Service Recovery in Online Travel Agencies During COVID-19 Pandemic

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Abstract

Studies about service recovery in the tourism industry have become prevalent as tourism is highly exposed to service failures. The COVID-19 pandemic was an unprecedented situation that required massive service recovery efforts by the travel and tourism industry. This study aims to look into the influence of the justice variables of service recovery, namely distributive justice, procedural justice, and interactional justice, on customer satisfaction, brand image, and customer loyalty of online travel agencies (OTAs), as the current fast-growing sector of tourism, during the COVID-19 pandemic. 180 respondents were gathered, consisting of OTA's Indonesian customers who have experienced service failures due to the pandemic and thus have to request a refund, reschedule or cancel their travel plans. For data analysis, the PLS-SEM method was used. The findings showed that all justice variables had a significant and positive influence on customer satisfaction. Only procedural justice exerted a significant influence on customer loyalty, and none of the justice variables had an influence on brand image. Customer satisfaction did not have a significant influence on customer loyalty, yet it positively affected brand image. The brand image was also found to influence customer loyalty. Therefore, it is essential for OTA (s) business practitioners to pay attention to service recovery efforts during the pandemic as it can lead to long-term business success that will be beneficial in post-pandemic situations.

Keywords
Service Recovery, Justice Theory, Online Travel Agencies, OTA, and Pandemic

1. Introduction
The tourism industry is the one that the COVID-19 pandemic has hardest hit. The virus's rapid spread has forced governments worldwide to instruct travel restrictions, limit social activities, and apply lockdowns. Due to those policies, the global tourism industry has to lose USD 1.3 trillion in revenue (World Tourism Organization 2021). The sufferings of the tourism industry have also happened in Indonesia, wherein the third quarter of 2020, the Indonesian Tourism Association reported that the pandemic had caused massive layoffs of 550,000 hotel employees, or 78.5 percent of the registered workers, and revenue losses of more than Rp 100 trillion (USD 9.5 billion) (Hermesauto 2020). As a comparison, in 2019, Indonesian tourism contributed US$ 16.9 billion to the country's GDP, while in 2020, the number dropped drastically to US$ 3.54 billion (Caroko 2021).

The situation was challenging for online travel agencies (OTAs), which provide a platform for transportation, accommodations, social activities, and leisure activities, connecting digital consumers to travel business owners while managing customer service. Operationally, the business has suddenly ceased because of mobility restrictions and strong advice on social distancing. Then there was a highly demanding number of customer service recoveries, which is a challenging task because usually, their primary roles are to facilitate the buying and selling activities through an online platform (Saragih 2019). The online travel agencies (OTAs) only act as intermediaries for the transactions, but the customers demand answers and solutions primarily from the online travel agencies. Due to the unfavorable situation, aviation industry experts estimated that refund requests would increase up to one hundred times more than usual (Cahya 2020). Some big players of online travel agencies have already reported that their refund and reschedule

requests have increased ten times more than usual (Purnomo and Wareza 2020). In December 2020, the total amount of refund transactions issued from Online Travel Agencies (OTAs) had reached Rp 317 billion, coming from approximately 133,000 customers (CNN Indonesia 2020). Meanwhile, it is difficult for OTAs and their business partners to refund the tickets in cash because most travel businesses have stopped operating due to the pandemic (CNN Indonesia 2020).

In the marketing field, the study about service recovery has been a prominent subject as more researchers demonstrated the importance it has on customer satisfaction and loyalty, as well as on quality management strategy (Migacz et al. 2017, Pai et al. 2019, Sciarelli et al. 2017). On the other hand, failure to deliver service recovery can severely impair satisfaction, trust, and commitment and ultimately lead customers to switch service providers (Liat et al. 2017, Zaid et al. 2021). Related to the competitive and fast-growing industry, the role of brand image in influencing purchase intention over competitors is also of high interest in the tourism business (Lai 2019, Liat et al. 2017). Following the undesirable yet momentous time of the pandemic's effects on tourism, particularly the online travel industry, it is equally critical to consider the service recovery effects on these three variables of customer satisfaction, customer loyalty, and brand image.

In this study, justice theory was chosen as the underpinning theory because it is the most common theory to study service recovery amongst all these theories (Abbas et al. 2015, La and Choi 2019). While there have been only a few sources on how service recovery applies in a pandemic or a global crisis, the commonness of justice theory in service recovery studies would enable the development of the theoretical framework and enrich the analysis of the results. The supporting and contrasting findings from numerous studies about justice theory in the service recovery context would provide meaningful information to explain this relatively new phenomenon of COVID-19 service recovery. Other than that, as the most used theory in service recovery studies, justice theory is considered to provide a comprehensive theoretical framework to evaluate service recovery efforts (La and Choi 2019, Wang et al. 2011). Customer perceived justice is also critical for explaining customers' behavior in conflict situations responding to service recovery efforts (del Rio-Lanza et al. 2009, Tan 2014).

Meanwhile, although service recovery has been protruding in marketing and tourism literature for decades, few studies have focused on online travel agencies as the growing market intermediaries where most travel transactions happen nowadays. Service recovery studies in tourism are usually focused on the word of mouth marketing strategy (Pai et al. 2019) or in the specific context of airlines (Migacz et al. 2017), hotels (Liat et al. 2017), and traditional travel agencies (Setiawan and Sayuti 2017). OTA research in the past has primarily focused on consumer behavior (Kim et al. 2019, Saragih 2019), and on the motivation and technical quality aspects of OTAs (Talwar et al. 2020), yet none of those studies considered the context of service recovery when an unexpected event, such as a global pandemic, happens. Recent studies about OTAs during the COVID-19 pandemic in Indonesia were conducted by Raharja and Hadisumarto (2021), who recently did a study about purchase intention at OTAs during the COVID-19 pandemic, and Purnamasari (2020), a study about the OTA's strategy in dealing with COVID-19. A relevant study about service recovery during the COVID-19 situation was also conducted by Zaid et al. (2021), whose recent research was about service recovery in the logistics business in Indonesia. However, this study brought different research model which will break down each justice variable and examine their influence on all the dependent variables mentioned in this study, and it will further research the interrelationship variables of customer satisfaction, customer loyalty, and brand image, particularly in the tourism business, the most affected industry due to the pandemic, in a service recovery context.

1.2 Objectives

This study investigates the influence of service recovery on customer satisfaction, customer loyalty, and brand image in the context of the COVID-19 pandemic and its effects on the Indonesian online tourism industry, as it is the most affected industry in Indonesia's fast-growing digital economy. Results of this study can provide academic contribution as an additional reference source on how service recovery is explained using the variables of distributive, procedural, and interactional justice. This research also provides benefits in the form of understanding whether service recovery influences customer satisfaction, customer loyalty, and the brand image of the company itself, especially in the uncontrollable situation of a global crisis. In addition, the research results can also contribute to online travel agencies that are operating in Indonesia by providing benefits in the form of practical insights on how a service recovery can affect Indonesian customer satisfaction, customer loyalty, and the brand image of the company itself, especially in dealing with service failures caused by force majeure like the current COVID-19 pandemic situation. Therefore, this

research can help online travel agencies that are customer-based companies handle their service recovery better and adjust their specific service recovery strategies accordingly.

2. Literature Review

Service recovery actions significantly influence customer satisfaction, especially in the tourism industry, which is heavily prone to service failures. Customer satisfaction occurs when the performance of a product or service exceeds the customer's expectations (Sciarelli et al. 2017, Yaqub et al. 2019). In this case, the expectation is related to the service recovery experience that the customers must undergo because of the pandemic situation. Customers hope that the service recovery from this unfortunate situation will bring them justice, and when the actual service recovery exceeds their expectations, customers are bound to be satisfied. As parts of justice theory in evaluating service recovery, distributive justice, procedural justice, and interactional justice are considered to affect customer satisfaction positively. As a result, the following hypotheses are proposed:

H1a: Distributive Justice has a significant positive influence on customer satisfaction.
H1b: Procedural Justice has a significant positive influence on customer satisfaction.
H1c: Interactional Justice has a significant positive influence on customer satisfaction.

Service failure, generally followed by service recovery actions, affects customer dissatisfaction and can further lead to negative word-of-mouth and unwillingness to repurchase (Migacz et al. 2017, Pai et al. 2019). Practical service recovery efforts can turn a negative service experience into favorable, enhancing repurchase and positive word-of-mouth intention (Ok et al. 2005, Wang et al. 2011). As loyalty is a form of favorable feelings and commitment towards a brand or a company, customers will express it through word-of-mouth and repurchase intention (Setiawan and Sayuti 2017), which, according to service marketing literature, word-of-mouth and repurchase intention are the dimensions of customer loyalty. Thus, having to say that service recovery efforts will influence customer loyalty is a given. Consequently, this study would like to propose the following hypotheses:

H2a: Distributive Justice has a significant positive influence on customer loyalty.
H2b: Procedural Justice has a significant positive influence on customer loyalty.
H2c: Interactional Justice has a significant positive influence on customer loyalty.

In addition to this, service recovery has to influence brand image because the brand image is also related to repurchase intention as part of customer loyalty (Lien et al. 2015, Huang et al. 2020). One recognizable key benefit of service recovery is the enhanced customer perception of the organization's overall image (Abbas et al. 2015). Therefore, the proposed hypotheses are as follows:

H3a: Distributive Justice has a significant positive influence on brand image.
H3b: Procedural Justice has a significant positive influence on brand image.
H3c: Interactional Justice has a significant positive influence on brand image.

Customer satisfaction is perceived as the positive evaluation of the product or service and, hence, can be the reason for continuing a relationship with a company's services or products. It is mainly because customer satisfaction is generated shortly after a product or service is consumed, and it becomes one of the short-term measures of a product or service's success (Lahap et al. 2016). These accumulative short-term results will lead to longer-term metrics of a company's success: customer loyalty (Yaqub et al. 2019, Zaid et al. 2021). Customer satisfaction also comprises a positive relationship with brand image. The consumer's perceptions and overall evaluations of the brand resulting from customer satisfaction will form a brand image representation (Huang et al. 2020, Zaid et al. 2021). As the brand image determines the information and experience of that brand, it is generally believed that a positive and satisfactory experience will form a positive brand image. Moreover, a positive brand image is a strong antecedent of reputation and trust, the critical drivers of customer loyalty, as a commitment towards a brand or a firm (Lai 2019). A well-managed brand image will guarantee customer loyalty and boost customers' intentions to repurchase, and positive word-of-mouth is the dimension of customer loyalty (Liat et al. 2017). The previous research and literature review led this study to propose the hypothesis as follows:

H4: Customer satisfaction has a significant positive influence on customer loyalty.
H5: Customer Satisfaction has a significant positive influence on brand image.
H6: Brand image has a significant positive influence on customer loyalty.

This study proposes the following research model based on the discussion above, as seen in Figure 1.
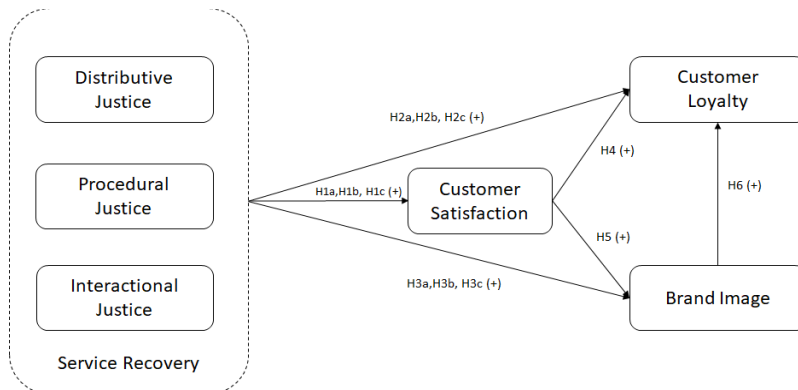
Figure 1. Research Model (Abbas et al. 2015, Sciarelli et al. 2017, Zaid et al. 2021)

3. Methods

This study is classified as quantitative and correlational research as it investigates the connections between service recovery and other variables such as customer satisfaction, customer loyalty, and brand image. Due to the unknown probability of the sample selection, this research will use a non-probability sampling technique and judgement sampling. The respondents are the OTA users in Indonesia whose travel arrangements were canceled due to the pandemic COVID-19. Thus, they had to request a cancellation, pursue a refund, or reschedule their travel plans. Data was collected through online questionnaire surveys. The online questionnaire consisted of three sections. The first section contains the filtering questions to ensure the suitability of respondents' characteristics to the study's requirements. The second section consisted of the respondent's profile, including their travel profile. Both the first and second sections used nominal scales to gather the data, while the third and last sections of the survey used five-scale Likert scales to measure the respondents' agreeability towards the statements in the questionnaire. Structural Equation Modelling (SEM) is the chosen data analysis method in this research as it aims to predict a theoretical framework as an extension to the existing theories (Hair et al. 2011). In order to measure the phenomenon that represents the characteristic of the research, convergent and discriminant validity tests were constructed. For the research to pass the tests, factor loading must be greater than 0.7, and the average variance extracted (AVEs) must exceed 0.5. Meanwhile, for discriminant validity, the AVE of each latent construct must be greater than the construct's highest squared correlation with any other latent construct (Fornell-Larcker criterion), and the indicator's loadings should be higher than all of its cross-loadings (Hair et al. 2011). The consistency of scale results in repetitive measurements will also be examined through a reliability test, where the composite reliability should be higher than 0.70 as the criteria (Hair et al. 2011).

4. Results and Discussion

4.1 Reliability and Validity Test

A pre-test was conducted with 30 respondents to ensure the validity and reliability of all measurement items in the questionnaire. The factor loading and the AVE showed the validity test results. Out of 32 measurement items, 31 were considered valid with Factor Loading greater than 0.7 and AVE greater than 0.5 (Hair et al. 2011). One measurement item, AI4 (I will not recommend OTA "X" to my friends or relatives), was considered invalid because its factor loading and AVE were lower than the threshold. As for the reliability results, both the Composite Reliability and Cronbach's Alpha of all 32 measurement items were above the threshold criterion, 0.7 (Hair et al. 2011). Thus all 32 items were considered reliable. After removing item AI4, validity and reliability tests were re-run and showed overall valid and reliable results, as seen in Table 1. It was confirmed that the measurement constructs were valid because the factor loadings were more significant than 0.7, and the AVEs exceeded 0.5. The reliability of the measurement was tested using Cronbach's alpha and composite reliability scores. It can be inferred from Table 1 that all constructs were regarded as adequately reliable because they had Cronbach's Alpha and Composite Reliability scores higher than 0.7 (Hair et al. 2011).

Table 1. Validity and Reliability Test Results

Variable	Measurement Item	Factor Loading > 0.7	AVE > 0.5	Composite Reliability > 0.7	Cronbach's Alpha > 0.7
Distributive Justice (DJ)	DJ 1	0.887	0.822	0.949	0.928

	DJ 2	0.919			
	DJ 3	0.911			
	DJ 4	0.911			
Procedural Justice (PJ)	PJ1	0.802	0.678	0.913	0.881
	PJ2	0.828			
	PJ3	0.807			
	PJ4	0.830			
	PJ5	0.849			
Interactional Justice (IJ)	IJ 1	0.767	0.663	0.907	0.872
	IJ 2	0.829			
	IJ 3	0.863			
	IJ 4	0.837			
	IJ 5	0.770			
Customer Satisfaction (CS)	CS1	0.943	0.887	0.969	0.957
	CS2	0.954			
	CS3	0.959			
	CS4	0.909			
Brand Image (BI)	BI1	0.916	0.748	0.936	0.914
	BI2	0.912			
	BI3	0.884			
	BI4	0.708			
	BI5	0.885			
Advocacy Intention (AI)	AI1	0.887	0.747	0.922	0.887
	AI2	0.847			
	AI3	0.866			
	AI5	0.856			
Repurchase Intention (RI)	R11	0.901	0.816	0.947	0.925
	R12	0.874			
	R13	0.923			
	RI4	0.915			

Based on the Fornell-Larcker criterion (Table 2), there was one correlation (CS and PJ) that violated the threshold. In this case, the high correlation between CS and PJ was also found in other studies' findings (del Rio-Lanza et al. 2009, Ok et al. 2005), which concluded that procedural justice has the most among all the justice dimensions vital and most direct relationship with customer satisfaction.

Table 2. Fornell-Larcker Criterion

	AI	BI	CS	DJ	IJ	PJ	RI
AI	**0.864**						
BI	0.690	**0.865**					
CS	0.709	0.693	**0.942**				
DJ	0.619	0.628	0.827	**0.907**			
IJ	0.657	0.610	0.750	0.584	**0.814**		
PJ	0.708	0.667	0.865	0.797	0.731	**0.823**	
RI	0.673	0.825	0.603	0.529	0.511	0.612	**0.903**

4.2 Results and Discussion

Based on hypothesis test results (H1a), distributive justice significantly influenced customer satisfaction. In this study, distributive justice is described by a fair and favorable outcome, including whether the customers receive adequate compensation in return for their discomfort. The finding suggested that the higher the distributive justice customers received, the more satisfied they were. Regarding the service industry, this positive influence of distributive justice on customer satisfaction has been examined in several hospitality studies (Abbas et al. 2015, Sciarelli et al. 2017). In general, the previous studies stated that the outcome of the service recovery that compensates customer losses positively influences the level of satisfaction. In this case, customer satisfaction is related to the service recovery satisfaction that the customers experienced during the recovery efforts. Customers expect distributive justice as the tangible output of service recovery to feel less inconvenient. It is supposed to restore customer satisfaction prior to service failure (Abbas et al. 2015). According to the respondents' data, airline tickets (82%) and accommodation (53%) were the top two travel products purchased from the OTAs. Based on the Hong Kong Trade Development Council (2017) survey about travel spending in ASEAN countries, these two were also the travel products where customers spent the most money. It added to customer expectations regarding the fulfillment of distributive justice and its influence on customer satisfaction regarding the OTAs' recovery efforts. Customer satisfaction occurs when this expectation has been fulfilled or exceeded.

The hypothesis test results (H1b) indicated that procedural justice significantly influenced customer satisfaction. Compared to other justice dimensions, procedural justice had the most significant effect on customer satisfaction during service recovery (del Rio-Lanza et al. 2009, Ok et al. 2005). However, procedural justice negatively influenced customer recovery satisfaction (Nikbin et al. 2010, Tan 2014). These contradicting results demonstrate that procedural justice's effect on customer satisfaction could be very significantly positive or not significant at all. It all comes back to the context of the service recovery itself. In this study, the context of service recovery happened due to the sudden global pandemic outbreak. The last global pandemic happened in 2002-2003 when the first coronavirus emerged as SARS (Severe Acute Respiratory Syndrome) and in 2009 as MERS (Middle Eastern Respiratory Syndrome). However, the SARS and MERS outbreaks did not exert a notable decline in tourism like the COVID-19 pandemic (Gössling et al. 2020), and they certainly did not force global lockdowns and the extensive travel restrictions and social distancing that followed in Indonesia. Judging from the respondents' age profile, 72.7% of the respondents were below 36 years old, and the top two OTAs listed in this study were established in 2011 and 2012. That means that there is a very high possibility that both parties have never undergone a similar pandemic effect before. Due to the chaos that appeared because of the service failures, the Indonesian Aviation Network and the Indonesian Travel Agent Association stated that it was important for travel providers to establish an emergency procedure to stop the refund

chaos and to clarify the rights and obligations of customers (Puspa 2020). Procedural justice, including timeliness, accountability, company policies, and follow-ups, seemed to be the key influencing factor in customer recovery satisfaction.

It was also known from the test results that hypothesis 1c was supported. They concluded that interactional justice had a significant favorable influence on customer satisfaction. This finding is consistent with many previous studies' findings (del Rio-Lanza et al. 2009, Nikbin et al. 2010, Tan 2014). The influence of interactional justice on customer satisfaction was related to interactive strategies such as making an apology, being courteous, providing an explanation, and showing empathy (Nikbin et al. 2010, Sciarelli et al. 2017). Those recovery efforts are considered the most basic forms of service recovery strategies and thus are the foundations for building relationships with customers (Ok et al. 2005). In a service recovery context, customers were the ones who approached and contacted the service provider first to utter their requests or complaints. Consistent interaction experiences through multiple channels can trigger customer satisfaction during service recovery because customer satisfaction is obtained through the overall experience (Sciarelli et al. 2017). However, it should also be noted that customer recovery satisfaction is a multiple-stage process, especially in the case of the severe service failure applied in this study. Interactional justice is often considered the first stage of recovery before moving to distributive and procedural justice and finally generating customer satisfaction (Ok et al. 2005).

On the other hand, hypothesis 2a was not supported, meaning distributive justice did not significantly influence customer loyalty, both in advocacy intention and repurchase intention. In the previous study, the negative influence of distributive justice on customer loyalty was due to customer indifference to distributive justice because the service providers provided only the primary form of distributive justice as a replacement for the service failures, instead of advanced distributive justice (Wang et al. 2011). Given how complex and unpredictable the pandemic is for the tourism industry, it is highly likely that the customers also receive the most basic form of distributive justice as the replacement of the service failures. Most airlines could not fully refund the customers in cash because their operating income has become limited, so they replaced it by giving out flight vouchers or putting the money on deposit for the next flight. For the same reason, this essential distributive recovery did not leave a great impression on the customers. Otherwise, they already felt entitled to that ordinary and fundamental distributive justice. Meanwhile, in online purchases, customer loyalty is heavily influenced by switching costs due to the tight competition and the similarity of products and services offered in the market (Suryawardani and Wulandari 2020). The OTAs' customers in this study were no different. Although customers perceived high distributive justice, it was not enough to directly influence customer loyalty because it only solved a past issue. It also appears that the one-time and instant resolution brought by distributive justice is not in line with the definition of customer loyalty. Customer loyalty must be built over time and experienced through interactions with the brand, product, service, or organization (Khadka and Maharjan 2017). However, in the particular context of the pandemic, consistency in distributive justice is quite challenging to interpret. Thus, customers may need more time to determine whether they intend to advocate and repurchase from the OTAs.

The hypothesis test results (H2b) showed that procedural justice significantly influenced customer loyalty. The conclusion is that in the context of unprecedented situations such as the pandemic, customers' perceived justice regarding the fairness of the procedures is crucial to restoring post-failure customer loyalty. In this study, the item with the highest mean value was the item related to how employees reasonably handle problems under applicable policies, while the lowest mean was on the item related to reasonable response time. It would be related to the fact that this study was conducted concerning a pandemic situation where a fast response time was quite hard to achieve due to the enormous requests at almost the same time. Therefore, most respondents agreed on whether the OTA's employees handled the service recovery based on the fair policies and procedures that would eventually result in a positive outcome for the customers. It can also be seen from the respondent's profile that more than 72.7% of Generation Y were those who were born between 1981 and 2000 (Ladhari et al. 2019). Developing fair procedures is crucial for better service recovery performance and increasing customer loyalty, especially for Generation Y (Alam and Noor 2020).

Based on the hypothesis test results (H2c), interactional justice did not significantly positively influence customer loyalty. While previous studies proved that the recovery manner in which customers were treated strongly influenced customer loyalty (Wang et al. 2011, Triwibowo 2016), this research proved the opposite. Interactional justice did not seem to significantly influence customer loyalty during the pandemic because customers may not need it at all. Customers did not need further explanation as to why their travel plans needed to be canceled because they already knew COVID-19 was a global pandemic that left service providers no choice but to incur service failures. By then,

customers may feel that apologies did not matter much because they knew it was a force majeure and not the OTA's fault. In the context of force majeure, service recovery by online service providers, online interactions tend to cause more difficulties when the provider is trying to give assistance and personal support to customers, especially in the tasks that customers are unfamiliar with, including how to respond to unpredictable service failure of Covid-19 pandemic (Ozuem et al. 2021).

The hypothesis test results of hypothesis 3a were not supported. Thus, distributive justice did not significantly positively influence the brand image. This result was in contrast with the study result of Nikbin et al. (2010) but was similar to the previous research of Mostafa et al. (2015). Distributive justice was argued not to directly affect the brand's image because it heavily depended on its internal policies. As a result, it cannot have a direct impact on brand image (Mostafa et al. 2015). The previous study's argument was acceptable because the OTAs were the intermediaries who facilitate transactions between customers and other travel service providers, such as airlines, hotels, rental cars, and others. As intermediaries, the policies regarding what kind of outcome the customers could have, whether they could receive total compensation, and how much the customers could have in return for the service failures were not up to the OTAs' decisions but will be based on their partners' terms. Furthermore, a brand image is developed through cognitive and affective evaluation (Mostafa et al. 2015). Distributive justice is generally regarded as a cognitive evaluation (del Rio-Lanza et al. 2009). Therefore, it can be understood why distributive justice did not have a direct, significant positive influence on the brand image. It only touched the cognitive aspect of the customer yet neglected the affective aspect that can influence how a customer views the brand and remembers it among other brand competitors.

Based on the hypothesis test results, hypothesis 3b was not supported. Thus, procedural justice did not have a significant favorable influence on brand image. Similar to the previous findings (Nikbin et al. 2010, Mostafa et al. 2015), it was argued that the leading cause behind this finding was the fact that OTAs did not fully control the whole procedure of service recovery, especially regarding procedural justice. It was generally known that the response time of the OTAs depended on how fast their travel partners could resolve the customers' inquiries, whether it was to refund the customer money or reschedule the original plan. As the brand image is established from the overall experiences, impressions, and information about a brand (Huang et al. 2020, Zaid et al. 2021), procedural justice regarding the procedures that the outside party mainly controlled did not seem to have a significant influence on the brand image itself.

The hypothesis test results (H3c) showed that interactional justice did not significantly influence the brand image. The finding is surprisingly different from the previous research findings (Mostafa et al. 2015, Nikbin et al. 2010), which suggested that interactional justice had a significant influence on the brand image due to the critical role of frontline employees in treating the customers while it was also the only justice variable that the related company could fully control. It was also further explained how the effect of interactional justice was greatly more positive than the other two justice variables because, in a collectivist culture, interactional justice emphasizes the relationship and trust-building that fulfills collectivist consumers (Mostafa et al. 2015). Despite this research being conducted in a country with a collectivist culture (Mangundjaya 2013), the reasoning above did not prove to be consistent in this study. The interaction of the employee and customer interface in the service recovery's interactional justice did not significantly influence the OTAs' brand image. The COVID-19 pandemic has caused a massive service failure that has impacted all travel service providers, including OTAs. Interactional justice is often regarded as the standard form of justice theory in a service recovery context, as making apologies, giving explanations, and politely treating customers should be done first before providing other recovery strategies (Ok et al. 2005, Tan 2014). As simple as those examples of interactional justice is, all OTAs should have done the same regarding their interactional justice. That concluded why customers did not see interactional justice influence an OTA's better image than its competitors.

According to the hypothesis test results, hypothesis 4 was not supported, which means that customer satisfaction did not significantly influence customer loyalty in the service recovery context. It could be considered a new finding in service recovery studies, as it contradicted the results of previous research (Liat et al. 2017, Sciarelli et al. 2017, Yaqub et al. 2019, Zaid et al. 2021). Past findings showed that customers satisfied with the service recovery actions would be loyal to the service provider, as reflected by advocacy and repurchase intention. Despite this contradictor finding, some researchers have argued that customer satisfaction is insufficient to generate customer loyalty. Mohsan et al. (2011) stated that customer satisfaction is not an accurate indicator of loyalty because even when customers are satisfied, they will still look for better quality, better service, and better value elsewhere. As a result, customer satisfaction alone cannot guarantee customer loyalty, and service providers must go above and beyond to generate

more than just satisfaction, especially amid the tight competition standard in online business. Olsen (2002) mentioned that although the satisfaction-loyalty relationship was generally assumed to be positive, it would depend on the products or services, industries, and situations. The travel industry is a complex and competitive environment, comprising various related industries with a substantial focus on price (Kim et al. 2019). The emergence of online travel agencies (OTAs) has further emphasized the significance of the pricing strategies of these travel providers. As search costs are low, customers are more informed, including price transparency, and consequently, OTAs are more price competitive. As one of the most critical variables in the online tourism marketplace, customers' decisions to purchase travel products and services are significantly influenced by pricing (Kim et al. 2019).

The hypothesis test results (H5) showed that customer satisfaction significantly influenced brand image. Thus, hypothesis 5 was supported. Previous research (Liat et al. 2017, Zaid et al. 2021) suggests that customers satisfied with the service recovery efforts will have a positive brand image. Brand image is critical to service providers as it is something that customers remember with spontaneity when they assess a brand name (Lai 2019, Setiawan and Sayuti 2017). It is also challenging because image creation occurs automatically in customers' minds based on their experiences with the brand (Lahap et al. 2016). In this study, the relatively short experience regarding service recovery satisfaction was proven to significantly and positively influence brand image because of two things. First, since most travels was banned during the pandemic, OTAs could not operate their business. The customers' only experience was mainly regarding the service recovery itself. Second, customers will form an image based on their latest and most memorable experience regarding the OTA brand. That would be regarding their service recovery as the pandemic situation is a unique cause that most respondents (more than 70% of the respondents are aged under 36 years old) have most likely never experienced before because the latest two pandemics in 2003 and 2009 did not have much effect on Indonesia's tourism. Therefore, it will positively influence the OTA brand image when fulfilled customer satisfaction.

Lastly, according to the hypothesis test results (H6), the brand image significantly influenced customer loyalty. This research finding showed that brand image strongly affected customer loyalty on both advocacy intention and repurchase intention, and the effect is more potent on repurchase intention. The nature of OTAs can explain the significant effect of brand image on customer loyalty as online service providers. In the e-service business, switching to other providers is relatively easy, as switching costs are relatively low (Suryawardani and Wulandari 2020). The cost-benefit evaluation influenced customer loyalty, especially repurchase intention (Huang et al. 2020). Therefore, while switching costs among OTAs are relatively low, perceived benefits from product and service quality are the significant factors. It is known that perceived benefits and quality have become the most important indicators of customer loyalty in the e-service business (Chang et al. 2009) particularly in OTA's product purchase (Talwar et al. 2020). Perceived benefits and service quality are included as measurement items of brand image as they will affect how customers see and evaluate the brand, and in fact, this item had the highest mean value.

5. Conclusion and Suggestions

This research aims to examine the influence of service recovery, using justice theory, on customer satisfaction, customer loyalty, and brand image of online travel agencies (OTAs) during the COVID-19 pandemic. There were six supported and six rejected hypotheses based on the test results. All three-justice variables had a significant and positive influence on customer satisfaction. Procedural justice had a significantly positive influence on customer loyalty because it is closely related to customers' trust that the OTAs would have the right and just procedures to solve similar service failures in the future (Huang et al. 2020). Meanwhile, none of the three-justice variables had significantly and positively affected brand image in the particular situation of pandemic service recovery. The complex and competitive environment of the online travel business in which the OTAs operate induced the argument that satisfaction in service recovery did not guarantee customer loyalty, both in advocacy and repurchase intention. On the other hand, customer satisfaction in service recovery commonly has a significant positive influence on brand image, considering the service recovery experience due to the pandemic was the most recent experience that the customers had, and the satisfied satisfaction could generate a strong remark regarding the OTA. Meanwhile, although building customer loyalty is not an easy task, especially in the competitive industry of online travel, having a solid brand image means that customers highly regard the OTA's perceived benefits and service quality, which are the determinant factors of customer loyalty (Chang et al. 2009).

The results of this study are to give practitioners in the online travel business regarding the implementation of service recovery strategies, mainly using the justice theory, when dealing with unprecedented service failures like those caused by the COVID-19 pandemic. It highlighted the importance of setting up excellent service policies and procedures, considering the customer's fairness perspectives, not only for the company's interests. As time efficiency and

convenience are the key drivers in online purchasing (Talwar et al. 2020), OTA practitioners can focus on improving the response time of the issue and the problem-solving duration. In order to consistently implement fair procedure under any circumstances, OTAs should invest in customer service technology to fulfill every customer's inquiries faster and simpler every time they undergo service recovery. Moreover, OTAs should give thorough information regarding the refund, reschedule, and cancellation procedures in advance during the pre-purchase and purchase processes. Therefore, customers would have a clear idea of what they should do if they made any travel arrangements. OTAs have to provide as much flexibility in travel bookings as possible because procedural justice can restore customer satisfaction during service recovery (Abbas et al. 2015).

This study is one of a few types of research to examine service recovery in online travel agencies (OTAs) during the COVID-19 pandemic. Therefore, it was supposed to provide a theoretical contribution for scholars as a new additional reference in service recovery studies and tourism marketing literature. For suggestions, future research is proposed to enrich the research model, expand the sample size, and enhance the representativeness of the research population. As this study focused on the specific pandemic situation, which can be categorized as a severe service failure, possible future research can also be done in different contexts and situations to test the research model application, mainly because the tourism industry is already vulnerable to service failures in its day-to-day operational activities. Applying this research framework to a different level of service failure severity could enrich the literature review in the future.

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