

THE RELATIONSHIP BETWEEN SERVICE QUALITY AND SERVICE RECOVERY TOWARD CUSTOMER RETENTION IN OCEAN LINER BUSINESS

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Abstract

Keywords: Service quality, Service recovery, Customer retention, Ocean liner business.

The objectives of this study were to 1) identify the effect between service quality and its dimensions toward customer retention in ocean liner business. 2) To identify the effect between service recovery and its dimensions toward customer retention in ocean liner business. 3) To provide suggestion for improvement of service quality and service recovery strategy to ocean liner company.

In today's hyper-competitive business environment, customer retention is vital for success. Service quality and service recovery has a potential for increase customer retention ratio. In this study, we want to examine how service quality and service recovery and its dimension effect with customer retention in ocean liner business. The 240 sets of questionnaire were distributed to exporter and importer who locate in Chonburi & Rayong area. Result from multiple regression model found that service recovery is extremely important with customer retention while service quality become general requirement for ocean liner business. Thus, effective service recovery strategy (e.g. apology combine with tangible compensation) had a strong positive influence for customer retention in ocean liner business. Consistence with previous research, interactional justice is the most important factor for customer retention ratio follow with procedural and distributive justice. The result indicates that ocean liner must apologize after service failure happen.