Factors Influencing Customer Satisfaction in the Airline Industry: The Case of M Airways

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Abstract

This article is a research-based study, aiming at determining whether service quality, in terms of airline tangibles, terminal tangibles, personnel, empathy, and image, influence customer satisfaction towards M Airways. The sample of this study was first, and business-class passengers of M Airways. The study employed the questionnaire as a primary research instrument to collect data from 100 respondents. The Multiple Linear Regression (MLR) analysis of image, terminal tangibles, airline tangibles, empathy, and personnel have proven to be statistically significant in influencing customer satisfaction [$r2 = .502$, Adjust $r2 = 0.476$, $F = 18.978$, $p = .000$]. Moreover, image had the strongest influence on customer satisfaction, followed by terminal tangibles, airline tangibles, empathy, and personnel, respectively. The analyzed results revealed that if M Airways could elevate customer satisfaction, by improving the level of positive perception on the airline image, followed by terminal tangibles, airline tangibles, empathy, and personnel, respectively.

Keywords: Service quality, Airline tangibles, Terminal tangibles, Personnel, Empathy, and Image, M Airways, and Customer satisfaction

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Introduction

The airline industry is known for its fast changing and volatile environment, with customer demands and expectations also changing across different airlines. Service quality is a consideration over customers' perceptions of the service provider's performance to assess service quality (Cronin and Taylor, 1994). M airways is one of the airlines in the Middle East. M Airways needs to focus on service-providing in order to improve its services and products and become one of the best airlines, which provide long haul flights. Since M Airways provides service during the flight, and within the terminal lounge. It is important to understand customer perception towards M Airways' service, both in the terminal lounge and on their flights. The respondents that were relevant to this research were passengers of M Airways who were able to use its airport lounge. Moreover, the results from Customer Satisfaction Survey (CSS) of M Airways showed the slippage of the level of its customer satisfaction. As a result, this objective of this research is to identify the influence of airline service quality on customer satisfaction towards M Airways.

Literature Review

The literature review in this article comprises 1. Airline Service Quality, 2. Customer Satisfaction, 3. Service Quality and Customer Satisfaction.

Airline Service Quality

The original airline service quality instrument was developed by Kozak, Karatepe, and Avci (2003), which was used to measure the service quality of North Cyprus Airline. Initially, the study used five dimensions of service quality based on the SERVQUAL model to measure the influence of service quality over customer satisfaction, but the results showed the discrepancies. Therefore, Kozak et al., (2003) developed a new airline service quality model using airline tangibles, terminal tangibles, personnel, empathy, and image (AIRQUAL) to measure service quality of the airline. The results revealed that airline tangibles, terminal tangibles, personnel, empathy, and image all significantly influence overall customer satisfaction. The examples of the past studies applying the airline service quality comprised Kozak et al., (2003) are Ali, et al. (2015), and Hussain, and Ekiz (2006).

Customer Satisfaction

Customer satisfaction has traditionally been regarded as a fundamental determinant of long- term consumer behavior (Oliver, 1980; Yi, 1990). The more satisfied customers, the greater degree of company success (Anderson and Sullivan, 1993; Fornell, 1992), and the more financial benefits to the firms they will be (Fornell, 1992). Accordingly, the company seeks to manage and increase customer satisfaction.

Service Quality and Customer Satisfaction

Customer satisfaction is a significant object for service success. Service quality related to customer satisfaction (Churchill and Suprenant, 1982) because service can lead to customer satisfaction in the business (Bitner and Hubbert, 1994). Service quality is one of the significant factors compared to the other variable in the service industry (Roest and Pieters, 1997). Nowadays, it was outlined for a service business to concern over the service quality (Anderson and Fornell, 1992; Troye, Ogaard, Henjesand, 1995); moreover, the emotional toward corporation also related to service quality as well (Giese and Cote, 1999; Liljander and Strandvik, 1997; Rust and Oliver, 1994). In general, past research has demonstrated that satisfaction is strongly associated with service quality (Bitner, 1990; Cronin and Taylor, 1992; Dabholkar and Thorpe, 1994; Fornell, 1992). In tourism, a strong relationship between satisfaction and service quality was reported by Pritchard and Howard (1997). Selnes (1993) concluded that customer satisfaction might be driven by service quality, and as such it is important for airlines to understand that customer satisfaction is based on service quality, to improve services in terminals and on flights.

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Conceptual Framework

Figure 1 is a conceptual framework of this research study. The linkage between airline service quality and passenger satisfaction is based on the studies of Ali, et al. (2015), Hussain, and Ekiz (2006), and Nadiri et al. (2008). Airline service quality includes airline tangibles, terminal tangibles, personnel, empathy, and image, and is based on the studies of Ali, et al. (2015), and Hussain, and Ekiz (2006).
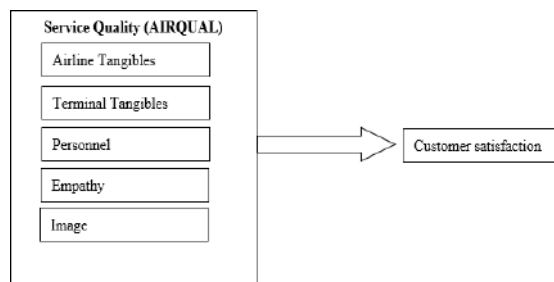

Figure 1: Conceptual Framework

Research Hypothesis

H0: Service quality (airline tangibles, terminal tangibles, personnel, empathy, and image) does not influence customer satisfaction towards M Airways

Ha: Service quality (airline tangibles, terminal tangibles, personnel, empathy, and image) does influence customer satisfaction towards M Airways

Research Methodology

This research-based article employed a quantitative method for data collection from the passengers of M Airways. The target populations of this study were customers of M Airways. The sample consisted of first and business class passengers who used the lounge's service at the Middle East International Airport. According to Green (1991), the minimum required sample size of this research was 99. The convenience sampling method was applied to collect data from 100 respondents at the in the lounge at the Middle East International Airport. The questionnaire items comprised airline tangibles, terminal tangibles, personnel, empathy, image, and customer satisfaction were based on the previous research of Ali, et al. (2015). Multiple Linear Regression (MLR) analysis was used to determine the effect of service quality (airline tangibles, terminal tangible, personnel, empathy, and image) on customer satisfaction.

Findings

The results from MLR showed that airline tangible. terminal tangible, personnel, empathy, and image had a significant influence on the customer satisfaction [$r2 = 0.502$, Adjust $r2 = 0.476$, $F = 18.978$, $p = 0.000$]. Therefore, the null hypothesis was rejected. Moreover, image ($b = .661$) had the strongest influence on customer satisfaction, followed by terminal tangibles ($b = .604$), airline tangibles ($b = .529$), empathy ($b = .454$), and personnel ($b = .421$), respectively.

Discussions and Recommendations

The results from this research were supported by Ali et al., (2015) who posited that airline tangibles, terminal tangibles, personnel, empathy, and image, influence customer satisfaction. The same assertion was made by many other academics such as Hussain, and Ekiz (2006), and Nadiri et al. (2008), all asserted that airline tangibles, terminal tangibles, personnel, empathy, and image, influence customer satisfaction.

In terms of the recommendations of the study based on the data, if M Airways would like to increase its level of customer satisfaction, it has to focus most on improving the level of positive perception on the airline image, followed by terminal tangibles, airline tangibles, empathy, and personnel, respectively. For the airline image, it is recommended for the airline to promote and present the airline to differentiate itself from other airlines, such as "best business and first-class airline from the Middle East" to further boost its outstanding image. The airline may improve the level of positive perception on the terminal tangible in terms of security control in lounge. Since this has never been used before and as such, customers may trust the level of security after being aware of the processes and how these affect them. The airline may therefore need to post more security information in the lounge to inform customers. Regarding airline tangibles, M Airways may consider improving the cleanliness of the seats

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and toilets, comfort of the seats, and the quality of catering on the plane. For the empathy

dimension, it is recommended for the airline to improve the transportation between city and airport, compensation in term of loss and hazard, and punctuality of the departures and arrivals. Finally, the airline should also improve its human resources by improving employees' general attitude, and error-free reservations and ticketing transactions.

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