



Service quality and customer satisfaction of a UAE-based airline: An empirical investigation



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ABSTRACT

This paper investigates the linkages among service quality, service provider image, customer expectations, perceived value, customer satisfaction and brand loyalty in a Dubai-based airline. Initially, the determinants of service quality were identified utilizing the SERVQUAL framework with some modification. Service quality was then used as an antecedent to measure customer satisfaction, a condition which can bring about brand loyalty. In a research initiative using a quantitative approach, data from 253 questionnaires was analyzed. Using structure equation modeling, the data analysis suggests that service quality, perceived value, and brand image have a positive significant impact on customer satisfaction, which can in turn lead to brand loyalty. Theoretical and managerial implications are discussed.

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1. Introduction

Dubai, perhaps the best-known city in the United Arab Emirates (UAE), has long been a magnet for tourists and shoppers. The number of people visiting Dubai in 2012 was about 10 million, twice the population of the UAE. These numbers are expected to increase due to Dubai's successful bid to host Expo 2020 and it comes as no surprise that the vast majority of Dubai's guests will arrive by plane. The satisfaction of these visitors is particularly important to the airline business and to the economic growth of the country as a whole. Measuring customer satisfaction in the airline industry is becoming ever more frequent and relevant due to the fact that the delivery of high-quality service is essential for airlines' survival and crucial to the competitiveness of the airline industry (Park et al., 2005). Recently, competition between airlines has become more intense and service quality of airlines is receiving more attention than ever before. High-quality service has become a requirement in the market among air carriers, and helps companies to gain and maintain customer loyalty. It also leads to creating competitive pressure among air carriers (Chen et al., 2011). To achieve a high level of customer satisfaction, a high standard of service quality should be delivered by the service provider, since service quality is considered the basis for customer satisfaction

(Clemes et al., 2008). Thus, the purpose of this research is twofold. The first step is to identify the determinants of airline service quality, which can subsequently be used at a second stage – along with corporate image, customer expectations, and customer complaints – to measure passenger satisfaction leading to brand loyalty toward airlines in the context of the United Arab Emirates.

Following this introduction, section two introduces the literature related to customer satisfaction and service quality, leading to the development of the theoretical model. The methodology is covered in third section followed by the data analysis, and finally theoretical and managerial implications are discussed.

2. Literature review

2.1. Customer satisfaction

Customer satisfaction is one of the best-studied areas in marketing, because it has become a principal factor in achieving organizational goals, and is considered a baseline standard of performance and a possible standard of excellence for any organization (Gerson, 1993; Munusamy and Chelliah, 2011). The slogan “the customer is always right” highlights a high priority and the importance of customer satisfaction (Fecikova, 2004). Companies recognize that keeping current customers is more profitable than acquiring new customers to replace those who have been lost (Boulter, 2013). Considering the intense competition in the airline industry, just satisfying customers is not enough. Rather, they

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should be extremely satisfied, which can initiate brand loyalty and better long-term relationships with customers who are then less prone to overtures from competition. However, conversely, dissatisfied customers can express their feelings through their behavior (Zeelenberg and Pieters, 2004). These negative behavioral responses may impact on a firm's profitability. At the very least, consumers can express negative feelings to people they know, and due to advancements in digital communication, word-of-mouth can spread rapidly, which can very likely affect a business's reputation in a positive, or, more worryingly, a negative way (Babin and Harris, 2012). Research shows that an unsatisfied customer will communicate to nine other people his or her bad experience (Hoffman and Bateson, 2010). This negative word-of-mouth can be very harmful, and can adversely impact the firm's reputation and profitability. The good news for marketers is, however, that if firms satisfactorily resolve customers' problems, previously dissatisfied customers will spread this news to five other people concerning the treatment they have received, and they will be more likely to do business again with the firm than non-complainers.

2.2. Service quality

Satisfaction is an immediate response to consumption, while service quality is interpreted as the overall impression of a customer's judgment concerning service provided (Bitner and Hubbert, 1994; Culiberg, 2010). Service quality is influenced by expected service and perceived service. If services are received as expected, the service quality is satisfactory, but if the services received exceed their expectations, customers will be delighted, and will perceive service quality as excellent and vice versa (Parasuraman et al., 1985). So, improving service quality depends on the airlines' ability to consistently meet the needs as well as desires of passengers. Airlines can benefit as well as achieving competitive advantage by doing their best to create and maintain service quality, which can lead to customer satisfaction. This in turn will grant various benefits to the airline by, for instance: (1) building strong relationships between the airline and its passengers, (2) providing a good basis for re-purchase activities, (3) encouraging passenger loyalty, (4) creating recommendations by word-of-mouth which will promote the airline, (5) creating a good corporate reputation in passengers' minds, and, finally, (6) by prompting an increase in the airline's profits (Park et al., 2005; Rizan, 2010). Thus, airlines must realize the strategic importance of quality: continuously upgrading quality is not costly in the long term; rather, it is an investment that will generate greater profits.

2.3. Service quality dimensions

The evaluation of service is generally assessed through the service quality procedure known as SERVQUAL, which contains five dimensions: reliability, responsiveness, assurance, empathy, and tangibles, which employs a 22-item instrument for measurement (Parasuraman et al., 1985). Despite its widespread application, it might not be suitable for measuring all aspects of an airline's service due to the different characteristics and features of service quality in the airline industry as compared to other industries. Also, the universality of the five dimensions of SERVQUAL has been questioned by many authors (Cronin and Taylor, 1992; Culiberg, 2010). It is argued that these five dimensions are industry-specific and cannot be applicable to all service industries without modifications (Culiberg, 2010). To apply the SERVQUAL framework to this research, the researchers have ensured that the selection of questions and dimensions of the framework are commensurate with the service quality of the airline under investigation. For the purposes of the present research, service quality is measured by making use

of six dimensions: *reliability, responsiveness, assurance, tangibility, security and safety, and communications*, as shown in Fig. 1. The operational definitions of these variables are presented below.

Reliability is the ability to perform the promised services in a dependable, accurate and fully responsible manner, without negligence and failure (An and Noh, 2009). Reliability has been operationalized using four items: efficiency of the check-in process, flight punctuality, reaching the destination within the promised time, and the handling of missing luggage complaints. Responsiveness is the willingness to help passengers, provide prompt service, and respond quickly and immediately to their requests (Bebko, 2000). Responsiveness has been operationalized by means of four items: willingness to help, attention to passengers' needs, keeping passengers informed about delivery of services, and keeping passengers updated in case of any modification in the flight schedule. Assurance involves both knowledge and courtesy on the part of employees, and their ability to convey trust and confidence (Buttle, 1995). Assurance has been operationalized via four items: the employees' skillfulness in providing service, courtesy towards customers, employees' ability to create confidence in passengers, and employees' expertise when responding to passengers' questions. Tangibility refers to the appearance of physical facilities, equipment, personnel and communication materials (Lundstrom and Dixit, 2008), and involves any real object(s) perceptible by touch. Tangibility was measured using eight items in this study: cleanliness of the aircraft interior, cleanliness of the exterior of the aircraft, comfort of seats, employees' attire, variety in inflight entertainment facilities, variety and quality of in-flight meals, aircraft facilities generally, and installation of up-to-date technology. Security and safety was measured using two items: one's own personal safety, and that of one's luggage. Communication is the ability of the staff to communicate with the passengers during the flight. Three items were used to operationalize communication: the cabin crew's ability to communicate with passengers in different languages, the pilot's communication with passengers, and informative announcements during the flight.

As discussed above here it is proposed that airline service quality is a multi-dimensional construct composed of six dimensions: reliability, responsiveness, assurance, tangibles, security and safety, and communications, consistent with the five-dimensional SERVQUAL model. Comparing these two models, the airline service quality model identified in this research confirms the four dimensions – reliability, responsiveness, assurance, and tangibles – put forward by Parasuraman et al. (1988). The major difference between the two models is the identification of two additional dimensions – *security and safety and communication* – in the airline service quality model.

Security and safety is considered to be the greatest asset of the airline industry, and airlines are making great efforts to guarantee their passengers the security and safety they require. Specifically, after the events of 9/11, the issue of *security and safety* has become

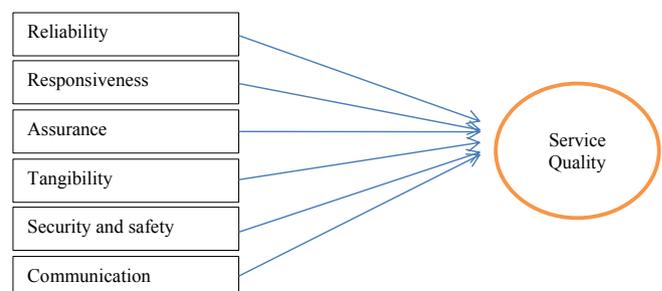


Fig. 1. Service quality dimensions.

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