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THE INFLUENCE OF SERVICE QUALITY TOWARDS CUSTOMER SATISFACTION OF LOW-COST AIRLINES IN MALAYSIA.

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ABSTRACT

The purpose of this research is to examine the influence of service quality towards customer satisfaction with low-cost airlines in Malaysia. This study examines the effect of the five service quality factors, tangibility, reliability, responsiveness, assurance and empathy, on customer satisfaction. It further discusses on the relationship of tangibility, reliability, responsiveness, assurance and empathy towards customer satisfaction. A sample of 109 respondents who had flight experiences with low-cost airlines was examined using the Statistical Package for Social Sciences. This study used descriptive statistics and multiple regressions to analyze the effects among the variables. The researcher discovered that only assurance and empathy have a significant positive relationship towards customer satisfaction. The other three factors; tangibility, reliability and responsiveness have no significant relationship towards customer satisfaction. This research contributes to the literature on customer satisfaction and service quality, comprehensively in the dimension of service quality which is tangibility, reliability, responsiveness, assurance and empathy of the respondents in the low-cost airline industry. Therefore, the research is valuable for the education sector, educators, airline industry management and future researchers.

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1 Introduction

In the low-cost airline market, one of the primary focuses has been on the customers' needs (Kim & Lee, 2011). The low-cost airline continues to offer affordable airfares to passengers and strives against stiff competition (Han & Hwang, 2015). As a result, good-quality service seemed to be an obligation among low-cost carriers because passengers may assess airline service quality, influencing customer satisfaction (Kim & Lee, 2011). In Malaysia, examples of low-cost airlines are Malindo Airline, Firefly, AirAsia X and AirAsia. Youth travellers referred to the millennials or generation Y & Z. Millennial travellers are the focus of this study since they are the airline industry's future. Kolej Universiti Poly-Tech MARA (KUPTM) students are chosen for this study. This research examines the significance of service quality and customer satisfaction in low-cost airlines.

Previous researchers have observed a correlation between quality and satisfaction (Leou, Chan, Li & Song, 2016). Understanding how passengers interpret airlines' quality and experience satisfaction is vital in the budget carrier market. Service quality is one component that influences customer satisfaction (Widianti et al., 2015). The condition of service quality affects the strategic edge of a company by ensuring customer care and customer loyalty falls along with this. Airline sustainability needs to provide first-class customer support so airlines can realize customers' desire for their services (Kalaiarasan, Appannan & Doraisamy, 2015). The quality of service can also be described as a consumer's overall feeling about the efficiency of the company's services (Susanti, 2017). It has become a norm for companies in targeting to deliver superior service quality (Susanti, 2017).

Customer satisfaction in the airline industry has become compulsory. A company's presentation will contribute to the satisfaction of customers with the services (Özkan et al., 2019). The findings of this study will help airline management better serve their passengers, track and improve the standard of service and reach the highest degree of satisfaction for their passengers (David Mc A, 2013). A greater awareness of the interaction between service quality and customer retention in the airline setting is necessary (Kwok, Jusoh & Khalifah, 2016).

2 Literature Review

2.1 Service Quality

More and more Malaysians love to travel as their ability to spend has increased, which at once causes them to be very valuable to low-cost air travel. Most information about air travel products is gained

through social media and their experiences with the air travel company (Han & Hwang, 2015). This means that the more frequently the travellers fly, the more influence in their satisfaction towards the airline's quality of service. The impact of customer satisfaction is ultimately related to the customer's significant experience in dealing with low-cost airline service delivery because the excellent experience will create a good perception towards the airlines (David Mc A, 2013). Most researchers agree that superb service quality must be given to the customers so that customer satisfaction can be brought to the uppermost point, as service quality is the critical element in accomplishing customer satisfaction.

Pitchayadejanant and Nakpathom (2016) researched the low-cost carrier in Thailand. This research discloses that obtaining loyalty and satisfying customers with low educational achievement is not difficult. Even so, air travel should raise these customers' satisfaction by delivering excellent service. Based on this research, it is found that the service empathy attributes can boost customer satisfaction, particularly the lady passengers, when the airline has a workforce who can recognize the customers' requirements.

A study done by Basfirinci and Mitra (2015), examines the effect of airline service quality on customer satisfaction in the Turkey and United States of America (USA) airline industries. This survey shows that the quality of airline service attracts customers. The survey's outcome also points out that the customer's satisfaction is affected by service quality components: assurance, responsiveness, tangibility, empathy and reliability. This reveals that customer satisfaction is influenced by the amount of service quality offered by air travel.

As stated by Kalaiarasan, Doraisamy and Appannan (2015), the performance of the frontier employees is the key feature that impacts changing customer satisfaction. This research analyses the criteria that control customer service quality in the low-cost carriers in Malaysia and suggests the airline company focus on the quality of service delivered to the passengers.

Research done by Ali et al. (2015), evaluates Pakistan International Airlines (PIA) services quality and its impact on customer satisfaction. The result of this survey uncovers that tourist satisfaction is highly influenced by employee quality and the airline's image and tangible dimension. The study recommends that airline companies ensure that the flight's condition is at the tip-top level of cleanliness. A study comparing perceptions of service quality and customer service quality in the aviation industry in Turkey, Istanbul is performed by Aydin and Yildirim (2012). This study reveals that the most vital characteristics for selecting an airline company are the ticket cost, security provided and flight schedules. Therefore,

airlines ought to enhance their service quality towards customer satisfaction since the enhancement will affect customer satisfaction.

2.2 Customer Satisfaction

A customer purchases products or services from a company or service provider. Satisfaction is described as an individual's opinion towards a particular service experience. The quality of experience faced by the customers will subconsciously create their mindset towards the service provider. Positive experience from the quality of service provided will increase the likelihood of the customers repurchasing or reusing the service again and again. A negative experience will disappoint the customers because their expectations are not met. Thus, it is believed that satisfaction can be related to the way customers have an impression to repeat using the products or services again (Wahab, Sukati & Li, 2015). According to Trinh (2017), a high-rank customer satisfaction level will give advantages to the business. When customers are pleased, they will have fewer criticisms and a high tendency to voice encouraging feedback to their families and friends.

Happy customers will benefit the business by giving an excellent name to the company, which will increase marketing efficiency and boost the company's reputation in the industry (Widianti et al., 2015). More and more low-cost carriers use the strategy to continue travellers' loyalty by offering many promotions, enticements and cheap airfare. Through this strategy, low-cost carriers can attract customers from other airlines. Airlines must realize that by reducing the gap between customer needs, customer satisfaction and the companies' services, they will be capable of holding the customers long-term (Julius & Jatmika, 2019). Research on the connection between perceived value, service quality and customer loyalty in the air travel business in Nigeria is done by Rahim (2016). This analysis aims to discover the relationship between perceived value in service quality and customer satisfaction, which can assist a passenger's decision in selecting an airline. This research confirms that customer satisfaction depends on excellent air travel service quality, which can expand the aviation company's success. Customer complaints have caused Nigeria's air travel industry to experience a decline in the number of passengers due to its inability to satisfy the customers. The Nigerian air travel industries must improve their service quality to attract customers. In the airline market environment, customer satisfaction benefits the business whereby outstanding service quality and satisfaction can be a supportive element for air travel to develop its customer's platform (Arora, Trehan, Aggarwal & Sharma, 2015). Another meaning of satisfaction is the customer's sentimental or assessment of the service or product after their acquisition. Satisfaction is the post-service feeling that customers have after they experience it. It is called "post-

purchase" evaluation because buyers may assess the goods after they go through the services or products (Jones & Taylor, 2018). Customer satisfaction will happen if the earlier expectations are met or surpassed.

2.3 The Relationship Between Service Quality and Customer Satisfaction

Service quality is the root of customer satisfaction. To accomplish the best customer satisfaction, an organization should serve the best service quality (Aueanantakorn, 2015). According to David Mc A (2013), the precise connection between service quality and customer satisfaction has been described as a complicated topic marked by debate about the discrepancy between the two structures and their relationship casual course. This suggested that the standard of the service was a global evaluation or mindset about the performance of the service. Aueanantakorn (2015) found that the quality of service led to satisfaction and claimed that the quality of service was a forerunner to customer satisfaction. Bait (2017) argued that the competitive value of service companies should prioritize the satisfaction services of the overall client. Some researchers reported that consumers would not purchase the highest quality service because of elements like comfort or cost. However, these elements may increase satisfaction, although they do not affect customers' perceptions of service quality. The researchers recommended limiting the scope of "service quality to long-term attitudes and consumer satisfaction to transaction-specific judgments" (Farooq et al., 2018). The researchers found that a significant feature of customer satisfaction is the level of service. According to David Mc A (2013), satisfaction is a more significant idea, whereas service quality concentrates strictly on service aspects. A direct correlation between service quality and customer satisfaction can be seen and described as the quality of the service having a significant effect on customer satisfaction. Huang, Lee & Chen (2019) discovered that service quality and customer satisfaction were significantly related. Thus, the following hypotheses were proposed:

H1: There is a significant relationship between tangibility and customer satisfaction.

H2: There is a significant relationship between reliability and customer satisfaction.

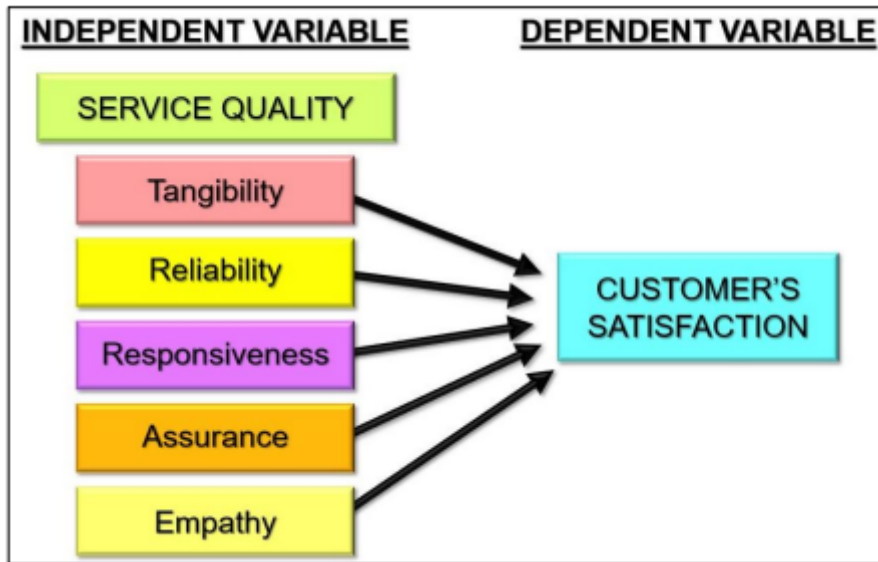
H3: There is a significant relationship between responsiveness and customer satisfaction.

H4: There is a significant relationship between assurance and customer satisfaction.

H5: There is a significant relationship between empathy and customer satisfaction.

3 Methodology and Measurement

3.1 Research Framework



In Figure 1 above, the independent variable is the Service Quality (tangibility, reliability, responsiveness, assurance and empathy), influencing the dependent variable, Customer Satisfaction. This study analyses service quality aspects: tangibility, reliability, empathy, assurance, and responsiveness. These independent variables are the elements of service quality (tangibility, reliability, empathy, assurance, responsiveness), whereas the dependent variable is customer satisfaction in low-cost airlines. The concept of service quality (independent variable) is an essential factor which provides a better understanding of low-cost airline customer satisfaction (dependent variable) and guides airline companies to establish efficient approaches towards superb service quality.

This research focuses on customer satisfaction in the low-cost carrier industry that is influenced by service quality. It is a quantitative analysis that explores the link between independent and dependent variables using the survey approach. The conclusions and the completion of the analysis would be focused on the full use of statistical data gathered, and SPSS is utilized to evaluate data.

This is quantitative research. It is an explanatory analysis in terms of the goals. The populations in this research, based on the sampling methods, are Malaysian and overseas students. Each eligible respondent must meet two conditions: KUPTM students, and the age of the eligible respondents can range from 18 to over 50 years of age. This research makes use of convenience sampling as the sampling methodology. The survey questions are sent out via Google Forms for this analysis. Only respondents with flight experience with low-cost airlines can participate in this questionnaire. This is to discourage this report from getting inaccurate viewpoints. Although the overall KUPTM population is approximately 3,537 (Student Support Division, 2020), this is assumed to be a broad sample community. This analysis, therefore, estimates the sample size based on Sekaran & Bougie (2016) sampling.

This study uses self-administered questionnaires, and the convenience sampling includes 346 respondents from KUPTM Kuala Lumpur, Malaysia, where the respondents were picked randomly. It is difficult to get the intended number of respondents, which means that different individuals of different races, ages, previous experiences and incomes will be polled through this report. For this research, out of 346, only 109 respondents answered the questionnaire through Google Forms.

Service quality was measured using a questionnaire adopted by Trinh (2017). Twenty-six (26) items were applied to test the variables. All questions were measured using a Five-Point-Likert Scale from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaires about service quality are categorized into five (5) dimensions: tangibility, reliability, responsiveness, assurance and empathy. There are four (4) questions that refer to the age, gender, race and level of education of the respondents. There are three (3) questions related to general information about the passenger's experience with low-cost airlines, such as whether they have travelled with the airline before, the frequency and the type of traveller in terms of air travel. This is followed by 30 questions whereby the 4 questions are related to the dependent variable (customer satisfaction), and the remaining questions are related to the independent variable (service quality).

4 Findings

The classification of respondents by gender, age, ethnicity and education level is seen in Table 1 below. 50.5% are men, according to the response from the 109 respondents, suggesting that the male respondents are marginally more than the female respondents, comprising 49.5% of the samples. In terms of age category, there are 19.3% of respondents aged 18 – 20 years old, 68.8% of the respondents aged 21 – 30 years old, 6.4% of respondents aged 31 – 40 years old, 0.9% of respondents aged 41 – 50

years old and lastly 4.6% of the respondents aged above 50 years old. The highest proportion comprises respondents between 21 - 30 years of age, and the lowest comprises people between 41 - 50. As for the race, 91.7% of the participants are Malays, 5.5% are Indians, while the other races, such as Iban and Kadazan, accounted for 2.8%. Regarding the standard of qualifications, 0.9% of participants are others, 29.4% are Diploma students, 59.6% have a Bachelor's Degree, and just 10.1% have a Master's Degree.

Table 1: Demographic Factor Analysis

Variables	Frequency	Percentage (%)
Gender		
Male	55	50.5
Female	54	49.5
Age		
18 - 20 years old	21	19.3
21 - 30 years old	75	68.8
31 - 40 years old	7	6.4
41 - 50 years old	1	0.9
Above 50 years old	5	4.6
Race		
Malay	100	91.7
Chinese	0	0
Indian	6	5.5
Other	3	2.8
Education Level		
Diploma	32	29.4
Bachelor's degree	65	59.6
Master's degree	11	10.1
Doctor's degree (PhD)	0	0
Other	1	0.9

As stated by Sharif, Ali & Yahya (2016), reliability can be described as a measure's accuracy or reliability over questionnaire items. Cronbach's Alpha analysis is used to check the internal consistency of items in a survey instrument. According to Sekaran and Bougie (2016), Cronbach's Alpha values should be equal to or more than 0.7. Higher values show more excellent scale reliability. As shown in Table 2, Cronbach's Alpha values are all above 0.7, implying that the questionnaire is highly consistent and reliable.

Table 2: Reliability Analysis

Variables	Dimensions	Cronbach's Alpha	Number of Items
Service Quality		0.960	26
	Tangibility	0.729	6
	Reliability	0.884	6
	Responsiveness	0.861	3
	Assurance	0.910	5
	Empathy	0.907	6
Customer's Satisfaction		0.853	4

Service quality and customer satisfaction are important as shown in Table 3. The satisfaction of customers is significantly influenced by the level of service offered by low-cost carriers. Table 3 shows that among all five hypotheses, only two H4 and H5 are accepted and considered essential compared to the other dimensions.

Table 3: Regression Analysis of Tangibility, Reliability, Responsiveness, Assurance and Empathy towards Customer Satisfaction

Independent Variable	Std. Beta	T-test	Significance	Results
Tangibility	0.048	0.568	0.571	Not Significant
Reliability	0.160	1.753	0.083	Not Significant
Responsiveness	0.181	1.939	0.055	Not Significant
Assurance	0.302	3.652	0.000	Significant
Empathy	0.289	3.189	0.002	Significant

5 Conclusion

This study successfully explored and examined the relationship between service quality (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction. The researcher found that assurance and empathy have a significant relationship with customer satisfaction.

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