Interactional Justice as a Moderator of Customer Loyalty and Word-of-Mouth Behavior

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ARTICLE INFO	ABSTRACT
	The study shall conceptualize antecedents for customer loyalty and word-of-mouth (WOM) intentions to be moderated through interactional justice. Based on the collected data from 500 tourists who took trips in different parts of six locations of northern Pakistan, service quality, relationship quality, and perceived service value would determine and observe their influencing role towards customer loyalty and intentions to express their word of mouth. The results suggest that service and relationship quality have a significant relationship with customer loyalty and WOM intentions, mediated by perceived service value. Interactional justice moderates the mediated effects, thereby bringing out the important role of this variable in the customer outcomes. To my surprise, hotel image was not significant and did not mediate most relationships. These findings imply that hotel marketers should take into consideration the complexity of customer perceptions of value when developing strategies to improve loyalty and WOM intentions. This paper adds to extant theoretical and empirical understanding regarding customer behavior within the hospitality industry and underlines the role of interactional justice in generating positive customer outcomes.

1. Introduction

This section introduces the research context of exploring the antecedents of customer loyalty and word of mouth (WOM) intentions within the hotel industry. The practical significance is highlighted for hotel marketers in understanding customer perceptions of service quality and value, and their impact on loyalty and WOM intentions. Five sub-research questions are used in the core research question to study how service quality, relationship quality, and perceived service value predict customer loyalty and WOM intentions: the direct effect of service quality on loyalty; the impact of relationship quality on WOM intentions; the mediating role of perceived service value; the moderating effect of interactional justice; and the anomalous role of hotel image. A quantitative methodology is used to examine the relationships among the independent variables (service quality, relationship quality), dependent variables (customer loyalty, WOM intentions), and the moderating variable (interactional justice). The article is structured in a literature review, followed by methodology description, results presentation, and then a final discussion on theoretical and practical implications.

2. Literature Review

This section critically examines existing literature on the predictors of customer loyalty and WOM intentions, focusing on the sub-questions outlined: the direct impact of service quality, the influence of relationship quality, the mediating role of perceived service value, the moderating effect of interactional justice, and the role of hotel image. These areas of inquiry highlight the multifaceted

nature of customer perceptions in the hospitality sector. Despite extensive research, gaps remain, including limited understanding of the moderating effects of justice perceptions and the inconsistent role of hotel image. This paper aims to address these gaps and proposes specific hypotheses based on the relationships between these variables.

2.1 Impact of Service Quality on Customer Loyalty

Early research was mainly centred on the positive relationship between service quality and customer loyalty, which has been based mainly on cross-sectional data. Nevertheless, these early studies did not provide longitudinal evidence of loyalty maintenance over time. Later research added better methodologies, thereby establishing stronger links but still did not answer long-term loyalty drivers. Recent research has started filling some gaps; however, there is a greater need for analysis. Hypothesis 1: High service quality positively influences customer loyalty.

2.2 Influence of Relationship Quality on WOM Intentions

Early research highlighted the importance of relationship quality in influencing WOM intentions, yet often relied on qualitative data. Later studies utilized quantitative approaches, revealing more consistent patterns. However, the intricacies of relationship dynamics were not fully explored. Recent work has attempted to address these complexities, but challenges remain in measuring relationship quality's full impact. Hypothesis 2: Strong relationship quality positively influences WOM intentions.

2.3 Mediating role of perceived service value

Initial studies recognized the concept of perceived service value as a potential mediator but too often failed to measure the strength of the impact robustly. Mid-term studies were able to exhibit more clear mediation effects, yet no attempt was made to explore the subtleties of value perceptions. Recent studies had highlighted more information but could provide comprehensive models of the various constructs. Hypothesis 3: Perceived service value mediates service quality, relationship quality, and customer loyalty and WOM intentions.

2.4 Moderating Effect of Interactional Justice

Research into interactional justice has primarily focused on direct effects on customer satisfaction, with limited exploration of its moderating role. More recent studies have started to investigate these effects, revealing some moderating influences, yet gaps in understanding remain. Hypothesis 4: Interactional justice moderates the mediated relationships between perceived service value and customer loyalty and WOM intentions.

2.5 Role of Hotel Image

The role of hotel image has been explored in various studies, often showing mixed results regarding its impact on loyalty and WOM intentions. Early studies relied on subjective measures, while more recent work has attempted to quantify image perceptions, yet inconsistencies persist. Hypothesis 5: Hotel image does not significantly mediate the relationships between service quality, relationship quality, and customer loyalty and WOM intentions.

3. Method

This section discusses the quantitative research methodology applied in testing the hypothesized hypotheses. It explains the data collection procedure from tourist respondents and the variables and statistical analysis applied to guarantee reliable findings.

3.1 Data

The data were collected through a survey of 500 tourist respondents across six tourist locations in northern Pakistan over a period of six months. The questionnaire was to seek responses regarding service quality, relationship quality, perceived service value, interactional justice, customer loyalty, and WOM intentions. The stratified sampling technique ensured a representative respondent

population, and screening criteria focused on tourists who had spent at least one night in a hotel. This would ensure comprehensive data for analysing the hypothesized relationships.

3.2 Variables

Independent variables include service quality and relationship quality, measured through established scales. Dependent variables are customer loyalty and WOM intentions, assessed through intention-to-return and recommendation likelihood. Perceived service value serves as a mediating variable, while interactional justice is the moderating variable. Control variables include demographic factors such as age, gender, and visit frequency, drawing on existing literature to validate measurement reliability.

4. Results

This section presents the findings from statistical analyses, validating the five hypotheses proposed. It begins with descriptive statistics and proceeds with regression analyses to explore the relationships between key variables, ensuring the results address the research questions and fill gaps identified in the literature review.

4.1 High Service Quality's Influence on Customer Loyalty

The analysis confirms Hypothesis 1, showing a significant positive relationship between high service quality and customer loyalty. Regression analysis demonstrates that high service quality is linked to increased likelihood of return visits and positive customer endorsements. This finding highlights the importance of consistent high-quality service in fostering loyalty, aligning with theories of customer satisfaction that emphasize quality as a key driver of repeat business. The empirical evidence suggests that investments in service quality enhancements are crucial for retaining customers and building long-term loyalty.

4.2 Relationship Quality's Impact on WOM Intentions

Findings support Hypothesis 2, indicating that strong relationship quality significantly influences WOM intentions. Regression results show a clear association between positive relationship experiences and increased customer recommendations. This finding underscores the role of relationship management in generating positive WOM, reinforcing social exchange theories that highlight the value of trust and commitment in customer relationships. The empirical significance indicates that enhancing relationship quality can amplify positive customer advocacy, driving organic growth through WOM.

4.3 Mediating Effect of Perceived Service Value

The results confirm Hypothesis 3, demonstrating that perceived service value mediates the relationships between service quality, relationship quality, and customer loyalty and WOM intentions. Mediation analysis reveals that perceived service value enhances the impact of service and relationship quality on loyalty and WOM. This finding emphasizes the importance of perceived value as a crucial factor in customer decision-making processes, aligning with value-based marketing theories that stress the importance of delivering superior value to customers. The empirical evidence suggests that enhancing perceived value can strengthen customer loyalty and WOM outcomes.

4.4 Moderating Role of Interactional Justice

Hypothesis 4 is validated, showing that interactional justice moderates the mediated relationships between perceived service value and customer loyalty and WOM intentions. The moderation analysis reveals that perceptions of fair treatment enhance the positive effects of perceived value on loyalty and WOM. This finding highlights the critical role of justice perceptions in shaping customer attitudes, supporting fairness theories that emphasize the importance of equitable treatment in customer interactions. The empirical significance suggests that fostering perceptions of interactional justice can enhance the effectiveness of value-driven strategies.

4.5 Insignificance of Hotel Image in Mediation

The analysis supports Hypothesis 5, revealing that hotel image does not significantly mediate the relationships between service quality, relationship quality, and customer loyalty and WOM intentions. Regression results indicate that while hotel image is positively associated with customer perceptions, it does not significantly alter the primary relationships. This finding challenges assumptions about the centrality of image in customer decision-making, aligning with recent studies that question the impact of brand image in certain contexts. The empirical evidence suggests that focusing on core service and relationship factors may be more effective in driving loyalty and WOM.

5. Conclusion

This study considers the complex antecedents to customer loyalty and word-of-mouth (WOM) intentions- namely, four key variables being service quality, relationship quality, perceived service value, and interactional justice in a hospitality setting. By shedding light on those factors, such research offers extremely valuable insights to the interactions underlying the influences towards customer outcomes by providing actionable hotel marketer guidance.

The study emphasizes that both service quality and relationship quality play significant roles as significant predictors of customer loyalty and WOM intentions. The findings thus underpin the necessity of delivering quality services and fostering strong relationships with customers to achieve positive outcomes. Moreover, perceived service value acts as a critical mediating variable, bridging the relationships between service and relationship quality with customer loyalty and WOM intentions. This implies that customers' perception of the value they get from services is critical in determining loyalty and advocacy behavior.

Interactional justice-a customer's perception of how fairly and respectfully he or she is treated during his or her interaction with the service provider-modifies these relationships. Its existence increases the loyalty and WOM intention due to positive value perception; hence, a customer's perceptions of fairness are crucial for increasing the positive effects. This reveals the importance for hotel marketers of making respectful, fair, and transparent interactions between themselves and customers.

One of the more interesting findings is how inconsequential hotel image is in actually impacting customer loyalty and WOM intentions. In other words, most of the relationships studied didn't rely on the hospitality of hotel image as a mediator. This is an interesting departure from traditional interpretations, meaning that direct service experiences and relational dynamics would be of greater significance in defining customer perceptions and behavior.

The above study contributes considerably to knowledge, even with its limitations. This might confine the ability to generalize for other cultural and regional settings and, hence the generalizability of findings since customers from diverse locations would most likely have differences in their expectation and perception on service quality and value which are likely to alter their loyalty as well as their WOM intentions. The dependence on self-reported data may also be beset with biases such as social desirability bias or memory recall issues, which are likely to skew the accuracy of findings.

In light of these limitations, future studies should replicate these conceptual models in various geographical and cultural settings to establish the generalizability of the findings. Longitudinal studies would allow a better understanding of how such factors change with time and consequently impact customer behavior in the long run. Investigating other possible mediators or moderators, for example, emotional engagement or technological innovation, may further enhance the theoretical framework.

In conclusion, this study enhances the understanding of customer loyalty and WOM intentions by integrating the roles of service quality, relationship quality, perceived value, and interactional justice. It highlights the importance of tailored strategies that account for customers' diverse

perceptions and experiences. For hotel marketers, these findings reinforce the need to focus on delivering superior service quality, building meaningful customer relationships, and ensuring fairness in all interactions to foster loyalty and positive WOM.

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