

Drivers of Passenger Satisfaction Towards Full-Service Airlines

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To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v13-i10/18834> DOI:10.6007/IJARBSS/v13-i10/18834

Published Date: 14 October 2023

Abstract

The objective of this study is to investigate the relationship between service fairness, service quality, experience quality and satisfaction in the context of airline industry in Malaysia. Specifically, this study hypothesized that: (a) service quality is positively related to experience quality in the context of airline services, (b) service fairness is positively related to experience quality in the context of airline services (c) experience quality is positively related to passengers' satisfaction in the context of airline services, (d) experience quality mediate the relationship between service fairness, service quality, and passengers' satisfaction in the context of airline services. Structured questionnaires will be utilized to collect data from airline passengers that will be selected through purposive sampling technique. Information related to demographic characteristics will be analyzed using descriptive analysis. Then, using data imported from Statistical Package for the Social Science program (SPSS), the proposed framework will be tested by Structural Equation Model (SEM) with the basis of Partial Least Square (PLS-SEM). It is hoped that the findings of this study will enhance the existing knowledge regarding the variables under study as well as be able to help airlines managers to develop more effective strategies to improve the quality of traveling experience.

Keywords: service fairness, service quality, experience quality, satisfaction, airline.

Introduction

As global competition in the airline industries increases, airlines' management are continuously looking for a way to stand out from the competition. In the past decade, many airlines have focused on offering various promotional incentive and frequent flier programs and establishing more convenient routes to consolidate their market share and to sustain

their competitiveness (Tsaur et al. 2002). However, in recent years, many airlines have realised that competition on these strategies are no longer effective and have not always proven successful. The marginal benefits of these marketing strategies gradually reduce because most airlines applied the same marketing strategies (Tsaur et al. 2002; Chou, 2008; Chen & Hu 2012). Therefore, as the air transportation environment has become even more challenging and highly competitive, airline companies are increasingly encouraged to make significant shifts in their differentiation strategy. The core idea of differentiation is to identify profitable market segments and to design products and services to optimally satisfy the needs of the target segments (Coelho & Henseler, 2012). According to Ostrowski et al (1993), when all companies have comparable fares and matching frequent programme, the company with the better perceived service will draw passengers from other carriers.

To deliver better service to passengers and to remain competitive in the industry, a study directed to understanding passengers' perceptions and satisfaction is pertinent and of utmost importance to airline companies. Specifically, the aim of this study is to explore the antecedents or drivers of passengers' satisfaction for airline services in Malaysia. The results of this study would enhance the existing knowledge regarding the variables under study as well as be able to help airlines managers to develop more effective strategies to improve the quality and passengers' satisfaction of experience.

Research Questions

This study will deal with four research questions.

1. Does service quality influence experience quality in the context of airline services?
2. Does service fairness influence experience quality in the context of airline services?
3. Does experience quality influence passengers' satisfaction in the context of airline services?
4. Does experience quality mediate the relationship between service fairness, service quality, and passengers' satisfaction in the context of airline services?

Research Objectives

Based on the research questions, this study will address the following research objectives:

1. To examine the influence of service quality on experience quality in the context of airline services.
2. To examine the influence of service fairness on experience quality in the context of airline services.
3. To examine the influence of experience quality on passengers' satisfaction in the context of airline services.
4. To determine the mediating roles of experience quality on the relationship between service fairness, service quality and passengers' satisfaction in the context of airline services.

Literature Review

Drivers of Passengers' Satisfaction towards Airline Services

One of the key themes in marketing is customer satisfaction (Alam et al, 2020) and the goals of marketing are to satisfy customers and to encourage post-purchase intentions (Ahmad et al. 2008). According to Kotler et al. (2018), customer satisfaction can be defined in terms of how products and services provided meet or surpass customer expectations. High levels of customer satisfaction are important to sustain business and profitability (Koay et al. 2019). Due to that reason, many researchers have endeavored to identify the best way to generate

customers' satisfaction, which could lead to future behavioural intentions. As satisfaction increasingly becomes a key player in marketing and customer relationship management (CRM), understanding the factors that influence satisfaction, especially in the context of full-service airline delivery is very important.

Based on the review of past literatures, service quality is particularly important in marketing studies (Ismail et al., 2016). Experience quality and service quality are related but have different constructs (Mansour & Ariffin, 2016). According to Chen and Chen (2010), service quality can be defined as service delivery performance at the attribute level and can be measured in terms of SERVQUAL dimensions or general service quality. Experience quality on the other hand refers to the psychological consequences such as feeling and emotional reactions derived from the tourist involvement in the service encounter or tourism activities. Chen and Chen (2010) also categorized experience quality into four important dimensions, namely hedonics, peace of mind, recognition and involvement. Similarly, Seiders and Berry (1998) also claimed that, although the notion of service fairness and service quality are interrelated, they are distinctive concepts and phenomena. That is, even though unfair service is generally considered low in-service quality or is likely to be judged as substandard in quality, poor service is not necessarily judged as unfair (Berry 1995). In general, the most common definition used by researchers in a service context to represent fairness is "*customer's perception of the degree of justice in a service firm's behaviour*" (Seiders & Berry 1998: 9).

Therefore, supported by Carr (2007), this study will consider service quality and service fairness as two distinct unique constructs that have a different effect on customers' evaluation of service experience. Past studies had provided strong evidence on the influence of service quality, service fairness, on experience quality and then to their satisfaction and behavioral intentions. For example, past study revealed the positive effect of service quality on customer satisfaction (Rivai et al, 2020), between service fairness and customer satisfaction (Zhu & Chen, 2012) as well as between experience quality and satisfaction (Haji et al., 2021).

Mediating Role of Experience Quality

According to Alben (1996), experience quality refers to the perceptions, sensations and views of persons based on their contact with their surroundings. These elements may be either enjoyable and pleasing, or frustrating and displeasing (Ariffin & Mansour, 2018). Similarly, Chan and Baum (2007) also refer to experience quality as tourist's affective response to certain service transactions, such as contact with people who contribute to the actual experience.

In this study, experience quality has been proposed as an intervening variable between service fairness, service quality, and passengers' satisfaction. The mediating role of experience quality has been established in the previous study. For example, a study by Ariffin and Mansour (2018) found that experience quality mediates the relationship between cultural authenticity and behavioural intention. Several other past studies also found that experience quality has an independent direct effect on tourists' behavioral intentions (i.e; Baker & Crompton, 2000; Tian-Cole et al., 2002). While Cole and Illum (2006) show that experience quality fully mediates the relationship between quality of performance and tourist satisfaction.

As a conclusion, although previous studies have provided empirical evidence on the effects of service fairness, service quality on experience quality and satisfaction, as well as the mediating role of experience quality, but to the best of researcher's knowledge, no empirical study has

specifically explored how these variables combine to affect passengers' satisfaction in the context of airline industry setting. Apparently, this study addresses this omission.

Research Framework and Hypotheses

Based on the review of past literatures, the conceptual framework employed for this present study is as presented in Figure 1. Based on the model, this study proposed airline passenger satisfaction as the dependent variable, while service fairness, service quality and experience quality as the underlying factors that could influence passenger satisfaction. On the other hand, this study also predicted that experience quality will mediate the relationship between service fairness and satisfaction as well as between service quality and satisfaction in the context of airline services. Specifically, there are four major hypotheses proposed in this study. They are as follows:

- H1: Service fairness is positively related to experience quality in the context of airline services,
- H2: Service quality is positively related to experience quality in the context of airline services,
- H3: Experience quality is positively related to passengers' satisfaction in the context of airline services,
- H4: Experience quality mediates the relationship between service fairness, service quality and passengers' satisfaction in the context of airline services.

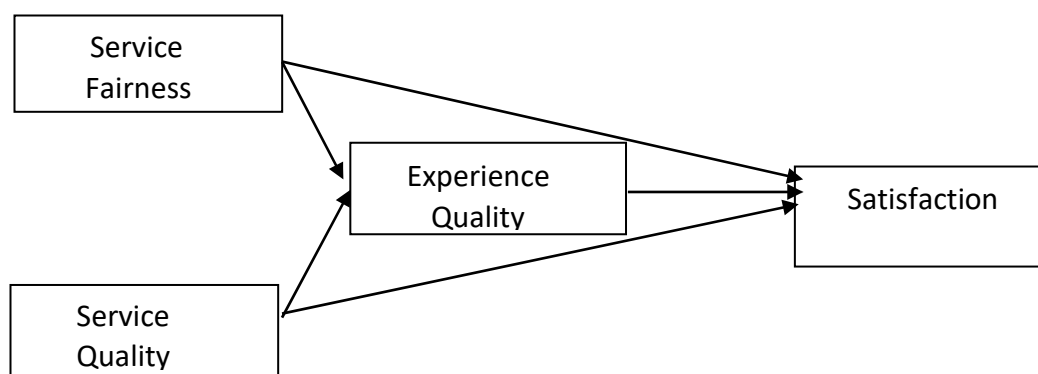


Figure 1: Conceptual Framework

Methodology

This study will use a quantitative method that is using a questionnaire collected by cross-sectional study. The questionnaires will be distributed to full-service airline passengers that will be selected through purposive sampling technique. Before the actual data collection, pre-test and pilot test will be conducted to ensure the items adapted from the past studies are reliable to represent the measured variables. The data will be analyzed using two statistical methods called descriptive analysis and inferential analysis. Information related to demographic characteristics will be analyzed using descriptive analysis to see the frequency, percentage, mean and standard deviation of the variables. Then, using data imported from Statistical Package for the Social Science program (SPSS), the proposed framework will be tested by Structural Equation Model (SEM) with the basis of Partial Least Square (PLS-SEM). The advantage of SEM in the study of the social sciences lies in its capacity to develop the dimensions of a commonly researched concept or factor and its capacity to assess the proposed relationships (Rigdon et al., 2017). Specifically, the analysis that will be conducted

using SmartPLS software aims to test hypotheses and reach conclusions about the population based on the sample obtained.

It was hoped that the study's findings would increase understanding of the factors being examined and give airline managers additional information that can be used to develop plans that will improve the overall quality of the flying experience. According to this study, service quality, service fairness, and experience quality will all have an impact on passengers' happiness with full-service airlines.

Acknowledgement

Authors would like to thank the Ministry of Higher Education for the Post-Doctoral Scholarship as well as to Universiti Malaysia Terengganu and Universiti Kebangsaan Malaysia.

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