



Quality Seekers as Moderating Effects between Service Quality and Customer Satisfaction in Airline Industry

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ABSTRACT

The following research paper examines the impact that quality seeker have on the quality of services offered by an airline. Service quality has been determined to influence customer satisfaction. This study therefore looks into the role of quality seekers in influencing quality of services and customer satisfaction. The study was based on a scoping review of the existent literature. Scholarly articles provide convincing arguments for the relationship between quality of services and customer satisfaction. However, customer satisfaction varies from one customer to another. There is a gap in the research regarding different categories of customers and how they moderate the relationship between service quality and customer satisfaction. Quality seekers are a category of customers who are not influenced by prices. Rather, their focus is on the quality of services and products offered. They seek out information on all available options but choose the one which best meets their expectations in terms of quality. This paper analyses the influence of quality seekers on the level of quality of services offered, and the resultant effect on customer satisfaction.

Keywords: Service Quality, Customer Satisfaction, Quality Seekers, Airline

JEL Classifications: L15, M1

1. INTRODUCTION

The commercial air transport industry has undergone significant growth over the past 30 years. There are currently over 270 international airlines ferrying over 3.8 billion people annually. This has had a significant impact on the competition in this market since there are several options for customers to choose from. Airline companies, therefore, have to constantly look into ways of differentiating themselves from the rest of the market to enhance their competitive advantage. One of the strategies that have emerged is the adoption of generic strategies to ensure conformity to industry standards (Rahman et al., 2016). This is exemplified by the provision of meals and entertainment in-flight. While in the beginning they were premium services, today they are the industry standard and an airline cannot attempt to forego these provisions since it will result in the loss of customers. Since there is a wide variety of airline companies, customers now have

the power to autonomously decide on which carrier they will use based on their specific expectations. This is especially true for the quality seeker.

“Quality seekers” is a term used to denote a category of consumers that seek out the highest quality. They are mainly well-informed individuals with the capacity to conduct adequate research into the object of their inquiry. Most quality seekers collect relevant and essential information about the products and services offered by different companies and their prices. Their decision-making, therefore, is from a position of information. To adequately meet the expectations of the quality seekers, it is essential for the business to embrace innovation. Moreover, it is important for firms to keep track of the shifts in consumer behavior for them to offer quality services.

The quality seeker concept relates to the search for information. What distinguishes quality seekers from other consumers is their

commitment to seek a firm or organization that offers products and services that match their expectations. They, therefore, search first their memory to come up with options before using resources at their disposal such as the internet, media or knowledge of friends and family.

Quality seekers are notably indifferent to price (Petrovici et al., 2004). Quality seekers are usually able to purchase products and services as long as they meet their expectations. Hence, quality seekers are good indicators and moderators of the relationship between the quality of services offered, and the level of customer satisfaction since their only concern is the quality of services offered by the airline.

The object of this study, therefore, is to examine the effect of quality seekers with regard to service quality in the airlines. It is the aim of this paper to show how service quality affects the level of customer satisfaction. This paper argues for the consideration of the quality seekers by airlines when making decisions.

In conducting this study, the emphasis has been put on the quality seekers as a moderating factor in service quality and customer satisfaction. Service quality is the main independent variable and is further broken down into pre-flight, in-flight, and post-flight services. Customer satisfaction is the dependent variable that companies constantly try to work towards. In addition to these, quality seekers are described and discussed, especially with reference to their role in establishing service quality.

Most of the literature in this field study the two variables; service quality and customer satisfaction. The research gap identified is that limited sources focus on quality seekers as a category of customers and their role in moderating the relationship between service quality and customer satisfaction. This study is important because it attempts to fill this gap and contribute towards the understanding of how best to attract and retain this category of customers in the airline industry.

This paper studies the two main variables are service quality and customer satisfaction. In addition to this, it will elaborate on the impact that quality seekers have on service quality. The model used in carrying out this research examines service quality as the independent variable and breaks it down further into pre-flight, in-flight, and post-flight services. The impact of service quality on the satisfaction of passengers, the dependent variable, is similarly based on pre-flight, in-flight, and post-flight services. Quality seekers are regarded as the moderating factor.

2. LITERATURE REVIEW

The literature review on this subject focuses mainly on the publications of scholars. Although the literature on the subjects of this research is sparse, we will examine the content of various works that relate to the research question. Some of the areas reviewed include the standard for quality in the airline industry and the resultant effects on customer satisfaction. Also reviewed will be the category of consumers known as quality seekers and what sets them apart from regular customers. We will then draw

an inference linking the quality seekers to airlines' commitment to service quality. In particular, we will be looking into how the quality seekers affect the decision-making of the airline management and how this leads to greater customer satisfaction.

Most research on this area focuses on pre-flight, in-flight, and post-flight services as contributors to customer satisfaction. However, there is limited literature on quality seekers and their role in moderating the relationship between service quality and customer satisfaction.

2.1. Airline Service Quality

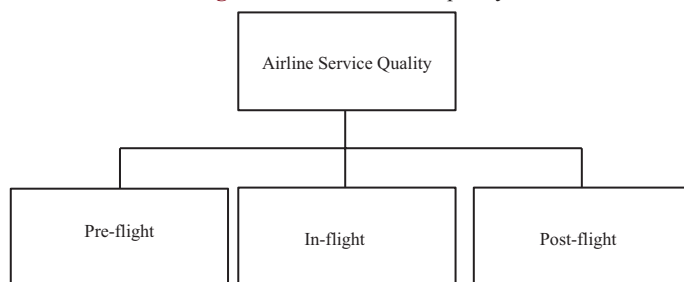
Service quality is a fundamental determinant of an organization's competitiveness. It is defined as the measure of customer satisfaction with regards to the companies meeting their needs and desires. In an industry such as air transport, which is replete with competing firms, gaining a competitive advantage is of great importance to an organization. It helps the organization to stand out from the crowd and draw in customers since they know what they will get is superior to what other organizations offer. In the airline industry, service quality has three elements; pre-flight services, in-flight services and post-flight services (Figure 1).

Expectations of airline passengers with regard to service quality are made up of several different dimensions. These include function, diversion, and interaction (Fodness and Murray, 2007). The ability of airlines to function in a manner that focuses on quality from the time a customer enters their space to leaving is an essential factor in measuring the quality of the services offered.

Curtis et al. (2012) carried out a study to analyze the impact of service quality on customer satisfaction with a particular focus on airline companies. Their study mainly concerned customer satisfaction. They sampled 303 passengers on international flights and found that the level of satisfaction, as well as the objects of satisfaction, varied from one customer to another. Some were concerned about the quality of the food while others were concerned with off-board facilities.

As has been stated severally before, the satisfaction of customers is a fundamental factor in determining the success or failure of a business. Amron and Usman (2016) conducted a study focusing on the concept of customer satisfaction in Malaysian airlines. Their study was aimed at investigating the level of customer satisfaction among passengers of the Malaysian airlines who flew to Asia. The research investigated service quality factors as the independent variable and customer satisfaction as the dependent

Figure 1: Airline service quality



variable. The study sampled 300 passengers, and the finding was conclusive: customers who perceived the services offered to be of poor quality ultimately switched to other airlines. This clearly shows that companies stand to lose customers, and income, if they offer poor quality services.

2.2. Customer Satisfaction

Satisfaction refers to the level of contentment exhibited by customers, i.e., the services offered meet their expectations. Customer satisfaction can only be achieved when the wants and preferences of the customers are prioritized. It is noteworthy, however, that all customers have their own unique tastes and preferences.

The airline industry is extremely competitive. The concept of customer satisfaction is therefore particularly important since satisfied customers translate to regular customers. In a study conducted by Upadhyaya (2013), it was determined that customer complaints are critical in evaluating the level of customer satisfaction. The study focused on two types of consumer complaints; controlled and uncontrolled. Controlled complaints mainly involve matters of price, delays, and issues regarding the airline crew. A similar study was carried out by Mayhew and Wilkins (2003), this particular study focused on the impact of managing customer relationships on customer satisfaction in the aviation industry. They asserted that it is imperative that companies understand the needs of customers before attempting to meet them. The study also focused on the electronic customer relationship management system. This approach allows us to measure changes in the market in order to ensure that the services offered by the company reflect the expectations of the customers. Further, they determined that in-flight entertainment is a critical driver of customer satisfaction. Their analysis also asserted that online booking systems and digital calling services could influence the decisions of the customer.

2.3. Quality Seekers

The quality seekers are individuals who seek information about a service or a product and use it to make decisions. They begin by searching personal sources like their knowledge and memory before engaging other sources like newspapers, social media like Twitter, news, websites, and society in general such as word-of-mouth from friends and family. There are three levels to quality seekers based on income levels, and it is prudent that airlines understand how to treat them.

High-income earners in most cases are willing and able to pay high prices for quality products and services. They are therefore mainly quality seekers. Middle-income earners are moderate. Low-income earners, on the other hand, have limited financial muscle. They have low purchasing power thus do not have much of a say with regards to the quality of the products or services.

Unlike price-sensitive customers, quality seekers are not concerned about prices. Rather, they focus on the quality of products and services (Petrovici et al., 2004). It is, therefore, the quality seekers who drive the companies to provide high-quality products and services in order to attract and retain them as customers.

Thaichon and Quach (2016) found that high-quality seekers the world over share the same characteristics. They all have easy access to information concerning the quality of products and services. In the airline industry, for instance, quality seekers are mostly frequent fliers. With time, they align themselves with the company they find most suitable based on their destinations.

2.4. The Influence of Service Quality on Customer Satisfaction

Service quality in airlines is measured in three categories: pre-flight, in-flight and post-flight. Pre-flight services occur at the place of departure before the passengers board the plane. They include reservations, timely departure, behavior of staff, a conveniently placed flight schedule, how delays are handled, quick check-ins, security and offering a lounge for customers. In-flight services are carried out in the aircraft in the course of the flight. They include in-flight entertainment, quality and delivery of food and politeness of the airline crew. After landing at the destination, the customers experience post-flight services such as handling of luggage, attitude of the attendants, ensuring timely arrivals, having an effective complaint system and frequent flier programs.

Service quality is the independent variable in this research while customer satisfaction is the dependent variable. Studies in this field indicate that the quality of services offered determines the level of customer. It is therefore imperative that airlines understand their customers' needs in order to be in a position to best satisfy those needs thus achieving the highest levels of customer satisfaction.

On the flip side is customer satisfaction, which is determined by the level of quality of the services and products offered by the airline. It can also be viewed from the perspective of pre-flight, in-flight and post-flight services. If the services offered are of high quality, the level of customer satisfaction is also high.

3. SUGGESTED FRAMEWORK

The proposed framework for this study covers the two main subject matters, i.e., the quality of service and customer satisfaction. It then delves into the concept of quality seekers and the moderating influence this category of customers has on improving the quality of products and services. The examination of service quality is done according to the stages; pre-flight, in-flight and post-flight.

3.1. The Relationship between Airline Service Quality and Passengers Satisfaction

The first area of review in this study is the relationship between the quality of services offered by a company and the level of customer satisfaction it achieves. Al-Rousan and Mohamed (2010) examined this relationship and determined that high quality of services enhances customer satisfaction while poor quality of services resulted in the loss of customers to competitors. The ability of an organization to cultivate customer relationships is intrinsically linked to the quality of their services and the level of customer satisfaction that is realized. Quality seekers are a category of customers that are not influenced by price. Their only consideration is the level of quality of products and services. They are therefore

the people who push companies to the highest levels of quality in the provision of services. Therefore, the ability of airlines to attain the required levels of customer satisfaction contributes directly towards attracting quality seekers (Figure 2).

Proposition 1: Pre-flight, in-flight and post-flight service quality improves the level of Passengers satisfaction.

3.1.1. Measurement of service quality

Service quality is measured from the perception of customers. It is defined as the comparison between the perceived expectations of a service and its actual performance (Au and Tse, 2019). Measuring service quality as perceived by customers is not so straightforward. The customers have to be willing to receive services and then rate the quality level of the service. This study, therefore, makes use of the SERVQUAL model to help evaluate the quality of services offered by the airline. Perception is the primary determinant of the quality levels of a company’s services (Basfirinci and Mitra, 2015). The aim of the SERVQUAL model is to discern the customers; perception of the services they receive from the airline by focusing on the opinions and points-of-view of passengers on the quality of services they receive. However, the design of the SERVQUAL model makes it unsuitable for evaluating all service industries (Choi et al., 2015). Consequently, AIRQUAL model was developed to evaluate the airline industry specifically (Collier and Bienstock, 2015). The AIRQUAL model breaks down service quality into different stages or elements. In this case, the model will focus on the three stages of a customer’s journey; pre-flight, in-flight, and post-flight.

3.1.1.1. Pre-flight services

Pre-flight services are the services or experiences offered to customers before they board the plane (Hapsari et al., 2017). Some of these services include mechanisms for reservation, check-in services, conveniently placed schedule, good airline image, and on-time departure. The level of customer satisfaction before boarding the flight can be assessed using the questions indicated Table 1.

3.1.1.2. In-flight services

In-flight services refer to all the services enjoyed by customers in the course of their flight. Airline customers typically spend most of the time they are in contact with the airline in the aircraft (Cronin Jr. and Taylor, 1994). Therefore, the quality of in-flight services plays a key role in determining the level of customer satisfaction. The factors used to measure in-flight customer satisfaction include

attitude and behavior of the cabin crew, quality of the food, entertainment options, and security (Table 2).

3.1.1.3. Post-flight services

This refers to the services offered at the destination, after the flight. It can also be measured using five factors including arrival on time, behavior and attitude of the crew after landing, complaint system, handling of delays, and programs such as frequent-flier program (Table 3).

3.2. Moderating Effect of Quality Seekers to Airline Service Quality and Passengers Satisfaction

Understanding the needs and desires of quality seekers is critical for airlines. The relationship between the quality of services and the level of satisfaction of the customer is stronger when the customer belongs in the category of high quality seeker. This is because these customers are primarily concerned with the quality of services offered. Such customers care for things having a spacious cabin, extra attention from flight attendants and high quality in-flight entertainment. They go for the best services with price playing no part in the decision making (Figure 3).

Figure 2: The influence of Airline service quality on passengers satisfaction

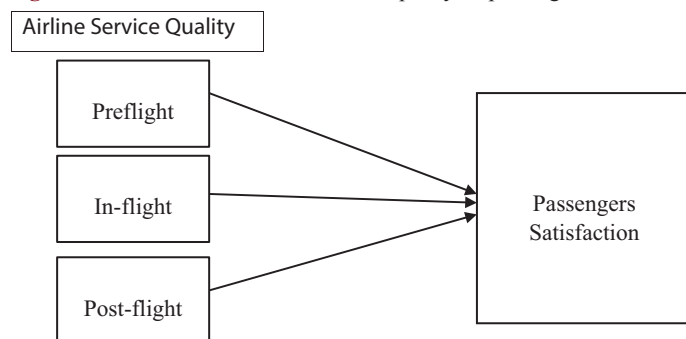


Table 1: Measurement of pre-flight customer satisfaction

Item	Sources
I find the online reservation and buying tickets simple and timesaving too	(Hapsari et al., 2017) (Rather, 2018)
I find the check-in services prompt and reliable	
My flights always depart on time	
I find the flight schedules convenient	
I believe the company has a good reputation and image	

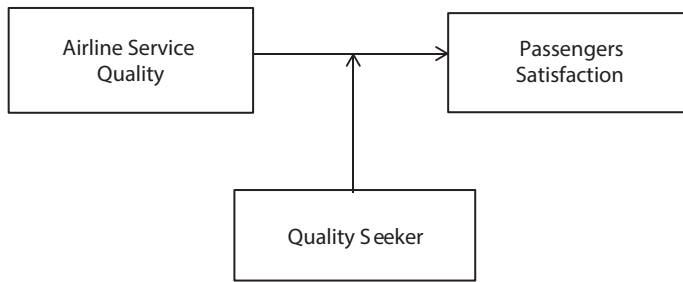
Table 2: Measurement of in-flight customer satisfaction

Item	Sources
I am pleased with the cabin crew’s exemplary services	(Basfirinci and Mitra, 2015) (Li and Liu, 2018)
I enjoy the food provided	
I feel the airline has a caring personality	
I find the entertainment services inside the flight exciting	
I feel secure when traveling with the airline	

Table 3: Measurement of post-flight

Item	Sources
I always arrive on time when using the airline	(Cronin Jr and Taylor, 1994) (Cronin Jr. et al., 2000)
I am confident that delayed passengers are well handled and accommodated	
I am confident that the complaint system is responsive and reliable	
I am pleased that the workers are always willing to assist passengers on arrival	
The frequent flier programs make me feel valued by the company	

Figure 3: The association between services quality, passengers satisfaction, and quality seeker as the moderating factor



Proposition 2: When the customer is in the category of a high-quality seeker, the relationship between service quality and customer satisfaction is weaker. And when the customer is in the category of a low-quality seeker, the relationship between service quality and customer satisfaction is stronger.

3.3. Measurement of Customer Satisfaction

Customer satisfaction refers to the measure of how the services offered by the airline company match or exceed the expectations of the customer (Hussain et al., 2015). Customer satisfaction is the personal evaluation by a customer of his/her service experience. The level of satisfaction is said to be high when the quality of services or products surpass the expectations of the customer. Conversely, the level of satisfaction is low when the customers' expectations are met. Customer satisfaction can be determined using five questions drawn from previous studies on this area but modified to suit the specific circumstances of this study (Table 4).

3.4. Measurement of Quality Seekers

Quality seekers are usually high-earning individuals who seek the best quality services with little consideration for price. The focus of airlines with regard to this type of customer is to provide the highest quality attainable in order to satisfy them and eventually retain them as regular customers. The set of questions below can be used to assess quality seekers. Passengers who opt for choices C and B will be classified as high quality seekers. On the other hand, those who opt for A and D will be categorized as customers seeking low-quality/low-price services.

The most important feature I consider when choosing an airlines is:

- a) High quality low price
- b) High quality high price
- c) High quality only
- d) Low price only.

Quality seekers can also be measured using the following five questions (Table 5).

4. RESULTS

The theoretical framework employed in this study is based on two variables; service quality and customer satisfaction. Service quality affects the level of customer satisfaction. For high quality seekers, high service quality results in satisfaction since it matches their expectations. For low-income individuals, high service quality also

Table 4: Measurement of customer satisfaction

Item	Sources
I was right to choose this airline as my designated airline service provider	(Hussain et al., 2015) (Baker, 2014)
I have enjoyed my experience travelling with this airline	
I believe that choosing this airline as my airline service provider was a wise decision	
I am satisfied with my decision of selecting this airline as my preferred airline service provider	

Table 5: Measurement of quality seekers

Factor	Sources
I do not mind the price increase if the quality is high	(Thaichon and Quach, 2016) (David Mc, 2013)
Low quality leads me to change the airline	
High quality is the main factor in chasing the company	
Whenever I feel that the high quality is developing in the company, the greater my conviction	
The high quality of the food and beverage level is important to me in choosing the flight	

results in high customer satisfaction. Thus, when the customer is in the category of a high-quality seeker, the relationship between service quality and customer satisfaction is weaker. And when the customer is in the category of a low-quality seeker, the relationship between service quality and customer satisfaction is stronger.

5. DISCUSSION

The aim of the research was to examine how quality seekers moderate the relationship between service quality and customer satisfaction. In particular, we set out to examine how pre-flight, in-flight, and post-flight service quality improves the level of customer satisfaction. When the service quality is high, customer satisfaction is also high. This is because the airline meets all or most of the expectations of the customer. When service quality is low, customer satisfaction is similarly low and the customers can leave to seek the services elsewhere. Also, when the customer is in the category of a high-quality seeker, the relationship between service quality and customer satisfaction is weaker. And when the customer is in the category of a low-quality seeker, the relationship between service quality and customer satisfaction is stronger. Quality seekers are mostly high-earning individuals who are willing to bear whatever cost to enjoy high quality products. Middle-income earners are moderate while low-income earners are more interested in price than in quality. With high quality seekers, the relationship between service quality and customer satisfaction is weaker since they have high expectations (Thaichon and Quach, 2016).

6. CONCLUSION

In summary, this study agrees with several scholars who assert that service quality impacts on customer satisfaction. It then goes

further to argue that quality seekers have an influence on the quality of services offered by airlines. The relationship between service quality as the independent variable and customer satisfaction as the dependent variable is moderated by the quality seekers who determine the level of quality of services. We have established that quality is the primary driver for quality seekers. In this context, the quality seekers are the force behind the high-quality products provided by an airline. High-quality products will motivate the consumers to purchase the services of an airline since they have the perception that their needs will be met (Kasemsap, 2016). Thus, it is essential for the airline to consider the aspect of quality seekers in making their decisions.

7. LIMITATIONS AND RESEARCH FUTURE

The main limitation of this research is that it was conducted on customers in the airline industry alone. Thus, it might not be a true depiction of quality seekers in a different industry. However, quality seekers have the same characteristics (Thaichon and Quach, 2016). For instance, they have access to information regarding the quality of services and products. In the airline industry, the quality seekers are often frequent fliers with particular preferences of airlines based on their satisfaction in the past. Another limitation is that ascertaining the particular cabin class of the customers in a survey could prove difficult. The satisfaction levels are different for all classes, thus some may prefer an airline for its timeliness, while others prefer it for the size of its cabins. Also, human wants vary from individual to individual, thus one customer's satisfaction may not necessarily mean another one would be satisfied by the same level of quality.

This study only begins to examine how quality seekers determine service quality with regard to customer satisfaction. Future researchers looking to expound on this subject should focus on getting a broader sample base to ensure they get a picture of the entire industry. It will further the knowledge of how different companies meet the service quality expectations of their customers and the level of customer satisfaction that accrues as a result.

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