

# Justice Oriented Recovery Strategies And Customer Retention In The Retail Banking Industry In Malaysia

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## Abstracts

*The service recovery and customer retention has caught the attention of researchers and academics recently. Despite the popularity of the subject, there were still not much known about how the service recovery strategies influenced customer retention in service organizations. Although service firms made the best effort, service failures were inevitable. Service recoveries were the efforts made by firms to bring back aggrieved customer to satisfaction. If recovery strategies were not prompt, proper and effective, the frustrating customers would defect to competitor. Thus, service firms were losing customers and revenues. Customer retention was vital and dominant key to business competitiveness and profitability. The present research tested three dimensions under justice oriented recovery strategies (JORS). Data were collected by distributing the structured 28 item-questionnaires to 237 post graduate students of Malaysian public universities randomly selected. Results of the analysis found that all strategies were correlated with customer retention strategies. Multiple regression analysis found that, the customer retention variance was explained by 63.4% of the service recovery strategies. The research has thrown some lights on the understanding of how service recovery strategies have influenced customer retention. Apart from that a new instrument has been developed. It was recommended that future research be conducted in legal services, business consultancy or educational services using such instrument which perhaps would yield more interesting result.*

*Keywords: customer retention, service recovery strategies, customer satisfaction*

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