Customer Satisfaction and Purchasing Intention in Airline Service Quality: a Case Study of Malaysia Airlines

Muhammad Asyraf Hasim[1], Mohd Farid Shamsudin[2], Mohd Fikri Ishak[3]

[1] [2] [3] Universiti Kuala Lumpur Business School, Malaysia
*Corresponding Autho Email: asyrafhasim@unikl.edu.my[1]

Abstract

This study is an attempt to determine to what extent service quality impacts on passengers' satisfaction and thus purchasing intentions of the flight between Kuala Lumpur and London by Malaysia Airlines. This study applied quantitative methodology to discover the relationship between service quality, customer satisfaction, and purchasing intentions among airline passengers. The study findings were based on a survey of 120 Malaysia Airlines passengers. Forty-eight British and seventy-two Malaysian passengers voluntarily took part in the survey of describing the level of passengers' satisfaction and purchasing intention with the service provided by Malaysia Airlines between both nationalities. Five-point Likert scale was used to assess the respondents' level of perception, satisfaction and purchasing intention. Results based on the data gathering and analysis show that, Malaysia Airlines' passengers of both nationalities were at good level. This study shows that the service quality provided meet the expectations of passengers. Additionally, this study was only limited to the sample of Malaysia Airlines' passengers who took part in the questionnaires. Further investigation in this area of research could deliver deeper information and findings to be useful to both academicians and practitioners.

Keyword: Airlines, service quality, passengers' satisfaction, purchase intention

1. Introduction

Lately, the airlines industry has been growing rapidly, with significant increase of global airlines profit from in USD6.1bn in 2011 and USD10.6bn in 2012 [1]. Technological advancement making the airline industry to grow well and become more crucial in supporting the global tourism activities. In fact, this industry is now a major player in the world economy as it is one of the foundations of global business [2]. This role also directly recognises airlines industry as the centre of globalization for other major industries [3]. Customer satisfaction towards airlines industry has been very low lately according to American Customer Satisfaction Index compared to other industries available today (CNN.com, 2011). However, the demands for air transportation are still there despite the economic crisis and unfortunate events such as September 11, MH370, MH17, the global airlines passenger growth expanded by 4.3% compound annual growth rate between 2009 and 2013 (IATA.org, 2015).

This study explores the effect of airlines service quality of Malaysia airlines specifically on British and Malaysian passengers travelling from Malaysia to United Kingdom. In the case of travelling from the national capital of Malaysia, which is Kuala Lumpur to London, United Kingdom. A very long distance between these two countries i.e. 6,550 miles making the air transport as the safest and efficient mode of transportation available. Evaluation of customer expectations is based on 5-point Likert scale and analysed using IBM SPSS Statistic 24. This study focuses on Malaysia Airlines service quality because it is the only airline service available providing direct flight between Kuala Lumpur and London as per this study is being conducted.

2. Literature Review

In order to compete in the highly competitive environment in airlines industry, airlines companies need to stress their business on serving good quality service [4]. Therefore, airlines companies must understand the perception of passengers, to find out what the passengers expect from the service, and also to identify what kind of services customers consider most [5,6] highlighted that quality improvement is a major objective in today competitive global business environment due to proven studies showing that service quality as very important element in competitive capability. Airlines industry consist of a complex services as the airlines companies did not sell physical products but service performance and customer experiences [7]. In line with the business offering, this study views airlines service experience as a process, which includes only several factors such as on-time performance and check-in service.

Service quality is one of the main keys to attract and keep loyal customers [8]. Thus, airline companies are in serious mode continuing to innovate their services and technologies in order to maintain superior services as well as satisfy the needs and wants of the customers [9]. In addition, [10] emphasised that service quality is a consumer's verdict about the overall superiority of a service. The authors also summarised that service quality is strongly related to brand loyalty as one of the contributing factors. Specifically, service quality in airlines industry is widely conversed among scholars and practitioners. In fact, performance of an airline company often being criticised in public.

One of the services provide by airline companies is baggage handling. [11] highlighted in their study on the rate of mishandled passengers' baggage reached 6.5 per 1000 passengers in 2006.

Moreover, the study also reveals that on-time arrival rates dropped significantly year-by-year. These issues can affect customer satisfaction towards the service by the airline companies. Airline companies' true assets are their customers [12]. Therefore, service quality is a must to be taken care of and first to be encountered greatly including the front-line employees. [13,14] agree with [15] on the most visible service is the contact employees i.e. customer service.

[16] found that certain features of a product have significant influence on customer purchase intention. The authors also conclude that perceived quality from the customers' perception is more important than the actual quality. However, there is contradict conclusions by other scholars in studying the effect of service quality on customer's purchase intention. For instance, [17] and [18] in their studies found that service quality and customer purchase intention have positive relationship. Regardless of the different findings on the relationship between perceived service quality's influence and purchase intention, the majority authors strongly agree that superior service quality leads to a highly purchase intention in minds of customers.

3. Methodology

This study focuses on airline passengers purchasing intention, expectation as well as satisfaction regarding the service quality offered by the airline company, to be specific, Malaysia Airlines. The dimensions used in this study were adapted from the SKYTRAX World Airline Passenger Satisfaction Survey (2014) which then went through minor modification to fit the study research scope. The dimensions are the indicators for the primary data collection for this study as depicted in Table 1.

In selecting sample of this study, a convenience sampling method was applied [19]. A total sample of 120 Malaysia Airlines passengers were chosen at London Heathrow Airport. Applying random convenience sampling method, the respondents were selected at the Terminal 4 of London Heathrow which is the only terminal for Malaysia Airlines [20]. The process was carried out for few days until the required sample size was attained [21].

Table 1: Service Quality Dimensions

Dimensions	Item
Check-In Process	Waiting Time, Staff Enthusiasm in Problem Solving, Check-in Efficiency
Boarding Procedures	Boarding System Efficiency, Boarding Priority, Assistance During Boarding
On-Board Product	Seating Comfort, Cleanliness Of Cabin, Cleanliness Of Toilet
Cabin Staff Performance	Communication Skills, Cabin Presence Through Flight, Staff Interaction
Overall Airline Performance	Flight Schedule, Booking System

4. Findings

Table 2 presents the profile of the respondents. Data collected for this study is screened by referring to Mahalanobis distance measure in order to detect outliers. The existence of outliers in the datasets lead to a non-reliable result. The maximum value of 1 and minimum value of 5 for all variables is presented to evaluate values within the allocated scale range. Data normality of this study is presented by the kurtosis and skewness normality values which demonstrate how the collected data is distributed. The mean and standard deviation for the five variables including overall performance of airline service quality of the five-point scale are also presented. The statistics of these variables describe the perception of the respondents regarding each service quality of Malaysia Airlines as can be seen on Table 3.

Table 2: Profile of the Samples

Variables	Categories	N	Percentage (%)
Nationality	British	48	40.0
	Malaysian	72	60.0
Gender	Male	78	65.0
	Female	42	35.0
Age	18 – 35	39	33.0
	36 – 54	57	47.0
	55 and above	24	20.0
Flight Travel Class	Economy	116	96.7
	Business	4	3.3
Travel Purpose	Vacation	115	95.8
	Business	5	4.2

Table 3: Overall Statistics of Passengers' Satisfaction on Airline Service Quality

Variables	Dimensions	Mean	Std. deviation	Skewness normality	Kurtosis normality	Min	Max
Check-in process	Check-in service [CS]	4.16	0.70	-0.23	-0.92	3	5
	Convenient of reservation and ticketing [RT]	4.14	0.79	-0.78	-0.92	1	5
Boarding procedures	On-time performance [OP]	4.00	0.89	-0.44	-0.63	2	5
Cabin staff performance	Courtesy of airline staff [AS]	4.00	1.01	-0.35	-0.63	2	5
On-board products	In-flight meal [IM]	4.10	0.75	-0.83	-1.20	3	5
	In-flight entertainment [IE]	4.00	0.74	-0.01	-1.20	3	5
Overall quality service		4.30	0.67	-0.35	-0.77	3	5

Table 4: Comparison Results between British and Malaysian Passengers' Satisfaction

Variables	Nationality	Mean	Standard Deviation	Median	Variance	Description
CS	British	4.06	0.73	4.00	0.53	Very Good
	Malaysian	4.22	0.68	4.00	0.46	Very Good
RT	British	4.08	0.76	4.00	0.59	Very Good
	Malaysian	4.18	0.81	4.00	0.66	Very Good
OP	British	4.15	0.79	4.00	0.79	Very Good
	Malaysian	3.84	0.92	4.00	0.86	Good
AS	British	4.14	1.01	4.00	1.03	Good
	Malaysian	3.84	1.00	4.00	1.01	Good
IM	British	4.14	0.74	4.00	0.55	Very Good
	Malaysian	3.97	1.00	4.00	0.58	Good
IE	British	4.10	0.72	4.00	0.52	Very Good
	Malaysian	3.94	0.74	4.00	0.56	Good
Overall	British	4.35	0.67	4.00	0.45	Very Good
	Malaysian	4.19	0.65	4.00	0.44	Very Good

5. Discussion

This study examines the impact of service quality on customer satisfaction and purchase intention of Malaysian Airlines through two different nationalities of passengers' perceptions. Table 3 shows comparison between British and Malaysian satisfactory level on Malaysia Airlines service quality. This suggests that the quality of service in Malaysia Airlines slightly above average as voted by passengers from both nationalities. Overall, passengers are more than satisfied with the Malaysia Airlines service. This finding illustrates that Malaysia Airlines has superior service quality. Factor analysis i.e. principle component analyses with varimax rotation method were conducted to obtain valid variables. Original of eleven variables used in this study reduced to five variables after factor analysis as showed in Table 3. A multiple regression analysis using these variables as predictor of customer satisfaction was then conducted to test the hypothesis. Overall quality service satisfaction rated by Malaysia Airlines passengers show positive results as described Table 4.

Basically, passengers who chose a poor level of satisfactory on those services did not match their service quality expectations. The most dissatisfying dimension for airline service quality for this study is courtesy of airline staff, followed by on-time performance, and in-flight entertainment. In-flight meals, check-in services, and convenient of ticket reservation are the least dissatisfied dimension. The results of this study have also shown that comparison between two groups of nationalities i.e. British and Malaysian indicated different levels of satisfaction. In other words, among different nationality groups, the satisfaction level differs. This study found that the satisfaction level between both nationalities based on the five dimensions differs according to passenger citizenship. It is obvious that both British and Malaysian passengers have different experiences on these services, which need to be further explored with different technique and methodology to fully scrutinize the passengers' expectation and satisfactory. This finding also indicates that service quality gives impact towards customer satisfaction. Although these five independent variables can influence customer satisfaction as showed in this study analysis results, the effect of independent variables on customer satisfaction varies.

6. Conclusion and Future Research

This study found that Malaysia Airlines service quality at its best level. Based on the data collected, check-in process is the most satisfied service. However, there are some variables that are still in good level such as on-time performance. This study contributes to the industry regulators such as airport management, the government as well as the Malaysia Airlines management team as they need to be acknowledged with this kind of study findings and

take proper actions to make sure that the airline company improves its service in order to satisfy the customers' demand. One of the solutions is to encourage the related and important organisations to response accordingly by improving the service quality dimensions which were found to be the least satisfying. These identified dimensions would be destructive to long-term feasibility of Malaysia Airlines.

There are several activities can be done in order to sustain and improve customers satisfaction for instance, frequent surveys on customer satisfaction, developing latest and advance technologies that enable passengers with more convenience as regards to online check-in and e-ticketing, do gradation on service schedules for flights with long distance destinations, and improve the quality of food in the customized meal service preferences.

Apart from that, there are several opportunities for further research in the issue of airline service quality reflects the limitations recognised in this study. First, include more passengers from Malaysia Airlines flight routes around the globe in order to get a more response and precise feedback on the satisfaction level of Malaysia Airlines service quality. Second, develop and test a designated model of customer satisfaction specific for Malaysia Airlines. Finally, increase the sample size by including variety of respondents' demographic to better examine incidences of satisfaction level of Malaysia Airlines passengers. Such studies will help to validate the current conclusions of this study by reducing the possibility of bias results.

References

[1] Alaeddin, O., Rana, A., Zainudin, Z., & Kamarudin, F. From Physical to Digital: Investigating Consumer Behaviour of Switching to Mobile Wallet, *Polish Journal of Management Studies*, 17(2), 18-30, (2018).

[2] Babbar, S. & Koufteros, X. The human element in airline service quality: contact personnel and the customer, *International Journal of Operations & Production Management*, vol. 28 (9), pp. 804-830, (2008).

[3] Basha, M. B., Mason, C., Shamsudin, M. F., Hussain, H. I., & Salem, M. A. Consumers attitude towards organic food. *Procedia Economics and Finance*, 31, 444-452, (2015a).

[4] Boulding, W., Karla, A., Staelin, R. & Zeithaml, V.A. A dynamic process model of service quality: from expectations to behavioral intentions. *Journal of Marketing Research*, 30, 7–27, (1993).

[5] Carman, J.M. Consumer perceptions of service quality: an assessment of the SERVQUAL dimensions. *Journal of Retailing*, 66, 33–55, (1990).

[6] Carlzon, Jan Moments of Truth, Ballinger Publishing Company, Cambridge, Massachusets, USA, (1987).

[7] Chang, Y-H. & Yeh, C-H. A Survey analysis of service quality for domestic airlines, *European Journal of Operational Research*, vol. 193, pp. 166-177, (2002).

[8] Chen, Fang-Yuan & Chang, Yu-Hern Examining airline service quality from a process perspective, *Journal of Air Transport Management*, vol. 11, pp. 79-87, (2005).

[9] Gursoy, D., Chen, M. H. & Kim, H. J. The US airlines relative positioning based on attributes of service quality. *Tourism Management*. Vol. 26, p. 57-67, (2005).

[10] Hanlon, P. Global Airlines (2nd ed.). Oxford: Butterworth-Heinemann Roades, D. L., & Waguespack Jr., B. (2008). Twenty years of service quality performance in the US airline industry Managing *Service Quality*, 18(1), 20-33, (2000).

[11] IATA.org Airlines Expect 31% Rise in Passenger Demand by 2017 - 930 Million More Passengers Compared to 2012, [Online]. Available at , (2013).

[12] http://www.iata.org/pressroom/pr/pages/2013-12-10-01.aspx

[13] Leon G., Schiffman, Kanuk, L. L., & Hansen, H. Consumer Behavior: A European Outlook. Pearson, (2012).

[14] Zheng, J. The Incorporation of Subject Knowledge in Teaching Scientific Translation. International Journal of English Language and Literature Studies, 7(2), 45-49, (2018).

[15] Yazdanjoo, S., & Fallahpour, H. A Study on the Correlation between Creative Thinking of Iranian EFL Learners and Using Metaphor in Descriptive Writing Tasks. International Journal of English Language and Literature Studies, 7(2), 32-44, (2018).

[16] Ngara, C. O. America's Global Hegemony since the Collapse of the Soviet Union: Implications for Africa's Development. Global Journal of Social Sciences Studies, 3(2), 113-121, (2017).

[17] Baba, Y. T., Abdullahi, D., & Musa, A. Partisan Mobilization and Electoral Violence in Kebbi State, Nigeria. Global Journal of Social Sciences Studies, 2(2), 96-103, (2016).

[18] SKYTRAX, World Airline Passenger Satisfaction Survey [Online]. Available at: http://www.airlinequality.com/Surveys/Psngr-SVY.htm

[19] Sureshchandar, G. S., Chandrasekharan, R. & Anantharaman R. N."The relationship between management's perception of total quality service and customer perceptions of service quality." *Total Quality Management*. Vol. 13, No. 1, p. 69-88, (2002).

[20] Telegraph.co.uk Global airline profits to surge to $18bn says IATA, [Online]. Available at: (2014).

[21] http://www.telegraph.co.uk/finance/newsbysector/transport/108 69883/Global-airline-profits-to-surge-to-18bn-says-IATA.html [Accessed: 17 July 2014]

[22] Tiernan, S., Rhoades, D.L & Waguespack Jr, B. Airline Service Quality: Exploratory analysis of consumer perceptions and operational performance in the USA and EU, *Managing Service Quality*, vol. 18 (3), pp. 212-224, (2008/1)

[23] Wang, C. L., Li, D., Barnes, B. R., & Ahn, J. Country image, product image and consumer purchase intention: Evidence from an emerging economy. *International Business Review*, (2012).

[24] Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. Services marketing: Integrating customer focus across the firm (5th ed.). New York: McGraw-Hill/Irwin, (2009).