Key Knowledge Generation

Service Quality that Affects the Behavioral Intention to Re-Visit Low Cost Airline

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PLEASE SCROLL DOWN FOR ARTICLE

SERVICE QUALITY THAT AFFECTS THE BEHAVIORAL INTENTION TO RE-VISIT LOW COST AIRLINE

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Abstract. The purpose of this study was to examine the relationship between service quality that affected the behavioral intention to re-visit low cost airline. Self-administered questionnaires had been distributed to 400 samples who had taken low-cost airline services at least two times. Descriptive statistics such as frequency, percentage, mean, and standard deviation as well as, multiple regression analysis had been used. The result from hypothesis testing showed that the relationship between service quality and behavioral intention to re-visit was positive with 0.05 statistical significance. The coefficient value (R) was 0.817, coefficient value R^2 was 0.667, coefficient Adj. R^2 was 0.663, and deviation was 0.8206. Reliability and empathy dimensions of service quality showed significant effect on behavioral intention to re-visit. In conclusion, it has been recommended for those low-cost airline operators to increase service quality, especially in reliability and empathy dimensions as both have the impact on intention to re-visit in order to gain competitive advantages and profitability.

INTRODUCTION

Background

The success of a low-cost airline depends on the ability of re-ordering of original customers and customer acquisition (Min, 2010). Therefore, the customer service quality started to play a major role (Zeithaml & Bitner, 1996) and is a more important factor than the price factor as well as created the loyalty of customer (Kandampully & Kim, 2010; Chow & Luk, 2005). According to research, it was found that the customer service quality is a strategy that created competitive advantage and customer retention, hence, an increment of market share and profit (Zeithaml, 2000; Chow & Luk, 2005). The service quality is the main factor for the success of the service industry (Parasuraman, Zeithaml & Berry, 1994; Kannan, 2010; Singh & Sushil, 2013) and it was very difficult to measure service quality because it was unseen, and explained the difficult (Min & Min, 1996; Kannan, 2010; Min, 2010; Chow & Luk, 2005; Parasuraman, Zeithaml, & Berry, 1985). Service quality is a component of satisfaction (Webster, 1991). The successes of having the customer service quality are cost reduction, and efficiency and turnover increment (Lewis, 1993; Antara, Musa, & Hassan, 2016). Reordering of customer showed the confidence that the customer is not going to support product or service of competitors (Ramakrishnan, 2006). The importance of customer retention can reduce marketing cost as original customers do not require cost of advertising and promotion as new customers do (Kerin, Hartley, & Rudelius, 2009), which

is complied with the fact. In addition, according to the study, it was found that the cost to attract new customers is higher than the retention of original customers approximately 5 times (Segelstrom & Holmild, 2011; Kotler, Bowen, & Makens, 2003). Regarding the aforementioned reasons, the researcher foresees the importance in studying "Effects of customer service quality on reordering of low-cost airline in Thailand". This is to apply for the improvement of the service quality to meet the demand of customers in this highly competitive situation and retain original customers.

Research questions are:

- Does the reliability dimension have the positive effect on behavioral intention to re-visit low-cost airline?
- Does the assurance dimension have the positive effect on behavioral intention to re-visit low-cost airline?
- Does the tangibles dimension have the positive effect on behavioral intention to re-visit low-cost airline?
- Does the empathy dimension have the positive effect on behavioral intention to re-visit low-cost airline?
- Does the responsiveness dimension have the positive effect on behavioral intention to re-visit low-cost airline?

LITERATURE REVIEW

A study 'Service quality that affects the behavioral intention to re-visit low-cost airline' has focused on concepts, theories, and literature review as follows:

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Service Quality Concept

In 1983, the model of service quality and measuring tools of service quality were developed. The service quality was measured from perception (Perception of service quality) compared to customers' expectation (Expectation of service quality) (Parasuraman, Zeithaml, & Berry, 1983). Then in 1988, Parasuraman, Zeithaml and Berry (1988) developed the model and measuring tools by comparing the expectation before service compared to perception after service of customers by considering 10 dimensions. The service quality measuring tool is called "SERVQUAL". From the statistical analysis by measuring the reliability and validity, it was found that the factors affecting the quality were reduced from 10 dimensions to 5 main dimensions that are "RATER" as follows:

- Reliability is the ability of the company to serve customers as committed.

- Assurance is the confidence of customers to service staffs until trust is created.
- Tangibles are the physical characteristics of the company or customer service location, which normally customers will see first.
- Empathy is the caring of customers and paying attention to meet the demand of customers.
- Responsiveness is the willingness to assist and provide service to customers rapidly.

Parasuraman, Berry and Zeithaml (1990) mentioned the critical gaps occurred from the service quality concept that the reason of unsuccessful service quality was because the service quality is below the expectation of customers, hence, leading to customers' dissatisfaction. The gaps that cause poor service quality (Model of Service Quality Gaps) are 5 Gaps as follows:

FIGURE 1
Model of Service Quality Gaps
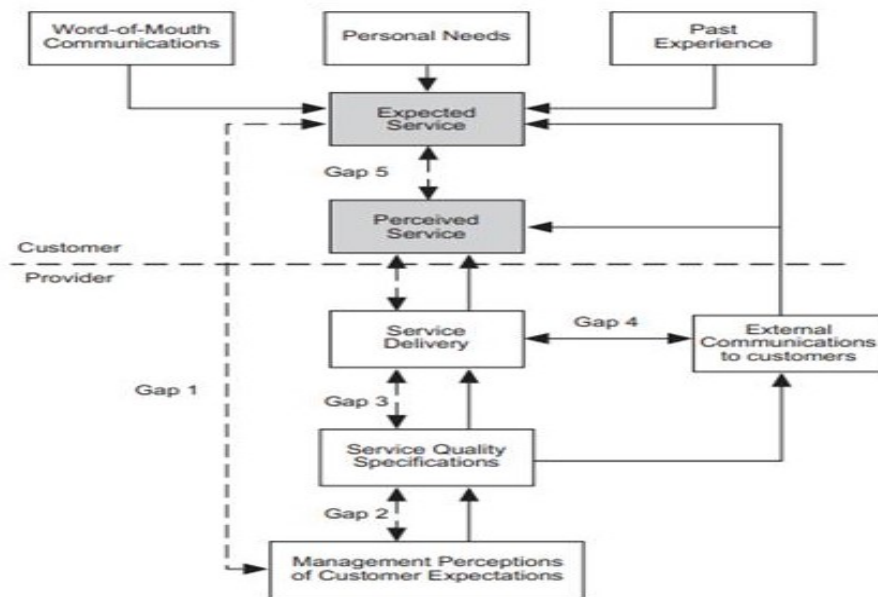
Source: Parasuraman et al. (1990)

- Gap 1 affected the service quality, which occurred from relationship between customers and companies that provide services. In other words, the customers' expectations with their perception of management that is not aware of the needs and expectations of actual customers.
- Gap 2 affected the service quality, which occurred from management perception and the expectations of actual customers.
- Gap 3 affected the service quality, which occurred from management that has defined service quality with service delivery. However, those services cannot be provided as required.

- Gap 4 affected the service quality, which occurred from relationship between service delivery and external communications, corporate communications or business that creates expectations among consumers. But the service delivery cannot be made according to the promise.
- Gap 5 affected the service quality, which occurred from the perception of service quality and expectation of service quality. This gap occurred when consumers perceived the service quality that did not meet their expectations. Both parts are all due to customers.

Behavioral Intention Concept

Fishbein and Ajzen (1975) invented the "TRA" theory (Theory of Research Action). It believes that human behavior is generated from various reasons and information used to make decisions. Therefore, human behavior is generated from expression of individual behavior that is the behavioral intention. The behavioral intention is generated from 2 factors that are attitude and subjective norm. After that, (Silahtaroglu & Vardarlier, 2016; Ajzen, 1985) researched and developed the theory of research action or TRA by adding a factor of perceived behavioral control or so-called PBC (Perceived Behavioral Control), the other factor that affects the behavioral intention; and has named this theory as theory of planned behavior or TPB (Theory of Planned Behavior).

Alexandris, Dimitriadis and Markata, 2002; Castro, Armario and Ruiz, 2007; Zeithaml, 2000 and Zeithaml, Berry and Parasuraman, 1996 stated that customer's behavioral intention consists of 4 factors as follows:

- Loyalty is the behavior expressed by the customers who appreciate and accept the services of such company and re-visit. This loyalty is sometimes expressed in the form of Word of Mouth.
- Switch is the behavior expressed by the customers who do not appreciate such company. They are prone to use less of the services due to other better choices they might have which could result in losing the customers. That's why the companies should pay attention to repeating services or purchase intention.
- Pay more is the behavior expressed by the customers who are in favor of the company despite the higher price. The willingness to pay more can be defined as price sensitivity.
- External response is the behavior expressed by the customers who are not in favor of the company and switch to use the services of the competitors or complain. It shows the failure of services. Whenever there is customer complaint, it is the sign that the customer will not re-visit. But if the complaint is handled immediately and how it is handled can satisfy the customer, he or she could probably re-visit.

Park, Lee, Kwon and del Pobil (2015) has adapted the theory to fit airline industry. Three factors have been considered which include intention to re-visit, word of mouth, and willingness to pay.

Related Researches

Zeithaml et al. (1996) found the positive relationship between perceived service quality and re-visit, especially word of mouth. Allan (2016) studied the relationship between service quality, satisfaction, and the intention to re-visit the luxurious hotels in Ghana and found that of all 5 dimensions of SERVQUAL especially Tangibles and Reliability and from Pearson's correlation and regression value, service quality has a positive relationship with satisfaction and re-visit. In addition, satisfaction has a positive relationship with re-visit and both service quality and satisfaction can predict re-visit with the reliability value at 95% ($p < 0.05$). Service quality can explain the change of the intention to re-visit up to 65.1% while satisfaction can explain the change to revisit at 92.1%.

Khraim (2013) studied the image and quality of airlines that affect the domestic re-visit in Jordan. Linear regression of SPSS program has been used. He found that image and service quality of a Jordanian airline are related to re-visit at 0.5 with multiple correlation coefficient value (R) at 0.601 and coefficient value to predict (R^2) at 0.301.

Saha and Theingi (2009) studied the service quality, satisfaction, and the intention to re-visit low-cost airline in Thailand and found that the perceived service quality affects customer's satisfaction and results in re-visit.

Conceptual Framework

Conceptual framework of this research is shown in Figure 2.

FIGURE 2
Conceptual Framework
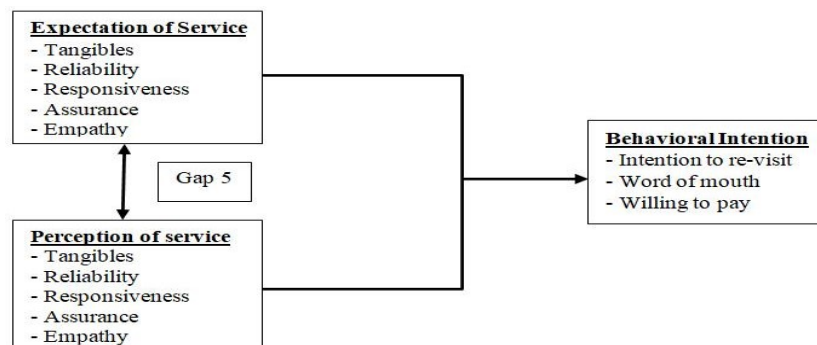
Hypotheses

Based on the research problems and conceptual framework above, therefore, the hypotheses of this research are follows:

- Reliability dimension is related to behavioral intention to re-visit low-cost airline.
- Assurance dimension is related to behavioral intention to re-visit low-cost airline.
- Tangibles dimension is related to behavioral intention to re-visit low-cost airline.
- Empathy dimension is related to behavioral intention to re-visit low-cost airline.
- Responsiveness dimension is related to behavioral intention to re-visit low-cost airline.

RESEARCH METHOD

The study focused on the customers who used the services of low-cost airlines in Thailand and used close-ended questionnaire that consisted of 3 parts; the first is the demographics of those who have used the services of Thai low-cost airlines. In the second part is the SERVQUAL questionnaire of expectations and perceptions of service quality of Thai low-cost airlines with 23 items. The last part is the questions of Behavioral intention of Thai low-cost airlines with 5 items. Convenience sampling is total sample size of 400 people who used low-cost airlines at the Don Muang airport. The questionnaires were printed and distributed for the purpose of data analysis.

RESEARCH RESULT

Various statistical methods have been used in this study to analyze information of the sample group. This includes Reliability analysis, descriptive analysis, and multiple regression analysis from SPSS program. The reliability analysis of the questionnaire to examine internal consistency or Cronbach's alpha showed that the reliability of the questionnaire is high. When considered the details, we found that Cronbach's alpha value of Tangibles is 0.708, Reliability 0.740, Responsiveness 0.8404, Assurance 0.768, Empathy 0.853, and the questionnaire has the reliability at 0.943 as shown in Table 1.

TABLE 1
Level of Confidence of the Dependent Variable (Cronbach's Alpha)

Service Quality	Cronbach's Alpha
Tangible	0.708
Reliability	0.74
Responsiveness	0.84
Assurance	0.768
Empathy	0.853
Overall	0.913

TABLE 2
Demographic Characteristics of the Participants

	Demographic	Frequency	Percent
Gender	Male	204	51.0
	Female	196	49.0
Age	15-23	63	15.8
	24-32	196	49.0
	33-41	114	28.5
	42-50	15	3.8
	51-60	12	3.0
Education	Undergraduate	15	3.8
	Bachelor's degree	273	68.3
	Master's degree	109	27.3
	Doctoral degree	3	0.8
Occupation	Unemployed	9	2.3
	Other	6	1.5
	Employees of private companies	331	82.8
	Business owners	27	6.8
	Employees of government	21	5.3
	Students	6	1.5
Using rate	1-2 times	177	44.3
(per year)	3-4 times	112	28.0
	5-6 times	27	6.8
	more than 6 times	84	21

Table 2 showed demographic test results. We found that most of the samples are male or 51%, average age 24-32 or 49%, bachelor's degree 68.3%, private company employees 82.8%, and the frequency is 1-2 times a year or 44.3%.

TABLE 3
Expectations of Service Quality of Participants

Service Quality Factor	Mean	SD
Tangibles	6.11	1.218
Reliability	6.85	1.465
Responsiveness	6.94	1.398
Assurance	6.95	1.295
Empathy	6.69	1.378

Table 3 showed the expected service quality of low-cost airlines. We found that the highest is Assurance 6.95, next is responsiveness 6.94, Reliability 6.85, Empathy 6.69, and the lowest is Tangible 6.11.

TABLE 4
Perceptions of Service Quality of Participants

Service Quality Factor	Mean	SD
Tangibles	6.67	1.265
Reliability	7.00	1.309
Responsiveness	7.02	1.378
Assurance	6.99	1.330
Empathy	6.83	1.444

Table 4 showed the perceived service quality of low-cost airlines. We found that the highest is Responsiveness 7.02, next is Reliability 7.00, Assurance 6.99, Empathy 6.83, and the lowest is Tangible 6.67.

TABLE 5
Behavioral Intention of Participants

Behavioral Intention Factor	Mean	SD
Intention to re-visit	6.95	1.358
Word of mouth	6.69	1.588
Willing to pay	5.99	2.216

Table 5 showed factors affecting behavioral intention to re-visit low-cost airlines. We found that the highest is the intention to re-visit 6.95, next is word of mouth 6.69, and the lowest is willingness to pay 5.99.

Table 6 showed the positive relationship between service quality and the intention to re-visit the low-cost airline with R 0.817 and explained the change or predicted the re-visit (R^2) up to 66.7% and service quality has a linear relationship with behavioral intention to re-visit low-cost airlines. The factors that can predict behavioral intention to re-visit low-cost airline are low (α = .05) as we can see that Sig. value is lower than α.

That is, Reliability and Empathy have regression correlation value at 0.459 and 0.252 respectively. Factors of service quality that cannot predict behavioral intention can be seen from the Sig. value that is higher than α which include Tangibles, Responsiveness, and Assurance. These dimensions have regression correlation value at 0.083, 0.072, and 0.026 respectively. Therefore, we can create linear equation to describe the relation between service quality and behavioral intention to re-visit low-cost airlines as follows:

Y = +0.574+0.252Rel + 0.459Emp

TABLE 6
Multiple Regression Analysis Test Results

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.574	0.247		2.325	0.021*
	TAN	0.083	0.052	0.074	1.582	0.115
	REL	0.252	0.067	0.234	3.753	0.000*
	RES	0.072	0.100	0.070	0.717	0.474
	ASS	0.026	0.085	0.024	0.303	0.762
	EMP	0.459	0.080	0.468	5.738	0.000*

$R = 0.817; R^2 = 0.667; F = 158.126$
a. Dependent variable: Behavioral Intention
b. Predictor: (Constant), Empathy, Tangibles, Reliability, Assurance, Responsiveness
Note: *$\alpha < .05$

DISCUSSION

The study of the relationship between service quality and behavioral intention to re-visit using Multiple Regression Analysis showed that there is the relationship between service quality and behavioral intention to re-visit low-cost airlines in Thailand with statistical significance at .05, especially in terms of Reliability and Empathy. This is in accordance with the study of Saha, and Theingi (2009) about service quality, satisfaction, and the intention to re-visit low-cost airlines in Thailand which found that perceived service quality affects how the customers intend to re-visit. It is also in accordance with Zeithaml, Berry and Parasuraman (1996) whose study found the relationship between perceived service quality and the intention to re-visit especially word of mouth. The study of Khraim (2013) also found that the image and service quality of a Jordanian airline had a positive relationship with re-visit.

CONCLUSION AND RECOMMENDATIONS

Base on the hypotheses and the results of the research, the conclusion of this research is as follows:

- The first hypothesis states that the result showed that reliability dimension of service quality did have a positive relationship with behavioral intention to re-visit low-cost airlines with statistical significance at .05.
- The second hypothesis states that the result showed that assurance dimension of service quality did not have a positive relationship with behavioral intention to re-visit low-cost airlines with statistical significance at .05.
- The third hypothesis states that the result showed that tangibles dimension of service quality did not have a positive relationship with behavioral intention to re-visit low-cost airlines with statistical significance at .05.
- The fourth hypothesis states that the result showed that empathy dimension of service quality did have a positive

relationship with behavioral intention to re-visit low-cost airlines with statistical significance at .05.
- The fifth hypothesis states that the result showed that responsiveness dimension of service quality did not have a positive relationship with behavioral intention to re-visit low-cost airlines with statistical significance at .05.

Based on those conclusions, therefore, recommendation of this research is as follows:

- Recommendation regarding service quality that affects the behavioral intention to re-visit low-cost airlines: the study showed that Reliability and Empathy can lead to re-visit. The entrepreneur should create more reliability by focusing on punctuality and safety as these two factors are important for the customers. When it comes to reservation and cancellation, the airline should be able to show their reliability when handling the problems. In terms of Empathy, the entrepreneur should have training sessions for staff to make them care more about the customers and become aware of their manner when dealing with the customers. Staff should observe the customers they are serving and try to understand what the customers need. All of these could lead to impression towards the airline and hence re-visit.

Limitations

This is the quantitative research using Close-ended Questionnaire consisting of personal information of customers who used airlines' services, service quality information, and behavioral intention information. The information was collected only at Don Muang airport. The sample group was the customers who voluntarily provided the information to ensure the sample size and reliability.

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Future Studies

Suggestions for Adoption

- Service quality

  The study showed that the perceived service quality in terms of Tangible had the lowest average scores when compared with the rest 4 dimensions. Airlines operators should improve Tangible aspect as their first priority. This includes facility renovation, staff grooming, and other equipment to ensure first impression of the customers.

- Behavioral intention The study showed that Behavioral Intention and willingness to pay had the lowest average scores. This could be because the customers were not ready to pay more when they compared the airlines with other low-cost competitors. To engage the customers and make them feel it is worth paying, airlines operators should improve customer loyalty, and increase engagement between customers and airlines. This could result in re-visit or consistency with willingness and lead to positive relationship, hence behavioral intention. With behavioral intention, despite higher price, the customers feel their needs are met (Skogland & Siguaw, 2004). However, service fee should be affordable for the customers.

Research Suggestions

- This study focused on the customers using low-cost airlines in Thailand only. There should be further studies in other countries to find out if the results are in accordance with Thailand or not.
- This study examined the dimensions related to behavioral intention only. Further studies should include other factors in order to have more effective model to predict behavioral intention such as customer satisfaction.
- What should be studied further is the relation between service quality and behavioral intention that affects customer retention. The result could be used to improve service and further strategy to maintain the existing customers.

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