

Passengers Satisfaction Towards Service Quality in Malindo Airlines

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Abstract

The aviation sector has become the predominant segment in the economic development of a nation, and it plays a vital role in transporting people or products from one place to another, either domestically or internationally especially when the distance involved is substantial, and the land journey cannot cover the destination. Presently, most airborne companies concentrate on preserving and refining the quality of their service in such a competitive aviation industry. As the newcomer for Low-Cost Carrier (LCC) in Malaysia, Malindo airline have to face established competitors that have been lobbying in Malaysia earlier. In the past decade, air transportation market has become even more challenging, with many airlines have turned to focus on their service quality to increase passenger satisfaction. Hence, the current research aims to examine the effect of service quality provided by Malindo airline using the SERVQUAL (tangible, reliability, responsiveness, assurances and empathy) instrument on passengers' satisfaction. The five aspects of SERVQUAL which are being tested were tangibles, reliability, responsiveness, assurance, and empathy. A total of 300 questionnaires was distributed among Malindo Airline's passengers using simple random sampling technique in Subang and KLIA Airport. Results indicated that passenger's satisfaction straightly affected by the tangible, assurance, and empathy offered by Malindo Airline. Generally, Malindo Airline passengers not only exercise their option by choosing the low-priced ticket but also consider the service qualities offered by the airline company. LCC Airline industry player could benefit from this study by focusing on and enhancing their quality of service delivered in order to maintain customer's trust and satisfaction.

Keywords: airline service, passengers' satisfaction, SERVQUAL

1.0 Introduction

Airlines industry has been emergent fast in the previous 25 years ago. Besides, the business also has been rising its technology rapidly owing to its parts to support the world trade, global business, and tourism industry. Consequently, no wonder it is frequently said that the airline industry is the heart of the globalization for other businesses (Hanlon, 2007). The phenomena provide chances as well as trials to the business entities in this business line. Growing demand for the airline services and excellent level of rivalry among the airlines have also provided good prospects and contests in this airline industry. The rising of the business has commanded governments from all over the countries to permit the airlines company to form their private airlines.

Moreover, strict procedures and documentation on security journey are presently practiced in almost all nations. The situation has caused all airline companies to continually innovate in terms of both technology and service used to deliver services and better protection to passengers (Ringle, 2011). In order to encounter the requirements of passengers who considering for the trip with the lowest cost, airlines carry on to improve and enlarge their business by offering little cost airlines with small fares as well as provide essential services to passengers. Due to that many air company have twisted to concentrate on the progressive delivery level of quality service for them to participate with low-cost carrier and full cost carrier so that travelers can decide which air company they want to fly with (Holtbrügge, 2006).

Firefly, Berjaya Air, Maswings, Sabah Air Aviation, AirAsia X, AirAsia and the latest is Malindo Airlines are considered as Low-Cost Carrier (LCC) in Malaysia. Malindo Airlines is a Malaysian LCC and belongs to Indonesian Lion Air Group with their headquarters located in Subang Jaya, Selangor, Malaysia. Malindo means a supportive deal between Malaysia and Indonesia. The airline's inaugural flights began operating on 22nd March 2013. According to (Zakaria Wahab, 2015), there exists a good connection among service qualities with Malindo Airline passenger's satisfaction. Passenger's satisfaction for Malindo Air means customer's awareness that rate the services they likely to obtain and the real services they received. Besides, they also provide private television for on-board theatre and contented room in the plane which will be as value-added for the company. Hence, by considerate passenger's requests and bringing excellent services will affect the Malindo Airlines passenger's satisfaction and maintain customer's trustworthiness.

Equally, there is various previous research of the airlines business. (Sunil Babbar, 2008) studied that the human component in airline service quality in the United States; (Gour C. Saha, 2009) studied at LCC in Thailand that concentrated on satisfaction, behavioral intentions, and service quality. Nevertheless, many inadequate studies on the service quality and customer satisfaction on the airline's industry need to be done. In addition, studies on the airline business that have been led by researchers in other countries will not be appropriate for Malaysia owing to the diverse philosophies and customs.

For instance, there are excellent studies of passenger satisfaction towards service quality offered by Malindo Airline. Thus, researchers used the SERVQUAL five-dimension service quality (Tangible, Assurance, Reliable,

Responsiveness, and Empathy) that were valued and quoted based on preceding researchers. Malindo Airline is entirely dependent on the low cost carries and providing better service quality.

According to (Lewis, 1990) and (Dotchin, 1994), service quality means to the extent where the service fulfills the requests or expectancy of the customers. Additionally, (Parasuraman, 1988) theorized quality of service as the total imprint of customers to the service weakness or dominance. Quality of service regularly has been intellectualized as the dissimilarity between the perceived services predictable performance and perceived service actual performance (Bloemer, 1999).

According to (Parasuraman, 1988), he stated five measurements of SERVQUAL which their specific criteria are Tangible (physical facilities, equipment and appearance of personnel), Reliability (the ability to perform the promised service dependably and accurately), Responsiveness (the willingness to help customer and provide prompt service), Assurance (knowledge and courtesy and their ability to inspire trust and confidences), and Empathy (giving the individual attention, caring, easy access, and ability to be approachable).

Furthermore, the quality of service is a cause that controls passenger satisfaction in selecting airlines company as their first choice to travel. Passenger is frequently select the air company according to their previous experience during flight whether they were pleased or displeased upon the service provided by the air company. On the other hand, the passengers are likely to match and assess the service quality on board with their private past flight experience. Generally, these five dimensions were being examined by researchers to have a stronger thoughtful of passenger's satisfaction towards the quality of service in Malindo Airline.

Five hypotheses have been developed for this study, which was given below: -

H₁: There is a connection between tangible and passenger's satisfaction.

H₂: There is a connection between reliability and passenger's satisfaction

H₃: There is a connection between responsiveness and passenger's satisfaction

H₄: There is a connection between assurances and passenger's satisfaction

H₅: There is a connection between empathy and the passenger's satisfaction.

2.0 Methodology

2.1 Data collection

A narrow part of arithmetical whose possessions are deliberate to obtain information about the whole is considered as a population (Webster, 1985). Sampling is an act, procedure, and method of picking an appropriate sample, for a representative part of a population for defining parameters or features of the whole population.

This study was more on Quantitative approach and it was conducted using descriptive research. For this study, simple random sampling under probability sampling was chosen as the sampling technique. The sampling frame for this study was concentrated on passengers who have experienced travel at Malindo Airline only.



Malaysia annual passenger traffic (in millions) by airline: 2012 to 2018

| Airline | 2012 pax | 2013 pax | 2014 pax | 2015 pax | 2016 pax | 2017 pax | 2018 pax |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| AirAsia | 19.7m | 21.9m | 22.1m | 24.3m | 26.4m | 29.2m | 32.3m |
| Malaysia Airlines | 13.4m | 17.2m | 17.0m | 15.0m | 13.9m | 14.0m | 13.5m |
| Malindo Air | N/A | 0.9m | 2.5m | 3.7m | 5.3m | 7.2m | 6.6m |
| AirAsia X | 2.6m | 3.2m | 4.2m | 3.6m | 4.5m | 5.7m | 6.1m |
| Firefly | 1.7m | 2.0m | 2.2m | 2.2m | 1.8m | 1.6m | 1.4m |
| MASwings | 1.6m | 1.5m | 1.6m | 1.4m | 1.3m | 1.2m | 1.2m |

Source: CAPA-Centre For Aviation

Figure 1: Malaysia annual passenger traffic (in millions) by airline: 2012 to 2018

According to (Aviation, 2019) (Figure 1), the population for this study shows that in the year 2018, the annual passenger traffic by Malindo Air was 6.6millions. Based on (Roscoe, 1975), the sample sizes must be $30 < n < 500$. As for this study, 300 respondents have been selected randomly. The questionnaires were modified into Google Form as an online survey and shared to all respondents through email and WhatsApp, and the respondents were encouraged to complete the procedure.

2.2 Data analysis

In order to examine all the analysis, Statistical Package for Social Sciences (SPSS) was used for them to inspect the five SERVQUAL dimensions concerning the customer gratification towards service quality provided by Malindo Air.

3.0 Results and discussion

Table 1: Summary of respondents' demographics

| Response | Frequency | Percentage (%) |
|------------------------|------------------|-----------------------|
| Gender | | |
| Male | 133 | 44.3 |
| Female | 167 | 55.7 |
| Age Group | | |
| 18-20 | 43 | 14.3 |
| 21-30 | 133 | 44.3 |
| 31-40 | 109 | 36.3 |
| 41-50 | 14 | 4.7 |
| Above 50 | 1 | 3.0 |
| Race | | |
| Malay | 151 | 50.3 |
| Chinese | 64 | 21.3 |
| Indian | 75 | 25.0 |
| Others | 10 | 3.3 |
| Status | | |
| Single | 233 | 77.7 |
| Married | 65 | 21.7 |
| Others | 2 | 0.7 |
| Work Status | | |
| Student | 89 | 29.7 |
| Full-time | 180 | 60.0 |
| Part-time | 20 | 6.7 |
| Not working | 9 | 3.0 |
| Retired | 2 | 0.7 |
| Education Level | | |
| SPM | 68 | 22.7 |
| STPM | 23 | 7.7 |
| Diploma | 145 | 48.3 |
| Degree | 45 | 15.0 |
| Master | 16 | 5.3 |
| PhD | 2 | 0.7 |
| Others | 1 | 0.3 |
| Annual Income | | |
| Below RM1,000 | 57 | 19.0 |
| RM1,001 – RM2,000 | 133 | 44.3 |
| RM3,001 – RM4,000 | 56 | 18.7 |
| Above RM4,000 | 7 | 2.3 |
| Others | 47 | 15.7 |

The demographic profiles of respondents were displays through the table directly above. Based from Table 1, most of the respondents were full time Malay female at the age of 21 – 30 with status of single and mostly their educational level was Diploma with income between RM1,001 – RM2,000.

Table 2: Summary of respondent's general information

| Response | Frequency | Percentage |
|---|------------------|-------------------|
| Travelling Status | | |
| Yes | 216 | 72.0 |
| No | 84 | 28.0 |
| Malindo Travelling | | |
| Yes | 160 | 53.3 |
| No | 140 | 46.7 |
| Category Flight | | |
| Domestic | 171 | 57.0 |
| International | 129 | 40.0 |
| Frequency of Travelling | | |
| 1 – 5 times | 157 | 52.3 |
| 6 – 10 times | 82 | 27.3 |
| 16 – 20 times | 31 | 10.3 |
| >20 times | 3 | 1.0 |
| Never travel at all | 27 | 9.0 |
| Travel in Low-Cost Airline | | |
| Yes | 231 | 77.0 |
| No | 73 | 23.0 |
| Types of Class | | |
| Economy class | 158 | 52.7 |
| Business-class | 68 | 22.7 |
| First-class | 73 | 24.6 |
| Booking Airline | | |
| Airline company office | 120 | 40.0 |
| Travel agents | 87 | 29.0 |
| Airline company office | 29 | 9.7 |
| I never book ticket myself | 63 | 21.0 |
| Others | 1 | 3.0 |
| The categories as the air traveler | | |
| I am mostly a business traveler | 65 | 21.7 |
| I am mostly a business traveler | 173 | 57.7 |
| I am mostly a leisure/personal traveler | 62 | 20.6 |

Whereas, Table 2 displays the general information of respondents which were traveling status, Malindo traveling, category flight, frequency of travel, travel in the low-cost airline, types of class, booking airline and categories as the air traveler.

3.1 Reliability analysis

Table 3: Reliability test

| No | Constructs | Results | No Of Items |
|----|------------------------|---------|-------------|
| 1 | Passenger Satisfaction | 0.877 | 5 |
| 2 | Tangible | 0.910 | 5 |
| 3 | Reliability | 0.915 | 5 |
| 4 | Responsiveness | 0.932 | 5 |
| 5 | Assurance | 0.904 | 5 |
| 6 | Empathy | 0.882 | 5 |

A value of 0.6 or a lesser amount than 0.6 usually designates unsatisfactory internal consistency and reliability (Malhotra, 2006). Table 3 displays that the result of the study variables surpassed the least acceptable level of 0.6.

3.2 Correlation analysis

According to (Zikmund, 2003), the Pearson Analysis is an arithmetical degree to test the connection of two or more variables. According to (Hair, 2006), a value of number one illustrate a perfect, confident linear connection, a value of -1 shows a perfect bad linear relationship and a value of 0 shows no linear relationship.

Table 4: Pearson correlation

| | Passenger Satisfaction | Tangible | Reliable | Responsive | Assurance | Empathy |
|-------------------------------|------------------------|----------|----------|------------|-----------|---------|
| Passenger Satisfaction | Pearson Correlation | 1 | | | | |
| | Sig. (2-tailed) | | | | | |
| | N | 300 | | | | |
| Tangible | Pearson Correlation | .626** | 1 | | | |
| | Sig. (2-tailed) | .000 | | | | |
| | N | 300 | 300 | | | |
| Reliable | Pearson Correlation | .545** | .503** | 1 | | |
| | Sig. (2-tailed) | .000 | .000 | | | |
| | N | 300 | 300 | 300 | | |
| Responsive | Pearson Correlation | .686** | .722** | .559** | 1 | |
| | Sig. (2-tailed) | .000 | .000 | .000 | | |
| | N | 300 | 300 | 300 | 300 | |
| Assurance | Pearson Correlation | .723** | .703** | .596** | .792** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 300 | 300 | 300 | 300 | 300 |

| | | | | | | | |
|----------------|----------------------------|------------|------------|------------|------------|------------|------------|
| Empathy | Pearson Correlation | .764** | .737** | .591** | .804** | .832** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | |
| | N | 300 | 300 | 300 | 300 | 300 | 300 |

Result table 4 displays the connection between 5 dimensions of SERVQUAL with passenger satisfaction of Malindo Airline. Independent variable (IV) has a confident linear relationship to the dependent variable (DV) at a significant level of 1%, which was 0.01. All value in this likely was a lesser amount than 0.9. The connection between IV was smaller than 0.9 in between 0.545 to 0.764.

3.3 Regression analysis

Regression is an arithmetical method used to originate a calculation that shares a single continuous DV to two or more IV. (Churchill, 2004).

Table 5: Regression analysis

| Model Summary | | | | |
|----------------------|-------------------|-----------------|--------------------------|-----------------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error Of the Estimate |
| 1 | .787 ^a | .620 | .613 | .37652 |

a. Predictors: (Constant), Empathy, Reliable, Tangible, Responsive, Assurance

| Anova | | | | | | |
|--------------|-----------------------|-----------|--------------------|----------|-------------|-------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. | |
| 1 | Regression | 95.636 | 5 | 19.127 | 95.759 | .000 ^b |
| | Residual | 58.724 | 294 | .200 | | |
| | Total | 154.360 | 299 | | | |

a. Dependent Variable: IV_PS

b. Predictors: (Constant), Empathy, Reliable, Tangible, Responsive, Assurance

| Correlation | | | | | |
|--------------------|-----------------------------------|-------------------|---------------------------------|----------|-------------|
| Model | Unstandardized Coefficient | | Standardized Coefficient | T | Sig. |
| | B | Std. Error | Beta | | |
| (Constant) | .493 | .175 | | 2.828 | .005 |
| Tangible | .067 | .063 | .060 | 1.060 | .290 |
| Reliable | .075 | .036 | .095 | 2.050 | .041 |
| Responsive | 0.94 | .071 | .090 | 1.325 | .186 |
| Assurance | .200 | .072 | .199 | 2.777 | .006 |
| Empathy | .452 | .080 | .426 | 5.661 | .000 |

a. Dependent Variable: IV_PS

Refer to the table 5 directly; coefficient shows that reliable ($\beta=0.095$), assurance ($\beta=0.199$) and empathy ($\beta=0.426$) were significant to predict DV (passenger's satisfaction) this is for the reason that the p-value < 0.05 . On the other hand, the IV that is not significant to predict the DV were tangible ($\beta=0.060$) and responsive ($\beta=0.090$); the p-value is equivalent to 0.290 and 0.186.

Table 6: Review of the hypothesis finding

| No | Hypotheses | Finding |
|----|--|----------|
| 1. | H ₁ : There is a connection between tangible and passenger's satisfaction. | Rejected |
| 2. | H ₂ : There is a connection between reliability and passenger's satisfaction | Accepted |
| 3. | H ₃ : There is a connection between responsiveness and passenger's satisfaction | Rejected |
| 4. | H ₄ : There is a connection between assurance and passenger's satisfaction | Accepted |
| 5. | H ₅ : There is a connection between empathy and the passenger's satisfaction. | Accepted |

Result hypothesis from Table 6 shows that among all five hypotheses only three hypotheses which were H₂, H₄ and H₅ have been accepted, and this has been agreed by (Choi.K., 2015) whereby in their research, it is stated that onetime leaving and the clarity and promptness in inspections and announcements have been considered essential as compared to other dimensions.

(Mikulic, 2011) also agreed that the most significant element within this quality dimension is assurance, where the rate of politeness and the trustworthiness that come from the passengers if they performed excellently. Furthermore, (H.Kasper, 2006) said that empathy includes the contact dealing with customers, communication to customers, and consideration is given to customers resulting in excellent feedback from them. (H.Kasper, 2006) also believed that empathy could also be measured as a meaningful way of showing caring and concerns to the passengers.

4.0 Conclusions

As a conclusion, we can conclude that service quality (reliability, assurance, and empathy) do affect passenger's satisfaction. It appears that even though Malindo Airline is still a newcomer in the low-cost air industry, yet they still managed to maintain their business until today. Commonly, LCC airline passengers not only make their choice for selecting the low-priced ticket but on the other hand, they also consider the service quality provided by the airline company.

As for upcoming research, it is suggested that future researchers to recognize the exact quantity of respondents needed for their research and to ensure that the survey is equally distributed based on demographic data study. As we can see, the total number of respondents here was 300 samples of Malindo Airline passengers. Therefore, it is suggested that future

researchers have at least 500 of the sample size in order for them to accomplish more precise results about the whole population.

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