels of brand attachment enhance the positive impact of satisfaction with service recovery on brand engagement.

Control effects. Control variables such as brand image, age, education, gender, and occupation were considered in the analyses to account for their potential influence on brand

loyalty. Of these, only brand image showed a significant effect on brand loyalty (β =0.52, t=17.65, p<0.001). This finding indicates that brand image exerts a distinct influence on brand loyalty independent of the perceived justice dimensions that drive brand engagement. Even when these variables (perceived justice dimensions and brand engagement) are incorporated in the model, brand image as a control variable continues to significantly explain variance in the dependent variable, confirming its intrinsic predictive power.

The results of these comprehensive analyses are summarized in Table 4, providing a detailed overview of the supported and non-supported hypotheses. The implications of these findings on the theoretical and practical understanding of service recovery are discussed in the next sections.

Table 4 Structural equation modeling and conditional process analysis results

Panel A. Ma	ain effects							
Hypothesis	Relationship			Effect	t valu	ie	Outcome	
$\overline{H_{1a}}$	Distributive justice → Satisfaction with	service recovery		0.43**	0.43** 11.39		Supported	
H_{1b}	Distributive justice → Brand engageme	ent		0.21**	21** 3.01		Supported	
H_{2a}	Procedural justice→Satisfaction with	service r	recovery	0.15**	5.15		Supported	
H_{2b}	Procedural justice → Brand engagement	ıt		0.13** 2.76			Supported	
H_{3a}	Interactional justice → Satisfaction wit	h service	erecovery	0.05 ns	1.43		Not supported	
H_{3c}	Interactional justice → Brand engagem	ent		0.08 ns	0.08 ^{ns} 1.51		Not supported	
H_4	Satisfaction with service recovery → B	rand eng	gagement	0.13**	5.11		Supported	
H_7	Brand engagement → Brand loyalty			0.21**	3.04		Supported	
Panel B. Me	ediation effects							
Hypothesis	nesis Relationship		Bootstrap standard error	Bootstrap lower limit confidence interval	Bootstraj limit con interval		Outcome	
H _{5a}	Distributive justice → Satisfaction with service recovery → Brand engagement	0.11	0.02	0.03	0.20		Supported	
H_{5b}	Procedural justice → Satisfaction with service recovery → Brand engagement	0.08	0.01	0.02	0.15		Supported	
H _{5c}	Interactional justice → Satisfaction with service recovery → Brand engagement		0.02	-0.02	0.003		Not supported	
Panel C. Mo	oderation effects							
Hypothesis	Relationship				Effect	t value	Outcome	
H_6	Brand attachment × Satisfaction with service		ery → Brand e	engagement	0.12**	2.01	Supported	
Panel D. Co	ontrol effects							
	Relationship		Effect		t value		Outcome	
	Age → Brand loyalty		-0.011 ns		0.876		Not significant	
	Brand image → Brand loyalty		0.52**		17.65		Significant	
	Education → Brand loyalty		0.028 ns		0.370		Not significant	
	Gender→Brand loyalty		0.066 ns		1.05		Not significant	
	Occupation → Brand loyalty		0.043 ns		0.96		Not significant	



Discussion

This study investigated the dynamics of service recovery and its impact on brand-related outcomes by examining how perceived justice and brand attachment influence the interplay among satisfaction with service recovery, brand engagement, and brand loyalty. Specifically, this study illuminated the mediating role of satisfaction with service recovery in the relationship between the dimensions of perceived justice and brand engagement, and the moderating role of brand attachment in the relationship between satisfaction with service recovery and brand engagement when a brand initiates service recovery. These explorations yield several significant contributions to both scholarly discourse and managerial practice.

Theoretical contributions

This study enriches the body of knowledge on service recovery and brand management by dissecting the composite nature of perceived justice and its differential impacts on satisfaction with service recovery. While extant literature has acknowledged the link between perceived justice and customer satisfaction in service recovery scenarios, it often treated perceived justice as a monolithic construct, thereby overlooking the distinct contributions of its underlying dimensions (Balaji et al. 2018; Cambra-Fierro and Melero-Polo 2017). Our study diverges from this approach by deconstructing perceived justice into its constitutive elements—distributive, procedural, and interactional justice and examining their individual effects on satisfaction with service recovery, and its spillover effects on brand engagement and subsequently to brand loyalty, under the influence of brand attachment. This comprehensive approach provides a deeper understanding of how perceived justice dimensions influence brand-related outcomes, thus contributing to the advancement of brand management theory.

Unveiling the nuances of distributive and procedural justice. Our findings corroborate the pivotal roles of distributive and procedural justice in enhancing satisfaction with service recovery, aligning with the theoretical propositions that equitable outcomes and fair processes are fundamental to customer satisfaction in service recovery (Ali et al. 2023; Filho et al. 2023; Ha & Jang 2009; Kim et al. 2009; La & Choi 2019; Liu et al. 2021b; Jung & Seock 2017; McColl-Kennedy & Sparks 2003; Nikbin et al. 2015; del Río-Lanza et al. 2009). This distinction underscores the importance of not only the end results of service recovery efforts but also the means by which these results are achieved, thereby offering a more granular understanding of how justice perceptions shape customer responses. From a brand management perspective, this insight highlights the strategic importance

of ensuring fair outcomes and processes in service recovery to foster positive brand perceptions and relationships. Theoretically, our study advances brand theory by clearly differentiating the impacts of distributive and procedural justice on customer satisfaction, suggesting that these dimensions should be analyzed separately rather than as a unified construct. This separation provides a deeper understanding of the specific mechanisms through which justice perceptions influence brand engagement and loyalty, thereby offering a more refined framework for examining the interactions between service recovery and brand-related outcomes. These findings challenge the conventional approach of treating perceived justice as a monolithic entity and instead advocate for a more detailed examination of its components, thereby enriching the theoretical discourse on service recovery and its implications for brand loyalty.

Understanding interactional justice as a foundational expectation. Contrary to expectations (Ali et al. 2023; Filho et al. 2023; Karatepe 2006; Vazquez-Casielles et al. 2010), our study reveals that interactional justice—characterized by the competence, courtesy, and care displayed by service personnel—does not significantly influence satisfaction with service recovery. This finding challenges the traditional emphasis on interactional justice as a primary driver of satisfaction (Muller et al. 2014), suggesting instead that it serves as a fundamental expectation in service recovery encounters. This insight indicates that while customers expect competent, courteous, and caring treatment as a baseline, these elements alone do not enhance their satisfaction with service recovery. Theoretically, this shifts the discourse on service recovery by positing that interactional justice is a necessary but not sufficient condition for customer satisfaction. This finding implies that brand theory should consider interactional justice as a basic prerequisite that must be complemented by other justice dimensions—distributive and procedural—to effectively drive customer satisfaction and engagement with brands. This challenges the existing models that overly prioritize interactional justice, highlighting the need for a more balanced approach that incorporates all dimensions of perceived justice in understanding and improving service recovery outcomes for brands.

Unpacking the mediating role of satisfaction with service recovery. Building on the detailed exploration of perceived justice's impact on satisfaction with service recovery, this study extends the theoretical discourse by examining the mediating role of satisfaction with service recovery in the nexus between perceived justice dimensions and brand engagement. Previous research has predominantly focused on the direct effects of perceived justice on satisfaction with service recovery and, separately, the influence of satisfaction with service recovery on brand engagement, often treating perceived justice as a unified construct without dissecting its distinct dimensions (Cambra-Fierro & Melero-Polo



2017). This study bridges this gap by examining how satisfaction with service recovery mediates the relationships between each dimension of perceived justice—distributive, procedural, and interactional—and brand engagement. Our empirical findings illuminate that satisfaction with service recovery serves as a significant mediator in the relationships between distributive justice and brand engagement, as well as between procedural justice and brand engagement. This highlights the critical role of satisfaction with service recovery in translating the fairness perceived in outcomes and processes into deeper engagement with the brand, which, by extension, contributes to brand equity. However, in the case of interactional justice, the expected mediating role of satisfaction with service recovery was not observed. This absence of mediation can be traced back to our earlier finding that interactional justice does not significantly influence satisfaction with service recovery. Given that interactional justice lacks a direct impact on satisfaction with service recovery, it consequently does not contribute to the mediation process between interactional justice and brand engagement. Theoretically, these findings advance brand theory by providing a better understanding of how different facets of perceived justice interact with satisfaction with service recovery to influence brand engagement. This study underscores the importance of differentiating between the dimensions of perceived justice, revealing that only distributive and procedural justice have the capacity to drive satisfaction and, subsequently, brand engagement. This refined perspective challenges the conventional approach of treating perceived justice as a monolithic entity and highlights the need for a more detailed analysis of its components. This finding, in turn, contributes to a more comprehensive theoretical understanding of the mechanisms through which service recovery impacts brand loyalty, thereby offering valuable insights for future research in brand management and service recovery.

Unraveling the moderating role of brand attachment. The exploration of brand attachment's influence within the service recovery literature has largely been uncharted, particularly regarding its interplay with satisfaction with service recovery and brand engagement (Ali et al. 2023). Our study ventures into this relatively underexplored terrain by assessing how pre-established emotional attachment with a brand moderates the relationship between satisfaction with service recovery and brand engagement post-service recovery. Our findings reveal that brand attachment significantly amplifies brand engagement when satisfaction with service recovery is achieved. This novel insight extends the service recovery and brand engagement literature by highlighting the critical moderating role of brand attachment, underscoring the importance of emotional bonds in enhancing the effectiveness of service recovery efforts to boost brand engagement. Theoretically, these findings advance brand theory by elucidating how brand attachment strengthens the relationship between satisfaction with service recovery and brand engagement, and thus, emphasizing that emotional attachment with a brand not only enhances the direct effects of satisfaction with service recovery but also acts as a catalyst that amplifies customer engagement with brands. This integration of brand attachment into the service recovery framework provides a more comprehensive understanding of the factors driving brand engagement in the aftermath of service recovery, highlighting the synergistic effect of brand attachment and satisfaction with service recovery on fostering stronger customer—brand relationships, and thus, enriching the theoretical discourse on brand engagement in the context of service recovery.

Underscoring the importance of brand engagement for brand loyalty. Venturing into the interplay between brand engagement and loyalty, our study sheds light on this relationship within the specialized context of service recovery experience. While the nexus between brand engagement and loyalty has been explored in previous research (Hollebeek 2011; Lim et al. 2022; Zheng et al. 2015), our investigation distinguishes itself by situating this relationship amidst service recovery initiatives—a context that presents unique challenges and opportunities for fostering brand loyalty. Our findings highlight that customers who actively engage with a brand, particularly in response to satisfactory service recovery efforts, demonstrate a heightened propensity toward brand loyalty. This direct linkage between brand engagement and loyalty, observed in the aftermath of service recovery initiatives, significantly enriches the service recovery discourse. Theoretically, this shows the pivotal role of brand engagement not just as an immediate reaction to service recovery efforts but as a crucial determinant of long-term brand loyalty. This extends brand theory by emphasizing that engagement serves as a critical intermediary that translates positive service recovery experiences into sustained loyalty. This also underscores the strategic importance of nurturing brand engagement as a conduit to securing brand loyalty, demonstrating that the effectiveness of service recovery efforts can have lasting implications for customer-brand relationships and overall brand equity.

Unifying theoretical insights in service recovery. Grounded in a multi-theoretical foundation, our study dissects the dynamics of service recovery through the lenses of equity theory (Adams 1963, 1965), social exchange theory (Blau 2017), expectancy disconfirmation theory (Oliver 1980), affect control theory (Heise 1977, 1979), and commitment-trust theory (Morgan & Hunt 1994). Equity theory (Adams 1963, 1965) elucidates the significance of distributive justice in determining customer satisfaction by emphasizing the fairness of outcomes in the service recovery process. Social exchange theory (Blau 2017) complements this by underscoring the roles of procedural justice—fairness in recovery processes—and interactional justice—the



quality of interpersonal interactions, although our findings suggest interactional justice may not significantly influence satisfaction, positioning it more as a foundational expectation rather than a satisfaction enhancer. Expectancy disconfirmation theory (Oliver 1980) further clarifies how exceeding customer expectations post-service failure can enhance satisfaction and engagement, indicating the potential for a service recovery paradox where effective recovery efforts lead to higher satisfaction than if no service failure had occurred (Ali et al. 2023; Koc et al. 2019; Magnini et al. 2007). Affect control theory (Heise 1977, 1979) highlights the mediating role of satisfaction in the service recovery process, suggesting that recovery efforts aligning with or surpassing justice expectations can foster positive emotional states and satisfaction, which, in turn, drive brand engagement. Lastly, the commitment-trust theory (Morgan & Hunt 1994) reveals that brand attachment, strengthened by positive recovery experiences, can amplify the impact of satisfaction on brand engagement, highlighting the importance of emotional bonds in enhancing engagement and loyalty postrecovery. Weaving together these theoretical strands, our study offers a comprehensive understanding of the dynamics between justice perceptions, satisfaction, brand attachment, and brand engagement in nurturing loyalty toward brands following service failures. Theoretically, this integration advances brand theory by delineating how different dimensions of perceived justice individually and collectively influence customer satisfaction and engagement with brands, emphasizing the critical role of emotional and relational factors in service recovery. This, in turn, showcases service recovery as a strategic opportunity for brands to transform negative experiences into positive brand engagement and loyalty, and thus, offering a profound blueprint for leveraging justice perceptions to deepen customer relationships and loyalty with brands. This multifaceted approach highlights the strategic importance of viewing service recovery through a brand-focused lens, ensuring that each recovery effort not only addresses immediate issues but also strengthens the long-term customer-brand relationship.

Managerial implications

This study offers critical insights for brand managers navigating the complex terrain of customer perceptions of justice, satisfaction, engagement, and loyalty. The findings illuminate the distinct impacts of perceived justice dimensions on customer satisfaction and underscore the pivotal role of brand attachment in enhancing brand engagement and loyalty. These insights not only deepen our understanding of the service recovery process but also provide a strategic roadmap for brand managers seeking to transform service failures into opportunities for strengthening customer relationships and loyalty. As service failures are inevitable for

any customer-centric brand, the ability to effectively manage and recover from these failures becomes a key differentiator in building resilient and loyal customer bases, and by extension, contributing to sustainable brand performance (Ismail 2024). This section sheds light on the practical implications of the study's findings by offering brand managers actionable strategies to optimize service recovery efforts, enhance customers' satisfaction, brand engagement, and brand loyalty, and ultimately, strengthen brand equity.

Strategic prioritization of distributive and procedural justice. This study accentuates the paramount importance of distributive and procedural justice in elevating customer satisfaction and engagement with brands, urging brand managers to prioritize these facets within their service recovery strategies. For distributive justice, brand managers must ensure that the compensation offered aligns with customers' perceptions of fairness and adequately compensates for any inconvenience caused. Compensation might include discounts, refunds, or vouchers for future services, tailored not only to redress the issue but also to signal the brand's commitment to fairness and customer value. Equally vital is the emphasis on procedural justice. Brand managers should focus on enhancing the transparency and efficiency of the complaint-resolution process. This approach not only addresses the immediate concerns arising from service failures but also reinforces customers' confidence and trust in the brand, laying the groundwork for ongoing engagement and loyalty. Developing clear, streamlined channels for lodging and resolving complaints is crucial, ensuring that these mechanisms are easily navigable and communicative. This fosters a sense of procedural fairness, keeping customers informed and engaged with the brand throughout the resolution process. Adopting these strategies will ensure that customers feel valued and fairly treated, which is essential for building long-term trust and loyalty. Thus, prioritizing distributive and procedural justice allows brand managers to transform service recovery efforts into strategic opportunities for strengthening customer-brand relationships and, ultimately, enhancing brand equity.

Setting baseline expectations of interactional justice. This study critically reassesses the role of interactional justice, characterized by employee competence, courtesy, and care, within the service recovery process. While these attributes are essential and form the foundational layer of customer expectations, our findings indicate that they might not substantially elevate customer satisfaction on their own. This insight challenges the conventional emphasis on interactional justice as a primary lever for boosting satisfaction, suggesting instead that it serves as a baseline requirement in service recovery encounters for a brand. For brand managers, this underlines the necessity of cultivating a service culture rooted in service-dominant logic where competence, courtesy, and care are ingrained as standard practice.



However, this study also highlights the need for a strategic pivot toward emphasizing distributive and procedural justice to truly differentiate and enhance brand perceptions and relationships. Managers must, therefore, balance the focus, ensuring that while service teams exemplify empathy and professionalism, these efforts are complemented by tangible and fair recovery outcomes and transparent processes. Embedding these principles into the service culture allows brand managers to ensure that every customer interaction meets baseline expectations while also leveraging fair outcomes and efficient processes to elevate overall satisfaction and loyalty. This dual approach not only addresses immediate service failures but also strengthens the long-term customer—brand relationship, thereby positioning the brand as both empathetic and equitable.

Solidifying satisfaction with service recovery. Recognizing the pivotal mediating role of satisfaction with service recovery in bridging the gap between distributive and procedural justice and brand engagement, it is imperative for brand managers to refine their service recovery strategies to enhance customers' perceptions of fairness. This involves a multifaceted approach where brand managers are encouraged to design recovery solutions that are not only personalized but also resonate with the unique needs and preferences of each customer. Implementing real-time communication channels that provide immediate updates on the status of complaint resolutions and offering flexible recovery options should significantly uplift the perceived fairness of both outcomes and processes involved in service recovery. Such innovative strategies are instrumental in not only elevating customer satisfaction but also in fostering a deeper, more meaningful engagement with the brand. Brand managers should also focus on creating an environment where service recovery is not seen as a mere transactional interaction but as an opportunity to strengthen the customer-brand relationship. Ensuring that every aspect of the service recovery process—from the initial response to the final resolution is handled with utmost care and tailored to individual customer needs can transform service recovery scenarios into powerful touchpoints that reinforce customer trust and loyalty to the brand. Therefore, prioritizing a customer-centric approach and focusing on personalized, transparent, and fair recovery efforts allow brand managers to effectively turn service failures into strategic opportunities for building longterm customer loyalty, and thus, enhancing brand equity.

Strengthening brand engagement for brand loyalty. In light of the study's findings on the direct link between brand engagement following service recovery and brand loyalty, brand managers are tasked with a critical role: to not only address service failures effectively but also to seize these moments as opportunities to deepen the customer–brand relationship. To achieve this, brand managers should focus on delivering exceptional customer support that goes beyond

resolving the issue at hand so as to foster a sense of reliability, and by extension, trust, in the brand. Moreover, leveraging technology to create user-friendly digital platforms is essential for facilitating seamless feedback and communication. These platforms should be accessible and intuitive, enabling customers to easily share their experiences, suggestions, and even grievances. In doing so, brand managers can tap into valuable insights that can drive continuous improvement and innovation in service delivery. Furthermore, community-building initiatives represent another strategic avenue for brand managers to strengthen brand loyalty. Creating spaces—either online or offline—where customers can connect, share experiences, and engage with the brand and each other helps cultivate a sense of community and belonging among customers. These communities can serve as fertile ground for co-creative activities, where customers are invited to contribute with ideas, participate in brand storytelling, or become brand ambassadors, further enhancing their emotional investment in the brand. Therefore, actively engaging customers and providing them with positive experiences, even in the face of service failures, allow brand managers to cultivate a deeper emotional connection and commitment to the brand, leading to stronger brand loyalty and equity.

Conclusion

This study has systematically explored the dynamics of service recovery, focusing on the roles played by perceived justice, satisfaction with service recovery, brand attachment, brand engagement, and their collective impact on brand loyalty. The key findings underscore the influence of distributive and procedural justice on satisfaction with service recovery, the foundational role of interactional justice, the mediating effect of satisfaction with service recovery on brand engagement, and the significant moderating role of brand attachment in enhancing the relationship between satisfaction with service recovery and brand engagement. This understanding extends beyond Maxham III et al.'s (2003) notion that brands "reap what they sow" in service failures, suggesting that effective service recovery can indeed transform service failures into opportunities for enhancing brand loyalty. In this regard, this study provides empirical support to the debate initiated by Magnini et al. (2007) regarding the service recovery paradox by offering evidence that service failures, when adeptly managed, can paradoxically foster brand loyalty.

Firstly, this study reaffirms the importance of distributive and procedural justice in fostering satisfaction with service recovery, highlighting the necessity for brand managers to prioritize these dimensions in service recovery strategies. This insight shows the strategic importance of ensuring fair



outcomes and processes in service recovery to cultivate positive brand perceptions and relationships. Secondly, this study's findings challenge the conventional emphasis on interactional justice as a key driver of satisfaction, proposing instead that it serves as a fundamental expectation in service recovery encounters. For brand managers, this underlines the imperative of cultivating a service culture where competence, courtesy, and care are ingrained as standard practice, as these elements form the foundation for positive brand experiences. Thirdly, this study highlights that satisfaction with service recovery plays a critical mediating role in translating the fairness perceived in outcomes and processes into brand engagement, emphasizing the need for brand managers to enhance customers' perceptions of fairness. This insight highlights the pivotal role of satisfaction with service recovery in nurturing deeper engagement with the brand, and by extension, contributing to brand loyalty. Fourthly, this study shows that brand attachment significantly amplifies brand engagement when satisfaction with service recovery is achieved, underscoring the importance of emotional bonds in the service recovery process. This finding emphasizes the synergistic effect of brand attachment and satisfaction with service recovery on fostering stronger customer-brand relationships. Finally, this study reveals the direct relationship between brand engagement post-service recovery and brand loyalty, underscoring the strategic importance of nurturing brand engagement to secure brand loyalty in the wake of service failures. This insight expands the conventional understanding of service recovery outcomes by highlighting the critical role of brand engagement as a means to securing brand loyalty in the face of service failures. This offers a more holistic perspective on the pathways through which service recovery efforts can lead to enhanced brand loyalty, thereby providing valuable implications for managing customer-brand relationships post-service failure.

While this study offers valuable insights, it is not without limitations. Firstly, this study concentrated primarily on the travel industry within a specific geographical context, which may limit the generalizability of the findings to other sectors and regions. Future research could explore the applicability of these findings across different cultures and industries to enhance the understanding of service recovery dynamics globally. Secondly, this study focused on the mediating role of satisfaction with service recovery and the moderating role of brand attachment within the context of service recovery. Future studies could investigate other potential mediators and moderators, such as customer trust, perceived value, and service quality, to provide a more comprehensive view of the factors influencing service recovery outcomes. Thirdly, the evolving digital landscape and the increasing prevalence of online service recovery interactions present new challenges and opportunities for managing service failures.

Future research could examine the impact of digital service recovery strategies on customer satisfaction, brand engagement, and brand loyalty, considering the role of digital communication platforms, online communities, and social media in the service recovery process. Fourthly, our measure of brand engagement was unidimensional, which may have constrained the construct's theoretical richness and required eliminating several items. Consequently, future research should consider adopting a multidimensional operationalization of brand engagement with a more comprehensive set of items, potentially offering greater explanatory power and validity (e.g., Dwivedi et al. 2016; So et al. 2014). Finally, while our study provides valuable insights into the dynamics of service recovery within the Indian travel industry, it is important to acknowledge the potential influence of contextual factors on the relationship between interactional justice and service recovery outcomes. The variability in interactional justice ratings may differ across brands, countries, and industries, depending on factors such as cultural differences, employee training, and service standards. Future research could explore these contextual distinctions by investigating the role of interactional justice in service recovery across diverse settings. Specifically, researchers could examine how the impact of interactional justice on service recovery outcomes varies across industries with different levels of employee training and service standards. For instance, industries such as luxury hospitality, where high standards of competence, courtesy, and care are expected, may exhibit a different pattern of results compared to industries with less stringent service expectations. Similarly, future studies could investigate the influence of brand positioning and identity on the importance of interactional justice in service recovery, as brands known for their exceptional customer service may face higher expectations in terms of interpersonal treatment during the recovery process.

Overall, this study contributes to the theoretical and practical understanding of service recovery by delineating the roles of perceived justice dimensions, satisfaction with service recovery, brand attachment, and brand engagement in fostering brand loyalty. Adopting the insights and strategies outlined in this study, brand managers can more effectively navigate service recovery scenarios, transforming potential customer dissatisfaction into opportunities for building stronger, more loyal customer—brand relationships. In doing so, brand managers can not only mitigate the negative consequences of service failures but also leverage these incidents as strategic opportunities to cultivate enduring brand loyalty, and by extension, safeguarding and strengthening brand equity.

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Data availability Data can be made available upon reasonable request.

Declarations

Conflict of interest The authors declare that there is no conflict of interest to disclose.

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