Halal Service Quality and Customer Satisfaction of Airlines Company: A Conceptual Framework

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Abstract

Purpose: The purpose of this paper is to propose a framework of airlines customer's evaluation of quality toward services provided by Airline Companies and their effect on customer's satisfaction.
Design/Methodology/Approach: The study is to determine the factors of halal service quality and customer satisfaction for airline industry. Variables introduced are from various related research and articles.
Findings: From the result was indicated that two of the hypotheses are supported while three are not supported with customer satisfaction of airlines service.
Research Limitation/Implication: The research examines the relationship between halal service quality dimension and customer satisfaction in airline industry. This study focuses on the evaluation of all airline service user regarding service quality of Airlines Company. The main limitation of this study is that it focus to customer satisfaction on all Airlines Companies: thus the result cannot be generalize.
Practical Implications: The results indicate that company should focused on different dimensions of airline service quality, which will lead to passenger's satisfaction and encourage the development of long-term relationships with their customers.

Keywords: *Satisfaction; service quality; airline industry.*

1. INTRODUCTION

Recently, airline industry is characterized as a hard regulation which limit airlines' opportunity to expands while it is not easy for companies to access global markets compared to other industries which have paved ways for companies to be global players [1]. Since business transformation always change, customer requirement and expectation also change where many of service companies especially the airlines do not reach their target to fulfill customer requirement and still hold outdated views of what airline services need to provide to their customer [2]. In between 2019-2022 during COVID-19 pandemic where it was impact to the economy, this problem was hitting the airlines industry and make it more competitive. The consequence is many airlines closed their operation and some change to others business in order to survive successfully. According to Hussain [3], customer satisfaction is very vital to retain existing passengers, acquire new ones and make them sustain in order for company to be progressive in such a highly competitive market. Satisfaction and dissatisfaction information are important because understanding them leads to the right improvements that can create satisfied customers who reward the company with loyalty. Customer satisfaction leads to repeat purchases and repeat purchases lead to loyal customers. In turn, customer's loyalty leads to enhanced brand equity and higher profits [4].

According to Prayag [5] the airlines hold vital commitment by give halal service quality as it acts as an ambassador in increase image for the country. However, competition between huge and small airlines is not only give opportunity for Airlines Company to grow but also it can give bad impact and cause business drop. To survive in this competitive industry with little margin for error, many company improvement on their cost efficiency and service productivity. One of the mechanism is company apply no-frills approach which allows airlines to control in reduce their operating expenses and transgress into a lower-point airfare. However, this approach can backfire, since it may undermine the airline service quality and put airlines in less competitive position [6]. Service by airlines have a little different with others service industries, researcher need to do additional research in order to evaluate the service quality of local airlines and also to access their effects on customer satisfaction by using appropriate dimensions of service quality. The objective is to study the perceptions and expectation of customers towards the services provide by local airlines company and to find result of customer satisfaction by using the AIRQUAL scale.

2. LITERATURE REVIEW

2.1 Service Quality

Service quality is very important to all companies to differentiate their services with other in competitive market. This quality can be measured through customer's comprehensive recognition after service delivery because the service can access during service process. According to Nakhai and Neves [7] service is dominant sector to the economy and also need to understand all the customer requirements. From an academic perspective where researchers from marketing field have contributed significantly to the service customer satisfaction understanding [8]. Service quality is considered as a critical determinant of competitiveness where it can help an organization to do differentiation with other organization to gain competitive advantage. Service with high quality is considered as a vital determinant for long-term profitability and it is not only of service organizations but also for manufacturing organizations. Service quality in some manufacturing industries is considered more important rather than product quality. In addition, service quality also is a key to make improvement towards profitability not about the cost of business production.

Furthermore, the result from previous research do not clearly focus on the impact between service quality dimension and experience quality on customer satisfaction. In addition, from a managerial perspective it was shown that there are significant gap between management perception of high-quality customer experience and customers' perception of high-quality customer experiences [9]. Airline companies should be more advance for value creation and use appropriate allocation of resources in international air travel by create more realistic

consumers' expectations to increase the level of customer satisfaction on this service. As an example, company create customer expectation through fulfill customers' requirement by access service levels, confront with customer complain positively and deal with dissatisfied customer effectively. It can help management to differentiate their brand from other airlines and also can increase their level of service quality from others [1]. The most problem for the airlines is to become commodity product and do not have buying decision from consumer. The target of the airline industry is to increase customer expectation so that they can satisfied with service provided. If company can achieve this target, it also can help them to enter international market where all travelers still have high expectation and they need high level of service [1].

Customers perceive service quality by compare the companies' actual performance and their own expectation through memories, word-of-mouth communication and experience [10]. According to Frost and Kumar [11] these prior studies were based on the SERVQUAL models from a service recipient perspective. Based on previous in service quality area has concentrate on service quality gap between external customer and customer contact personnel. The previous study which was develop by Min and Min [6] said the study suggests an internal adaption of the gap model and SERVQUAL instrument inside a service organization in this case of international airline. A previous study conducted by Namukasa [1] the dimensions of pre-flight service quality is responsiveness, discount and in-flight service quality is tangibles, courtesy and language skills while post-flight service quality is frequent flyer program and timeliness reliability as dimensions of pre-flight service quality while tangibles, courtesy, and language skills as dimensions of in- flight service quality and frequent flyer programs and timeliness as dimensions of post- flight service quality. This dimension was found during assessing service quality in the Ugandan airline industry. According to Asubonteng et al. [12] the five quality dimension of the service quality are adopted and gained high acceptance in common platform to implement service quality in services.

Parasuraman et al. [13] proposed a service quality model and identify five quality attribute which include tangible, empathy, responsiveness, reliability and assurance based on the interpretation of quality data from comprehensive explanatory research. According to Babbar et al. [14] airline passenger can experience many service encounters call as moment of truth with internal employee such as cabin crew. Interestingly, passengers may use service quality as a basis for judging the overall quality of an airlines because it is more visible and adorable [15]. Therefore, it is very important to satisfy customers because nowadays most of them exposed to a variety of information about competitor's service. It is because they are more familiar with the current trends especially in technology, very well educated about quality of services and they have high demand in the product and services [1]. According to Nadiri et al. [16] the five-dimension that have 22-item SERVQUAL scale is not apply to the airline industry because it does not have specific aspects of service quality. The more that service quality is discussed within the company, the greater the understanding of employee with working environment and company can be better in achieve their objective.

According to Abdullah et al. [17] researcher have high curiosity over the measurement of service quality and also give full attention to service quality research. Unfortunately, the measurement of service quality in airline has not been thoroughly evaluated [18]. In this study, a comprehensive model in evaluate airline service quality by using AIRQUAL dimensions was suggested by Nadiri et al. [16] based on five distinct dimensions:

(1) Airline tangibles- the physical surrounding that indicate the condition of internal aircraft such as design, catering and cleanliness.
(2) Terminal tangibles- the facility provided for customers at airport such as toilet, trolley and shop.
(3) Personnel- it refer to all staff that handle customer service at terminal either they indicate good behavior to customer or they refuse to cooperate.

(4) Empathy-it is a company consideration towards customer so that customer can feel protected and safe when use this service.

(5) Image-this is part to attract customer to use our service by offering low price ticket and ensure company reputation secured so that customer always belief on service provided.

(6) Halal awareness-refer to services dedicated for the customer feeling comfort in enjoying halal services

This five scale was validated by Nadiri et al. [16] who also evaluated AIRQUAL's effects on customer loyalty in north Cyprus. However, they suggested to use this scale in others contexts to validate the scale and generalize its results. Therefore, in this study also apply the AIRQUAL scale to evaluate the service quality of Malaysia's local airlines.

2.2 Customer Satisfaction

Customer satisfaction usually comes from the overall evaluation of service quality by customers [19]. Besides that, service quality is not only influence customer satisfaction but also impact on customer behavioral outcome [20]. The first approach is the result of comparing customers' expectations with their perceptions where this method called the expectancy disconfirmation approach [13]. This approach maintains that if customers' perceptions meet their expectations, the expectations are said to be confirmed so that customers are satisfied. However, if perceptions do not match expectations, then these are said to be disconfirmed expectations, and customers will not be satisfied. On the other hand, if a customer's perceptions exceed their expectations, customers will feel very satisfied. Customer experience quality is deemed a pivotal component in the service context provided that customer experience is an essential part of service across service categories.

According to Kang et al. [21] service results significantly influence on the customer perception for satisfaction in the professional service industry such as law, hospital and education. Therefore, the result of customer's perception as well as process quality must be considered to assess service quality comprehensively. In short, service results that fulfill most of customer requirements influences on customer satisfaction by reinforcing comprehensive assessment of service quality. In education service, student's improvement of capabilities on solving problems would increase customer satisfaction [21]. Management may think that the company's service is fine, but if customers disagree, then the company has a problem. Hence, understanding the nature and determinants of customer expectations is essential to ensure that service performance meets or exceeds expectations [22]. Conscious efforts are being made to reinforce the customer-driven focus and quality-orientation conveyed in top management's vision for excellence to all employees [23].

2.3 Service Quality and Customer Satisfaction

For business in services industries, achieving customer satisfaction is far more challenging. Considering Saha and Theingi [24] found a significant relationship between airline service quality and passenger satisfaction, meaning that the higher the quality of services, the higher the passenger's satisfaction. Despite, the general agreement on the definition of perceived service quality and satisfaction, their causal relationship is yet to resolved [24].

AIRQUAL scale develop by Ekiz et al. [25] was applied to overcome the psychometric problem that exist in service quality scale in this study. Based on this scale it was represented five dimension, namely airline tangibles, terminal tangibles, personnel, empathy, and image. Service quality become strong predictor for customer satisfaction same as in literature review. To test in this study all this five hypothesis are developed:

Research hypothesis:

H1. Perceived quality related to airline tangibles have a significant effect on customer satisfaction.
H2. Perceived quality related to terminal tangibles have a significant effect on customer satisfaction.
H3. Perceived personnel-related quality have a significant effect on customer satisfaction.

H4. Perceived empathy have a significant effect on customer satisfaction.

H5. Perceived airline image have a significant effect on customer satisfaction.

H6. Perceived halal service quality have a significant effect on customer satisfaction.

3. RESEARCH METHODOLOGY

3.1 Research Instrument

This survey has been conducted among customer of local airline including from Malaysia airlines, Firefly airlines and Air Asia airlines. The survey instrument was adopted from Ekiz et al. [25]. A set of 43 items were used in the questionnaire including 6 items for airline tangibles, 11 items for terminal tangibles, 8 items for personnel, 7 items for empathy, 3 items for image and 3 items for halal awareness. In this study 4 item was used to measure customer satisfaction as proposed by Westbrook and Oliver [26]. In addition, five-point likert scale was used in order to reduce respondents' frustration and increase response rate and quality as suggested by Prayag [5].
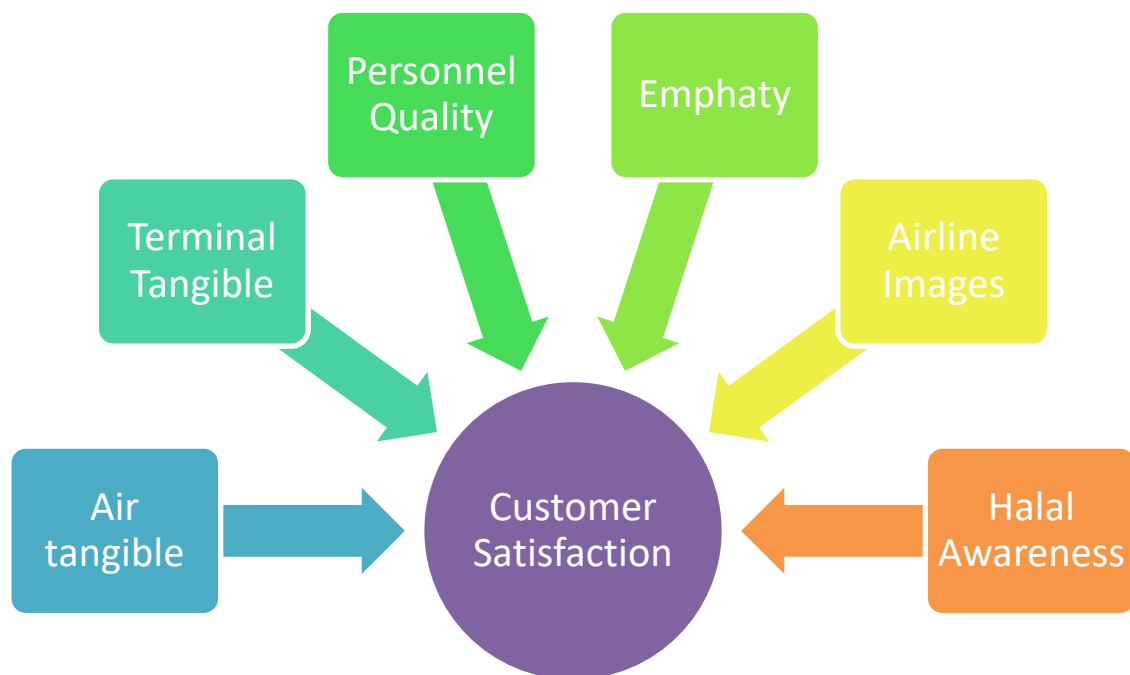

Fig. 1. Research framework

3.2 Sample Design and Data Collection

In this study the objective is to measure service quality and customer satisfaction toward local airline services, focusing on Malaysian national. The target population in this study is all passengers who experienced in using local airlines services.

3.3 Analysis Methods

The collect data will be analyzed using SPSS Statistics 20. Following the procedure suggested by Anderson and [27] measurement model was estimated before the structural model.

3.4 Data Analysis

The demographic profile of respondent represent gender, age, education level and purpose of visit.

3.5 Measurement Model

Measurement model is very important to describe how well the observed indicators serve as a measurement instrument for the latent variables [28]. Table 3 show the results of the SPSS for the remaining 33 items have relationship with five dimensions of service quality and customer satisfaction.

Table 2. Passengers profile

Attributes	Distribution
Gender	Male
	Female
Age	below 20 years
	21 to 30 years
	31 to 40 years
	41 to 50 years
	50 years and above
Education level	School
	High school
	Bachelor's degree
	Master's degree
	Others
Purpose of visit	Business
	Education
	Visiting friends and family
	Medical

Table 3 : Questionnaire items of each variables

Variables	Items
Airline tangible	Condition of aircraft (clean and modern-looking)
	Catering in aircraft
	Condition of toilet
	Condition of aircraft seats
	Comfort ability of the aircraft seats
	Effective of air-conditioning
Terminal tangibles	Functioning airport toilet
	Availability of shot at airport
	Quality of air-conditioning at airport
	Reliability of sign system in airport
	Number of trolleys in airport
	Effective system of security control
	Employee's uniform
Personnel	Employees' general attitude
	Do personnel answering sincerely to my question
	Do personnel show their personnel care
	Employees have enough knowledge
	Do airline personnel have empathy
	Do airline personnel responsible on their duties
	Error free on reservations and ticketing transactions
Empathy	Departures and arrivals punctuality
	Availability of transportation between city and airport
	Availability of compensation schemes
	Safety of customer's luggage
	Office of airline company - location
	Availability of flights to satisfy passenger's' demands

Image	Low price ticket offerings
	Reliability of ticket prices
	Airline company Image
Customer satisfaction	I satisfied to be regular customer
	I choose as a first service provider
	I do the right thing when I choose to use the facility to travel
	I am very enjoy when using the facility to travel
Halal Awareness	Knowledge of Halal
	Process of Halal Services
	Halal Certification

4. CONCLUSION, FUTURE RESEARCH AND LIMITATION

The present study aim to measure perceive service quality for local airline company by using AIRQUAL scale developed by Ekiz et al. [25]. The company should be able to build customer perception through tangible part such as always upgrade interior and exterior of aircraft including appearance around terminal. Other than that, company should also recruit and train human resources to provide good customer service personnel which highly important to customers. Customers always give high expectation on service they just think about their satisfaction. In order to stand in high market, Malaysia's Local Airlines should upgrade or make improvement on their services especially on catering service facilities because it is one of the requirement from customer that have high demand in airline service quality. In addition, company should always implement efficient technical maintenance of the aircrafts and to develop airline's image company also should have effective cargo handling procedures so that it can be safe and reliable.

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