

# Customer Forgiveness: Can Decrease Customer Dissatisfaction?

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## ABSTRACT

Customer dissatisfaction caused by service failure their received. Oftentimes customer dissatisfaction gives a bad impact to business owners because their share disappointed feeling to people they know or posted on their social media. This is expected to be able to contribute to the development of the tourism sector in the future in responding to tourist dissatisfaction, to prevent the emergence of post-visit disruptive behavior. So it does not interfere with the sustainability of the tourism sector. In this research was conducted in several tourist destinations in West Sumatra and involve 100 respondents selected by accidental sampling. Data processing is performed using Smart PLS 3.2.8. The results of this study indicate that distributive justice, has no significant effect on Customer Dissatisfaction directly and trough customer forgiveness.

**Keywords:** *Distributive justice, customer forgiveness, and dissatisfaction*

## 1. INTRODUCTION

Every people have felt disappointed because of buying a product or visiting a place. In marketing it is known as customer dissatisfaction. Customer dissatisfaction gives a negative impact on business owners. A customer, who feels disappointed, will tell the disappointment either to people he knows, or share his story on social media. Usually, their disappointments cause of the thing that their buy are not in accordance their expectaion. In this case, customer dissatisfaction means people who feel disappointed after visiting a tourist destination, because their expectations are not in accordance with the reality they get, such as they get a bad facilities, the attraction that is presented is not in accordance with the photos/ information in website, and other bad events that they experience at the tourist destination. Customer dissatisfaction will continue become disruptive behavior that will disrupt the course of a business, so as far as possible business owners

must be able to overcome the service failure of their business. Therefore, when customer get a bad experince on your business, a crucial challenge is how to make them forget the dissapointment they got from our business. To make it better, the business owner must take fair action against service failure (Kau and Loh, 2006). The most important thing in service recovery besides results is the interpersonal behaviour in handling customer complaints. (Hoffman and Kelley, 2000).

One of the handling of service failure is to provide distributive justice. Distributive justice is usually given in the form of social or economic benefits to customers after they file a complaint. For example a tourist said he was unfairly charged when paying for parking at a tourist destination, the manager immediately followed up on it, and apologized to visitors for the inconvenience they found during the visit. If possible, losses obtained by visitors, compensation from the manager of the tourist

destination. This is thought to reduce customer dissatisfaction.

Besides distributive justice, the average person is believed to have forgiveness. Through this trait, it is suspected that disappointment is obtained by the customer due to service failure, not to make the customer commit acts that are detrimental to the business others. However, in real life, there are also many cases caused by service failure that make other people's businesses fall and go bankrupt.

Kotler and Keller (2008) said feeling dissatisfied because what the customer predicted was not the same as the reality he got called customer dissatisfaction. According to Yuksel et al. (2010), he measure satisfaction with three items, (1) How do tourist feel when visiting tourist destination, (2) whether tourist fell right about the place to visit, (3) How the overall tourist satisfaction during visiting tourist destination.

According to Gregoir et all (2009), Customer Forgiveness is forgiveness by consumers for the service failure they received. In this study, customer forgiveness means forgiveness by consumers caused by unsatisfied consumers who have visited tourist destinations.

Distributive Justice is justice obtained by customers benefits (social and economic) as a form of responsibility and apology for business owners for the poor service they provide. Distributive justice measurement seen from justice, worthiness, value, necessity, and award (Adams, 1963). According to Gohary (2016) the fairer the treatment given to customers for the service failures they receive, the less dissatisfied consumers are with the

product/ service they received. Distributive justice is very closely related to the improvement process. The result of research conducted by Blodgett et all, 1997; Goodwin and Ross, 1992; Hoffman and Kelley, 2000; and Tax et al. 1998, discount, giving coupons, refund, gift-giving, replacement, apology, and etc are form of compensation that is done as a form of accountability and apology for the business owner.

In equity theory stated that if the experience obtained by customers exceeds their expectations. However, if their expectations are higher than they get, customer will be dissatisfied. Justice theory is not only concerned with losses experienced by customers, but also apply to profits experienced by customers. For example, if the experience they get exceeds their expectations, then they feel they will be very appreciated because only by making a small sacrifice, but the results obtained far exceed their sacrifice. Vice versa, when they have sacrificed a lot of things, but the results that are obtained are not in accordance with their sacrifices, then they will feel unappreciated. despite understanding about inequality, everyone always wants to get the maximum results. Dissatisfaction will always arise as a result of injustice, this is what triggers anger and other disruptive behavior. (Minner, 1980 in Ellyawati et all, 2012).

*Hypothesis:*

- H1: Distributive Justice has a significant effect on Customer Dissatisfaction on tourist destination in West Sumatra
- H2: Distributive Justice has a significant effect on Customer Dissatisfaction through Customer Forgiveness on tourist destination in West Sumatra

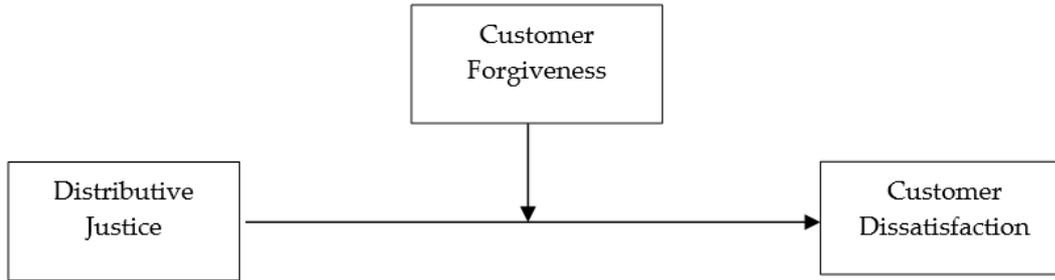


Figure 1. Conceptual Framework

2. METHODS

The distribution of questionnaires in this study was conducted West Sumatra. The population of this research is all of the tourists visiting West Sumatra. The number of respondents is 100 people with purposive sampling technique with the prerequisite of having visited any tourist destination in West Sumatra in the last 2 years. This Research used smartPLS 3.2.8 Software. According to Ghozali (2006) PLS is an analytical method in the form of soft modeling because it does not assume the data must be of a certain scale measurement. In this research we used PLS because: (a) PLS is a data analysis method based on the assumption that the sample does not have to be large, ex: the number of samples less than 100 can be analyzed and residual distribution. (b) PLS can be used to analyze theories that are still said to be weak, because PLS can be we used for predictions. (c) PLS enables algorithms using series OLS analysis so that the efficiency of olgarithic calculations is obtained. It is assumed that all variance sizes can be used to explain. Data analysis methods in this study are divided into two processes:

2.1. Outer Model

Outer model is a measurement model used to assess the validity and reliability of the model functions to define how each block of indicators relates to their latent variables. Validity test can be done using Convergent Validity and

Discriminant Validity. Test of convergent validity with reflective indicators is assessed based on loading factors (correlation between item scores / component scores with construct scores) indicators that measure the construct. Hair et al. (2006) suggested that the rule of thumb that is usually used to make preliminary checks of a factor matrix is approximately 0.3 considered to have met the minimum level, for a loading factor of approximately 0.4 is considered better and for a loading factor above 0.5 is considered significant. So, it can be concluded, the higher the value of loading factor, the more important the role of loading in interpreting the factor matrix.

This study uses a loading factor of 0.5. Furthermore, the Convergent Validity value can be seen from the average variance extracted (AVE) value with the AVE value must be greater than 0.5. The value of discriminant validity is useful to find out whether the construct has adequate discrimination. Discriminant validity occurs when two different instruments that measure two constructs that are predicted to be uncorrelated produce scores that are indeed uncorrelated. Discriminant validity test is assessed based on cross loading measurements with the construct.

Reliability test to measure the consistency of measuring instruments in measuring a concept or to measure the consistency of respondents in answering statement items in a questionnaire or research instrument. Reliability shows the accuracy, consistency and accuracy of a measuring instrument in making measurements

(Hartono and Jogiyanto, 2008). Reliability test can use the Composite reliability method which is used to measure the true value of reliability in a construct (Chin, 1995). Rule of thumb Composite reliability value must be greater than 0.7 although the value of 0.6 is still acceptable (Hair et al., 2006).

Inner model is evaluated using R-square to see what percentage of the direct influence of exogenous variables on endogenous variables and t test for the significance of exogenous variables on endogenous variables. In assessing the model with PLS it starts by looking at the R-square for each endogenous latent variable. Changes in R-square values can be used to assess the effect of certain exogenous latent variables on endogenous latent variables, whether they have substantive effects.

The inner coefficient value of the model shows the level of significance in Hypothesis testing. The inner model score, indicated by the T-statistic value, must be above 1.96 for the two-tailed hypothesis and above 1.64 for the one-stringed hypothesis for testing hypotheses at alpha 5 percent and power 80 percent (Hair et al., 2006).

**2.2. Hypothesis Testing**

Sugiyono, (2013) said that the hypothesis is a temporary answer to the research problem

formulation, where the research problem formulation has been stated in the form of sentence questions, said to be temporary because the answers given are only based on relevant theories, not yet based on empirical facts obtained through gathering data. Hypothesis testing can be done with goodness of fit measurement models, goodness of fit is done to see the level of accuracy and the level of confidence of the research model, if the R-square value is above 1 then the research model can be said to be good, strong and reliable, conversely if R- square under 1 so the results not strong and reliable yet. The final process of this test is to see whether or not the hypotheses under study are answered where to find out whether or not the hypothesis can be seen from the T-statistic value. If the t-statistic is greater than 1.96 then the hypothesis is accepted otherwise the t-statistic is smaller than 1.96 then the hypothesis is rejected.

**3. RESULT AND DISCUSSION**

Respondent in this reserach invloved 62% female and 38% male. Most of respondent in the age range < 35 year with the level of eduaction most are Diploma or undergraduated grades. Their average expenses are between 0-2.500.000 IDR. And most of them visit to tourist destination in 1 year as less than 3 times. The following are presented pictures and tables of research results:

**Table 1. Results**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
<b>Distributive Justice -&gt; Customer Dissatisfaction</b>	-0.162	-0.177	0.153	1.059	0.290
<b>Moderating Effect 1 -&gt; -&gt; Customer Dissatisfaction</b>	0.150	0.107	0.121	1.235	0.217

Sourced: Data processed, 2020

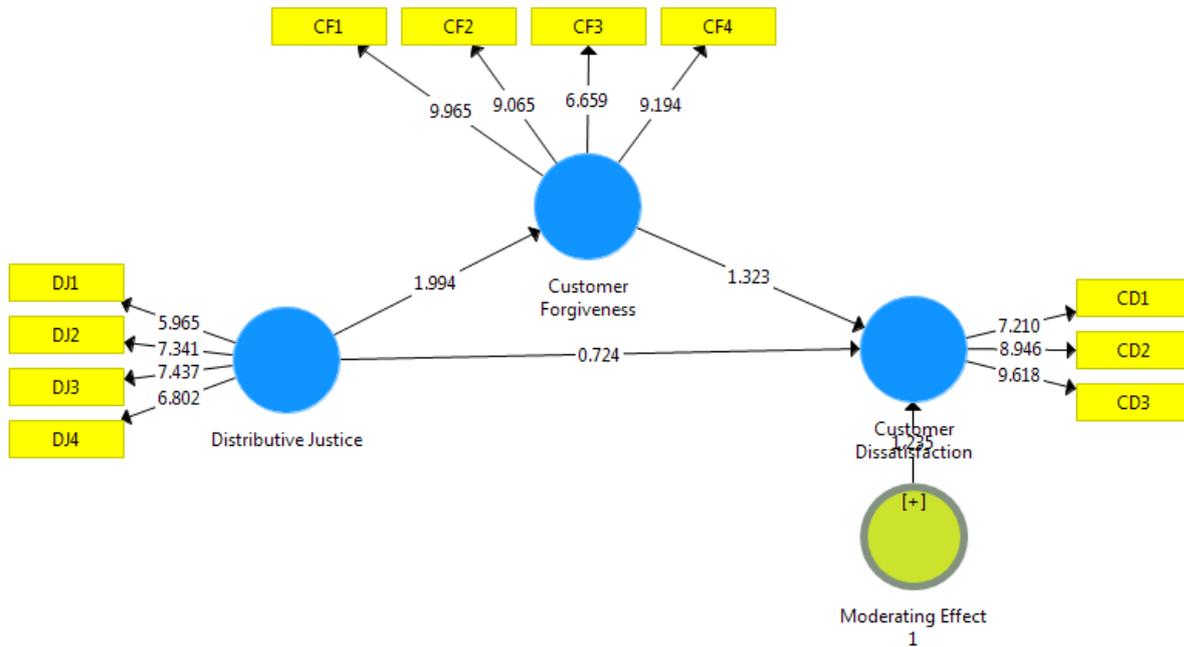


Figure 2. Results

### 3.1. The Effect of Distributive Justice on Customer Dissatisfaction

Through the table above it can be seen that P-Value of Distributive justice on Customer dissatisfaction was 0,290. This value is found to be bigger than 0.05 which means that distributive justice has no affect on customer dissatisfaction. So, the first hypothesis in this study is unaccepted. The result is in line with research conducted by Badawi (2012); Tabita, Setiawan, & Aprilia (2017); Surbakti & Widyarini (2010); Setyorini (2008), but contrary to research Kim, Kim & Kim (2009).

In the research of Setyorini (2012) the distributive justice variable did not significant effect to satisfaction variable, but if accompanied with other variables, simultaneous, distributive justice had a significant effect on hospital visitor satisfaction. Surbakti & widyarini (2010) distributif justice variable has no significant effect on Auto 2000 customer satisfaction. So, distributive justice has not been empirically proven to affect customer satisfaction. Tabita,

Setiawan, & Aprilia (2017) state that distributive justice has no significant effect on satisfaction. Where this research was conducted on the airline lion air and the findings are lion air has not provided fair compensation to consumers who have experienced service failure (delay). The difference between this research and the previous one (Kim, Kim & Kim, 2009) is due to differences in objects and research sites. The object of Kim's research, Kim, Kim (2009) is a hotel, where employees can be empowered in providing compensation to consumers, so that hotels are easier to provide compensation in accordance with consumer complaints. Whereas in the case of aviation, compensation must be given by the General Manager or Station Manager (according to Pemenhub Number: PM 89 tahun 2015 Bab V Pasal 9 Ayat (2)). Badawi (2012) in a research conducted in restaurant at Cirebon, distributive justice and procedural justice did not affect satisfaction of service recovery, the results of this study also have implications for the theory of justice, which states that not all dimensions of justice have relatively the same importance in explaining satisfaction handle compliance that is

triggered by negative emotions. This finding is in accordance with the findings of Eun-Jung Lee et al. (2009) that a negative experience with service failure has the potential to damage long-term company profitability if it is not properly managed.

So, it can be concluded that not all perceived justice is suitable to be used in dealing with customer dissatisfaction that occurs due to service failure. In dealing with customer complaints on tourist destination, may be all components of perceived justice needed or it may be sufficient to respond with just procedural justice or interactional justice. The difference in the object of research is also an indication of the uneffect of distributive justice in overcoming customer dissatisfaction.

### ***3.2. The Effect of Distributive Justice Through Customer Forgiveness on Customer Dissatisfaction***

Through the table above it can be seen that P-Value of Distributive justice on Customer dissatisfaction through customer forgiveness was 0,217. This value is found to be bigger than 0.05 which means that distributive justice through customer forgiveness has no affect on customer dissatisfaction. Thus it can be concluded that the second hypothesis in this study is unaccepted.

In many research customer forgiveness is a variable that can reduce customer dissatisfaction. But the distributive justice model used in this study is not appropriate to be used in dealing with customer dissatisfaction in tourist attraction on West Sumatra. This happens because in the management of tourist destination, there are no SOP services listed and complaint handling. So far if there are inconvenient events at a tourist destination, it is usually assisted by local residents or people who are around the location and resolved as a family.

## **4. CONCLUSIONS**

### ***4.1. Conclusion***

Based on data processing using smartpls, both hypotheses in this study were rejected, because both of distributive justice directly to customer dissatisfaction or through customer forgiveness to customer dissatisfaction have no significant effect. This might be due to the mismatch of handling complaints at tourist destinations on west Sumatra. Besides, there is no SOP services and complaint handling in tourist destination.

### ***4.2. Suggestion***

Therefore, this research must discuss further by using a larger number of samples. Besides, justice variable, must be included with interactional justice and procedural justice in accordance with the theory of justice. In addition, demographic factors cannot deny the sample that most of the people of West Sumatra, which are famous for their hospitality, friendliness, cleverly and also assertive, the compilation of service failures can not only offer the disappointed their received, so they have forgiveness, but compensation which is not commensurate, still leaving disappointment in their hearts.

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