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#### Declaration

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- 3) Each member of the group has contributed equally to the completion of the research project.
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#### PREFACE

The topic of our research is "Factors affecting customer's loyalty in Malaysia Airlines Berhad" this study is focusing on the customer loyalty as customer loyalty is important to the businesses nowadays. A couple years ago, the disappearance of the Malaysia MH370 issue has significantly lowered down the customer loyalty of the Malaysia Airline Berhad. Customer loyalty is a term that will bring up huge influence to a business. Factors such as customer satisfaction, customer feedback, service quality and corporate image and reputation are the major factors that affect the company's customer loyalty. Therefore, the Malaysia Airline Berhad is facing the customer loyalty issue for years. In short, this study will be carried out to explore more information and details about the Malaysia Airline Berhad' situation. This research will provide some external views, different perspectives and better understanding of the factors affecting customer loyalty in Malaysia Airline Berhad.

#### ABSTRACT

This study is aimed to examine the relationships between the customer satisfaction, customer feedback, service quality, corporate image and reputation and the customer loyalty in the Malaysia Airline Berhad. This research's survey is conducted with the cooperation of the Malaysia Airline Berhad, a total of 384 respondents have responded to the questionnaire and all of them are the customer of the Malaysia Airline Berhad. The researcher have used different methods to test this research model such as the Reliability test, Pearson Correlation Coefficient and Multiple Linear Regression analysis. Our findings showed that most of the variables are significant related to the customer loyalty, such as the customer satisfaction, service quality, corporate image and reputation. However, the customer feedback is poor and not significant related to the customer loyalty. This study provides some external views, different perspectives and better understanding for the Malaysia Airline Berhad to enhance their customer loyalty in the airline industry Malaysia during this critical period.

# **CHAPTER 1 INTRODUCTION**

# **1.0 Introduction**

Over the years, the airlines industry has become more and more competitive and it became the main mode transportation today. Airlines customer loyalty will directly affect its profitability. The performance of Malaysia Airlines System is currently affected by several issues which have impacts on customer loyalty. Chapter 1 aims to provide research background overview follow and discuss problem statement which is the most critical part in the research. Research objectives are then outline in detail into general objectives and further narrow down the specific objective. After that, it determines the studies questions, hypothesis, and the significant. The end of this topic is the chapter layout of the research proposal and the chapter summary.

## **1.1 Background of Study**

Most of the organizations are able to remain in this era it is because they know the importance of retaining the most valuable asset of the organization which is the customer. Regular and repeated customer is getting more important and more attentions in the airline industry, the flight service providers realized that the company will not be profitable when the company spend too much cost to attract new customer. Therefore, the loyalty customer become a significant part for the businesses in order to remain competitive in the industry (Climis, 2016).

The consumer mentality which has positive attitudes toward the particular business which will lead to repurchasing desire and will have a resistance to change to the others competitor is referred as customer loyalty (Cossío-Silva, Revilla-Camacho, Vega-Vázquez, & Palacios-Florencio, 2016).

Furthermore, the customer loyalty also one of the promoting tools for the company, as the loyal customer will help to advertise the company by recommending to their friends and families. Many airline companies are looking forward to build up the customer loyalty and trying to form

long-term relationship with their customer. However, most of the customers do not have any loyalty to any company unless they are given discounts or rebates regularly (Ramanathan, Subramanian, Yu, & Vijaygopal, 2017).

The customer loyalty brings a lot of benefit for the company that focusing on it, many companies treat customer as the main objective. The reason that many companies focusing it is because it helps firm to increase revenue and reduce the advertising cost, because people will help to promote using the word of mouth (Somasundaram, Prakash, & Krishnamoorthy, 2018). Moreover, it also helps to reduce customer acquisition cost and reduce the cost of serving old customer, serving the old customer is always a cheaper way comparing to the attracting new customer, which leading to higher profitability (Chen, 2015). The best part about the customer loyalty is the less competition, the more loyal customer's company owns the lesser risk for the company and help the company to achieve competitive advantages (Ali, Allan, & Baker, 2019).

The airline industry in the Malaysia is getting increasingly competitive due to the rise of the low-cost carriers; these low-cost carriers are slowly dominating the industry (Johan, Mohd Noor, Bahar, Liu, & Low, 2014). According to Castiglioni, Gallego and Galán (2018), the airline industry is having a huge changes in this few decades, with these increased competition and the others external environment factors like government policy, the airline industry environment is forcing a lot of airline company to grow and adapt to the environment in order to avoid being eliminated. Many airline companies have come out with different strategies to cope with the rapid growing industry, such as mergers and acquisition, strategic alliances or the subcontract of the domestic and secondary routes.

## **1.2 Problem statement**

In the year 2014, Eric (2020) states that Malaysia Airlines System's flight of MH370 that was going from Kuala Lumpur to Beijing flight was disappeared and neverland to any place. According to Chou (2019), over the five years of searching MH370 with a 200,000sq km covered to find the flight of MH370 and without success, there is still no have conclusion and evidence to show that where the MH370 landed or crashed. New Straits Times shows (2015)

shows that the booking rate dropped 6.7% due to the MH370 event and fierce competition. Besides that, the BBC news(2020) report shows that the MH17 one of the Malaysia Airline's flight which flying to Kuala Lumpur from Amsterdam turned into crashed after being hit thru a Russian-made Buk missile over japan Ukraine, the trip has a complete of 283passengers, inclusive of eighty kids and 15 crew become all dead. New Straits Times (2015) states that the full financial impact of the MH370 and MH17 dual tragedies is expected to affect Malaysia Airlines System with inside the 2nd quarter of the yr. Immediately after the MH17 incident, the researcher saw a sharp 33% drop in average weekly bookings and many flights were cancelled, this show a highly decline of customer loyalty to MAS.

Due to fierce competition and volatile demand, Malaysia has turn out to be a challenging marketplace for airways. According to the CGPA (2019) report, Malaysia's flagship airport which locates at Kuala Lumpur International fall in drop 8.8% in 2018 compared with 2017. The increase of the common Malaysian marketplace has slowed from 10% in 2017 to 3% in 2018. In the yr 2019, Profits keep returning back under pressure, and overcapacity has all over again come to be a concern. According to the Air Asia Group Berhad (2017) annual report state that there are six airlines in Malaysia and only Air Asia can profit earn profit from them in that year. This proves that there is a significant outflow of customers from Malaysia Airlines to other airline companies.

According to data from Statista Research Department (2019), from the first quarter of 2017 to the fourth quarter of 2018, Malaysia Airlines' passenger share on Malaysian domestic routes decreased from 27.7% to 19.5%. During the year, Statista Research Department (2019) also state that AirAsia's passenger traffic increased by about 10%, while Malaysia Airlines declined. This fully proves that Malaysia Airlines lost many customers during the year. Customers are trying to shift their loyalty from Malaysia Airlines to other airlines, including AirAsia. In addition, according to the CGPA report, Malaysia Airlines' load factor in 2018 was 78%. This means that Malaysia Airlines has more than 22% of empty seats per flight, compared with 15% for AirAsia. This is a high ratio that shows that Malaysia Airlines cannot maximize profits on every flight. Besides that, this is also due to the loss of customers this year. Customer loyalty is more important for Malaysia Airlines to regain customer support and affirmation

According to CGPA (2019), the report shows that Malaysia has six aviation industries, including AirAsia, Malaysia Airlines, Malindo, and others. However, compared to foreign airlines, there are presently sixty-one global airways serving in Malaysia, As a result, from CGPA (2019) report state that due to fierce competition and most passengers are price-sensitive leisure travelers, low fares are the norm in Malaysia. Many researches consider that charge is a vital issue influencing clients' desire for low-fee or full-provider airways. But researchers consider that charge does now no longer always or totally affect consumer delight. According to Kos Koklic (2017), the study shows that full-service airlines have higher customer satisfaction than airlines that provide low-cost services. In addition, customers have a higher perception of service quality than full-service low-cost carriers. Refer to Danish (2018), a company want to recognize the want and desires in their clients and study how to choose the products to buy. Besides, airlines are working to reduce costs to gain a competitive advantage to increase the efficiency of their business operations, but this will affect quality of service and customer delight. Refer to Farooq (2018), Kos Koklic (2017) mentioned that the challenges facing airlines today include reducing costs, managing changing demands, and meeting service quality requirements.

Danish (2018) described the factors that affecting customer loyalty towards a brand due to its characteristics which includes logo name, logo awareness, logo best, perceived charge in addition to they feel confident and understand for a brand's goods and service. Based on the study, pointed out that customer satisfaction in the airline and other industries significantly linked to the service quality. According to Farooq (2018), Kos Koklic (2017), Sukri (2014), customer satisfaction, loyalty and repeat purchase intentions have a positive relationship. So that consumer delight is an important detail of the airline enterprise for ensuring an airline company in long term sustainability and maintaining a relationship with customers.

According to Reynolds (1974-1975), Raj (1985), Porter (1985) and Dick (1994, company image and company reputation is especially critical for growing and retaining consumer loyalty, company image and company reputation are frequently taken into consideration to be unique systems that can be carefully related. According to Ana (2015) thinking about that images and reputation are socially built entities and are derived from the consumer's belief of the organization, this courting is intuitively appealing, provider loyalty itself represents a consumer's refusal to layout aggressive merchandise designed to alternate shopping for behavior

and is one of the maximum dependable average signs of provider organization success. Graham, Mary and Moore (2007) report that, the image and reputation of airlines have an effective power to influence customers' flight choices, as many new entrants enter the Malaysian market and capture market share by providing cheaper air services such as AirAsia, Malaysia's the airline industry is becoming more saturated. As such, Eassay UK (2018) state that Malaysia Airlines System needs to understand those relationships to assist establish the difference among image and reputation and to assist control use them greater selectively in its communications method to reinforce the organization's positioning.

In addition, customer feedback is also a factor affecting customer loyalty. This is particularly important because it is the result of measuring business performance. According to Ellinger (1998), the report confirmed that consumer satisfaction and loyalty are strictly associated with the formal series of consumer comments. Malaysia Airlines want to offer clients with regular feedback in preference to looking forward to any lawsuits or undesirable comments to growth consumer delight and loyalty. Besides that, Ban and Kim (2019) report that as excessive opposition with inside the airline's enterprise, airways organization want to consciousness on consumer experience, delight and consumer feedback, which is crucial because it is the result of measuring business performance.

Hence, the researcher read through journal articles associated with consumer loyalty with inside the airline enterprise. After that, the researcher found that there were minimal studies with inside the area of consumer loyalty in airline enterprise, and customer loyalty should be an essential issue for the aviation industry. Then the researcher decided to investigate the area of consumer loyalty to slim the studies gap. Therefore, the motive of our observation is to analyze the various factors that have an effect on customer loyalty in the Malaysia Airlines System. In this study, the researcher would like to determine whether factors which might be elements that have an effect on consumer loyalty with inside the Malaysian Airlines System. In this observe, the researcher would really like to determine whether elements which include consumer satisfaction, consumer feedback, service quality, corporate image, or company reputation might have an effect on consumer loyalty with inside the Malaysia Airlines system.

Table 1.1 Past Studied on Airlines Industry

Researchers'	Research	Research	Research
	Торіс	Areas	Finding
Kok Koslic	An investigation of	Airlines	There is a
(2017)	CS with low-cost and	flight in	relationship of
	full-service airline	United	investigates
	companies	State	between SQ and
			airline industry.
Farooq	Impact of SQ	Airlines	There is a
(2018)	on CS in	flight in	relationship
	Malaysia	Malaysia	between SQ, CS
	Airlines		and Malaysia
			Airlines System.
Sukri (2014)	CS and loyalty	Malaysia	There is a
	in the airlines	Airlines	relationship
	industry: A	System	between CS, SQ
	case study of	and	and Malaysia
	MAS and	AirAsia In	Airlines System.
	AirAsia.	Malaysia	
Ban and	Understanding	Airlines	There is a
Kim (2019)	Customer	Flight in	relationship
	Experience	Korea	between CF,
	and		customer
	Satisfaction		experience, CS
	through		and airlines
	Airline		industry.
	Passengers'		
	Online		
	Review		
Graham,	Consumers'	Airlines	There is a
Mary &	Willingness to	Industry of	relationship
	Pay for	USA	between CIR

Moore, John	Corporate	 and airlines
(2007)	Reputation:	industry.
	The Context	
	of Airline	
	Companies.	
	Corporate	
	Reputation	

# **1.3 Research Objective and Questions**

## **1.3.1** General objective

To investigate the relationships between customers' satisfaction, customers' feedback, services quality and corporate image and reputation that can affects the customer loyalty in Malaysia Airlines.

## **1.3.2 Specific Objective**

To investigate whether the customers' satisfaction can affect the customer loyalty in the Malaysia Airlines.

To investigate whether the customers' feedback can affect the customer loyalty in the Malaysia Airlines.

To investigate whether the service quality can affect the customer loyalty in the Malaysia Airlines.

To investigate whether the corporate image and reputation can affect the customer loyalty in the Malaysia Airlines.

## 1.3.3 Research Question

Does customers' satisfaction affect the customer loyalty in the MAS? Does customers' feedback affect the customer loyalty in the MAS? Does service quality affect the customer loyalty in the MAS? Does corporate image and reputation affect the customer loyalty in MAS?

## 1.4 Significance of the Study

The research is important for airline industry of factor which influences the customer loyalty in airline industry in Malaysia. Many airline companies are making their great effort to build enduring relation with their clients and keep closer to their airline loyalty.

This research will present the four factors which can affect the customer loyalty in the airline industry which is customer satisfaction, customer feedback, service quality and corporate image and reputation of the airline companies. Furthermore, the customers' loyalty is an essential term for the airline industry to achieve a sustainable competitive advantage. Relationship quality model has been adopted to examines the relationships in this research as it still refresh and most of the previous researches choose service quality to determine it.

This research is important because the airline marketers can know more about the customer relationship management in Malaysia airline industry through the relationship quality model. Besides, it might be useful or beneficial for the improvement of customer loyalty to the airline company. When the airline marketers understand the customer needs, they will focus on what they need by improving their services quality to increase the satisfaction and feedback of customers. This also will increase the corporate image and reputation of Malaysia airline industry. The airlines industry who meets customer's needs and wants will gain sustainable and profitable competitive advantage among their field rivals. For examples, airline industry can

increase their service quality by providing a good transportation system such as shuttle van service for their customers. Furthermore, they also can do some promotions for their loyal customer such as giving discount on the flight tickets cost. The customer might be satisfied through those services quality and give a good customer feedback to the airline industry. The airline industry's image and reputation will be increase since it having a good feedback. This not only can retain the loyalty of old customers to airline industry, but it also can attract the other customers to use their services.

# **1.5** Hypotheses of the study

## Hypotheses 1:

-H0: There is no significant relationship between customers' satisfaction and customer loyalty in MAS.

-H1: There is a positive significant relationship between customers' satisfaction and customer loyalty in MAS.

## Hypotheses 2:

-H0: There is no significant relationship between response to customers' feedback and customer loyalty in MAS.

-H1: There is a positive significant relationship between response to customers' feedback and customer loyalty in MAS.

## Hypotheses 3:

-H0: There is no significant relationship between service quality and customer loyalty in MAS.

-H1: There is a positive significant relationship between service quality and customer loyalty in MAS.

## Hypotheses 4:

-H0: There is no significant relationship between corporate image and reputation and customer loyalty in MAS.

-H1: There is a positive significant relationship between corporate image and reputation and customer loyalty in MAS.

# **1.6** Outline of study

There are five chapters on these studies. The first section gives a studies review, including studies background, trouble statement, study desires and problems, significance and studies outline. The chapter is approximately literature review, specializing in studies topics, summarizing theoretical basis, evaluation of preceding studies, proposed conceptual framework and hypothetical development. In addition, studies design, populace and sampling procedures; information collection methods; variables and metrics and information evaluation techniques may mention in Chapter 3 studies methods. Chapter four talks the evaluation of the outcomes of the descriptive assessment includes measures of the first tendency of the interviewee's demographic information and structure, in addition to the rules of composition size, and discusses the method of reliability checking out, normality checking out and inference evaluation. It includes Pearson correlation evaluation and more than one linear regression evaluation from pilot assessments and actual information. Finally, Chapter 5 summarizes the statistical review and discusses crucial findings, implications, limitations, and recommendations.

# **1.7 Chapter summary**

In summary, section loffers perception into the research to be carried out that's to have a look at the affiliation among the four elements which can be customer satisfaction, customer-feedback, service quality and corporate image and reputation which could affect customer loyalty in Malaysia Airlines. Besides that, through the point of interest in the independent variable that are the elements which might be affecting customer loyalty in Malaysia Airlines System which include customer satisfaction, appropriate respond to consumer feedback, service excellent, and company image or reputation of the corporation will affect the consumer loyalty of the airline's

# **CHAPTER 2 LITERATURE REVIEW**

## 2.0 Introduction

In this chapter, it will talk about the review of the airline industry, literature overview of variables, the proposed conceptual framework and associated theoretical models. This information is secondary and comes from related journals, articles, newspapers, the internet, and past research. The definitions of the dependent and independent variables are discussed in the notes below. The determinants of the variables are necessary to understand how the four elements of independent variables (customer satisfaction, good response to customer feedback, service quality, and company reputation) affect the Malaysian Airlines Berhad dependent variable (consumer loyalty). Researchers reviewed specific theoretical models that proposed conceptual frameworks.

## 2.1 Literature Review

### 2.1.1 Malaysia Airlines

Malaysia's aviation industry is dominated by multiple airways. For example, Malaysia Airlines, Air Asia, Malindo, Firefly and others. According to Kalaiarasana, Govindana and Nasaratnama (2018), Air Asia, Malindo, Firefly and others airlines has listed as a 'cheap price' airline. Moreover, according to Ismail and Hussin (2015), the company was operated in year of 1937 and owned by the Malaysia government. Therefore, MAS have listed to become national airline of Malaysia. According to Lin, Li, Osman, Zahir, and Shiqian, Wang (2018), the profit of Malaysian Airline has reduced by 60% compared with the last year and the entire revenue of Air Asia has raise. However the raising had declined about 5% compared last two years because one of the reason was the calamity of airline accident like MH370, MH17 and QZ8501 occurred in 2014.

According to Lim, (2015), the impact from the collaboration has forced MAS to withdrawal from the business game and Air Asia retains the one low cost airline in Malaysia. MAS come along with financial loss because one of the reasons was development of competitors that was Air Asia Company. Air Asia Company promote low fare ticket to attract more customers to choose their flights than MAS because the ticket of MAS was expensive but they are a lot of others low cost airlines in Malaysia like competitive

company Malindo and Firefly. Air Asia also facing the competitive problems on it business because of the competitive company effects.

Moreover, according to the Majid, Bakri, Junaidi and Buang, (2016), with the globalization of the market and the vigorous development of internet applications, the highly competitive business environment has forced most organizations to work harder to attract and win new customers, and to maintain current status by giving them more satisfaction in the highly competitive electronic market and customer relationship. Malaysia airways industry is more advance in this criteria like online purchases, web-check in and others, so it will convenience for more people and no need rush to check in at counter. It can improve the image of Malaysia and increase the productivity of airlines.

Besides, according to Abdullah, Chew and Hamid (2016), Green airlines are a new concept which supports sustainable economic and social development without losing the local and global environment. Green airlines seek to provide reduced carbon footprint to a green environment, use renewable energy and reduce carbon dioxide and other harmful emissions. The goods distribution network. Malaysia can replace ordinary airline to green airline, so airline will less use the fuel oil. Malaysia airline no need to bear the higher price of fuel oil so it will save a lot and gained more profit to effect increase economy of Malaysia.

According to Vikneswaran, Islam, Siddiq (2017), the government had set minimum wage rule in the private sector in Peninsular Malaysia and MAS had to follow this new wage policy. The wages of crew and fuel costs is a big expense of total expenditure for MAS and MAS had to accept higher operational cost because of the rise in fuel price in the market. The uneasy fuel price in the market shows that in losses in the airlines industries. In order to lay over their losses, MAS had to cut a number of international unprofitable routes and employees, so it can affect the unemployment rate of Malaysia.

Malaysia's aviation industry is dominated by multiple airways. For example, Malaysia Airlines, Air Asia, Malindo, Firefly and others. According to Kalaiarasana, Govindana and Nasaratnama (2018), Air Asia, Malindo, Firefly and others airlines has listed as a 'cheap price' airline. Moreover, according to Ismail and Hussin (2015), the company was operated in year of 1937 and owned by the Malaysia government. Therefore, MAS have listed to become national airline of Malaysia. According to Lin, Li, Osman, Zahir, and Shiqian, Wang (2018), the profit of Malaysian Airline has reduced by 60% compared with the last year and the entire revenue of Air Asia has raise. However the raising had declined about 5% compared

last two years because one of the reason was the calamity of airline accident like MH370, MH17 and QZ8501 occurred in 2014.

According to Lim, (2015), the impact from the collaboration has forced MAS to withdrawal from the business game and Air Asia retains the one low cost airline in Malaysia. MAS come along with financial loss because one of the reasons was development of competitors that was Air Asia Company. Air Asia Company promote low fare ticket to attract more customers to choose their flights than MAS because the ticket of MAS was expensive but they are a lot of others low cost airlines in Malaysia like competitive company Malindo and Firefly. Air Asia also facing the competitive problems on it business because of the competitive company effects.

Moreover, according to the Majid, Bakri, Junaidi and Buang, (2016), with the globalization of the market and the vigorous development of internet applications, the highly competitive business environment has forced most organizations to work harder to attract and win new customers, and to maintain current status by giving them more satisfaction in the highly competitive electronic market and customer relationship. Malaysia airways industry is more advance in this criteria like online purchases, web-check in and others, so it will convenience for more people and no need rush to check in at counter. It can improve the image of Malaysia and increase the productivity of airlines.

Besides, according to Abdullah, Chew and Hamid (2016), Green airlines are a new concept which supports sustainable economic and social development without losing the local and global environment. Green airlines seek to provide reduced carbon footprint to a green environment, use renewable energy and reduce carbon dioxide and other harmful emissions. The goods distribution network. Malaysia can replace ordinary airline to green airline, so airline will less use the fuel oil. Malaysia airline no need to bear the higher price of fuel oil so it will save a lot and gained more profit to effect increase economy of Malaysia. Moreover, it can decrease the expenditure and increase revenue of the MAS, so it will improve the satisfaction of customer because of reduce of the price of ticket and cost reduce.

According to Vikneswaran, Islam, Siddiq (2017), the government had set minimum wage rule in the private sector in Peninsular Malaysia and MAS had to follow this new wage policy. The wages of crew and fuel costs is a big expense of total expenditure for MAS and MAS had to accept higher operational cost because of the rise in fuel price in the market. The uneasy fuel price in the market shows that in losses in the airlines industries. In order to lay over their losses, MAS had to cut a number of international unprofitable routes and employees, so it can affect the unemployment rate of Malaysia. Furthermore, this

action can reduce the cost and expenditure of MAS and it can increase the satisfaction of customer because it can make the operation more productive that it can result in better services to improve the customer satisfaction.

## 2.1.2 Customer Loyalty

According to Sundström, Hjelm-Lidholm (2019), customer loyalty usually means that customers benefit from a seller more than their competitors and show willingness to hpay a premium. As to have a better competitive advantage than other companies in an environment which full with competitive and changing, customer loyalty is an indispensable factor (Leninkumar, 2017). Magatef and Tomalieh (2015) believe that the manner and action of customer to choose a brand among various brands based on their satisfaction to the quality of product and service which they perceived are defined as customer loyalty. Intent to repurchase, spread positive messages, willing to promote products or services to and unwillingness to change other competitors are what customer loyalty concerning. Besides, Abu-Alhaija, Yusof, Hashim and Jaharuddin (2018) stated that the customer loyalty is treated as intangible asset by many companies which can help them to generate profits. Customer loyalty is important to a company as it can reduce the marketing expenses to fascinate the new customer and the servicing existing customer is cheaper compare to a new customer (Ng, Sek, Teow and Wong, 2016). The power of the relationship between personal relative attitudes and re-sponsorship is considered as customer loyalty. It only can be built through various transactions time by time but not obtained by an accident (Khadka & Maharjan, 2017). Moreover, customers will be loyal to those who help them solve problems that exceed expectations (Jamaluddin & Ruswanti, 2017). As to improve and maintain the customer loyalty, MAS must always ensure that their products and services are good enough as the satisfaction of customer will seriously affect their loyalty (Leong, Hew, Lee & Ooi, 2015). For example, MAS should do some customer feedback forms, survey questionnaires or interview to show their customer's satisfaction to their products and services. All the feedbacks are collect for further improvements on their product and services to fulfil the needs of the customers. As Farooq, Salam, Fayolle, Jaafar and Ayupp (2017) stated that a better understanding of a customer's feeling is important as it will decide their loyalty toward a

product or sevice. This is because it is hard to find new customer, so it is important to remain existing customers' loyalty to a certain brands by attracting the customer with good quality of product and service. Since customer loyalty is so important but hard to gain easily, all the industries should pay more efforts on identifying the customers' need and interest (Khadka & Maharjan, 2017). Dhasan, Kowathanakul and Theingi (2017) believe that customer loyalty can only be long last if the customer is highly satisfied to the service provider. Besides, customer loyalty can also be referred as the level of commitment or intention to buy again of the customers in the future and promote to the others. Leninkumar (2017) also agreed that customer loyalty is a declaration of service providers' repeated popularity with customers and suggestions from service providers to other customers. The customer will feel worth and retain their loyalty to a product or service when they get what they want from it, but they also will share the benefits of this product or service with their friends to pursued them to use it together (Nguyen & Phan, 2018).

#### 2.1.3 Customer Satisfaction

The customer's sense of pleasure or disappointment generated by comparing a product with its expected perceived performance is stated as customer satisfaction (Al-Maslam, 2014). Leninkumar (2017) believes that customer satisfaction is an attitude based on experience after customers purchase products or use services. Jamaluddin and Ruswanti (2017) also found out that a good enough service quality would increase the customer satisfaction. Which mean that a customer will retain their purchase for a product or service which they reached or over their expectation. This is agree by Chiguvi and Guruwo (2017), customer satisfaction was affecting the customer loyalty since the customer will keep patronizing with the company with satisfied them with good product or service. According to Nguyen and Phan (2018), reorganization about factors affecting the satisfaction of customer is important to other industries because it could attract more customers or maintain the customer loyalty. The customers' sensitivity regarding to the quality of a product or service can be measure via customer satisfaction (Milner & Furnham, 2017). Besides, customer satisfaction is an important behavioral outcome that tries hard by all the organizations via good service performance to achieve it (IsmailEl-Adly, 2019). Customer satisfaction can be referred as an act that passable through trading or cumulative response (Syafrizal1, Nabsiah & Ishak, 2017). Sales repetition, spread positive messages and the loyalty of customer are the key factors that determine

customer satisfaction (Srivastava & Kr.Rai, 2018). Anderson, Fornell and Lehmann (1994) stated that satisfaction is cumulative when evaluating customers' overall experience with product or service consumption. According to Vieira, Winklhofer and Ennew (2008) the performance and service quality of a salesman will generate the customer satisfaction of customers when they are receiving services. Besides, customer satisfaction can be increase when the customers or sellers have similar goals. Ng, Sek, Teow and Wong (2016) said that maintaining pleasant relationship is very import in service sector as it can enhance customer loyalty and reduce conflicts between the customers. According to Siddig, Adam, Babiker and Ali (2015), all the industry should concern on customer satisfaction as it is the key factor to generate loyalty. Since customer will always loyal to the brand of the product and services that they satisfied to; hence this will have a significant impact to the revenue of the company. In addition, customer satisfaction can be improved where the customer satisfaction is affected by what the customer feels and perceived on a certain product and services,. This shows that it is important to create the employee satisfaction as it has a significant impact on improving customer satisfaction (Khadka & Maharjan, 2017).

### 2.1.4 Customer feedback

Based on Wonderflow BV (2016), those information about the customer perceptions regarding to the product or services that they have tried is defined as customer feedback. Customer feedback is divided into two types which are solicited and unsolicited. Customer who encouraged or invited by company to give feedback through survey or focus group is known as solicited feedback. However, unsolicited feedback is rely on the own will of a customer who used to share their experiences or opinions. Customer feedback also referred as information which generated customers of a brand. Consumer feedback has a significant impact on market reputation and influences potential consumer purchase decisions (Yao, Fang, Brian R.Dineen & Yao, 2009). The customer citizenship behaviours such as customer feedback can increase the intention of revisit and repurchase (Ioannis, George, Antonios, Dimitrios & Michalis (2019). Furthermore, customer feedback is a valuable process which the company can know the wants of customer by collecting feedback from the customers. Then they may improve their existing products or exploit new products to fulfil their wants (P. Fundin & Bergman, 2003). Atiyah (2017) stated that customer feedback and encourage customer to reactions are indispensable for a company as they can know their strengths and weaknesses via the analysis and step closer with the customer by understanding

their expectations and this could lead the business run smoothly. Customer feedback is the response of customer which is like conversation or dialogue that allows the company knows to customer's opinion and understand their value in the company. In the past studies, the researchers found out that a good customer feedback management could benefits a company by helping in the performance evaluation, promoting organizational learning, increasing the quality of services, think better on decision making (Nasr, Burton, Gruber & Kitshoff, 2014). Service providers are recommended to apply customer feedback to influence customer satisfaction with production tasks and service experience (May, Jo, Olga, Trude & Torvald, 2019). This is because the customer will based on the customer feedback which given by previous customers to judge the quality of certain products whenever lack of information about the products. Thus, the feedback from customer is necessary to regulate the customer's task performance (May, Jo, Olga, Trude & Torvald, 2019). However, customer feedback is will not be easily to acquire when information or knowledge of a company is dispersed and this will bring a big impact on the customer service (Siddig, Abdelsalam, Badreldien & Ali, 2015). Therefore, companies should always focus on the internal information and improve their marketing knowledge.

## 2.1.5 Service Quality

Most of the past studies were interested in using service quality as topic by the researchers as it may have a great impact on the company profits (Ng, Sek, Teow and Wong, 2016). Chiguvi and Guruwo (2015) stated that the loyalty of customer will change by the quality of service. Service quality that provided by the company in a positive and correct form to increase the satisfaction of customer which will greatly affect to the customer loyalty, ultimately leading to gaining a competitive advantage and surviving the company in a dynamic environment (Atiyah, 2017). This is also proved by Jamaluddin and Ruswanti (2017) that the five dimensions of service quality which known as SERVQUAL that consist of reliability, responsiveness, assurance, empathy and tangibles will affect the satisfaction of customer that direct impact the customer loyalty. Subhadip, S.Sreejesh and Sandhya (2019) stated that the customer's judgment and attitude is based on the service quality. Besides, service quality is a comprehensive evaluation of a particular customer service and how well it meets their expectations and fulfils their needs since customer satisfaction can be created through service quality (Miklós, Hossam, János, József & Judit, 2019). For example, customer will always compare their expectations toward a service and perceptions when it is performing (Ng, Sek, Teow and Wong, 2016). A good quality of service can attract

customers to use the service again as high quality of services are one of the ways to create the customer loyalty (Ismail & Yunan, 2016). A good enough service quality not only can attract customer and retain but also very useful in expanding a company's customer base (Atiyah, 2017). Ng, Sek, Teow and Wong (2016) also agreed that all the industries should focus more on service quality to gain customer satisfaction which will enhance the customer loyalty. According to Chen, Li and Liu (2018), consumption trends in airline services include the importance of quality and the need for higher quality of service. Therefore, MAS should focus their service to satisfy the users since the quality of service will influence the successful of company in market competitiveness, development and growth (Miklós, Hossam, János, József & Judit, 2019). Siddig, Abdelsalam, Badreldien and Ali (2015) also stated that customer loyalty can be generated via a strong customer relationship with a certain brands as the customer will choose the brands that they well known rather than choose the brands that they are unfamiliar.

#### 2.1.6 Corporate Image and Reputation

Corporate image is an internal collective mental state and the basis of its efforts to show others in company communication (Kuranovic, 2018). The direct psychological impression of the customer toward company is stated as corporate image. It can be created faster and easier compare to build a reputation (Gray & Bulmer, 1998). Furthermore, corporate image can be referred as the entire estimate of expit owns through its organization's perception of past performance and future prospects compared to its competitors. A company will be given a clear advantage and privileges which cannot be copy easily by having a corporate image. Hence, it required the managers and company to fulfil the individual standards, employee quality standards, community ethics standards, and investor profitability standards to maintain a strong corporate image by building strong and supportive relationships with all voters (Adeniji, Osibanjo, Abiodun & Oni-Ojo, 2015). The corporate image is valuable not only because of it distinguish itself with other but also create awareness of products and services sold or delivered globally and attract and maintain customer to gain competitive advantages which allows them to survive in the dynamic environment (Kuranovic, 2018). According to Bozkurt (2018), corporate image is an image which shows the quality of the goals that any given business aims to achieve. On the other hand, he also stated that reputation can be known as respectability which need long times to earn but can lost it easily. Libriati, Nordin and Alireza (2019) stated that reputation is defined as the belief of someone toward an

organization, their performance and quality of services and expectations of key stakeholders. For example, when there are two products or services are providing same benefits, the customer would choose the higher reputation product or service. Besides, reputation is used to evaluate the performance of a company by stakeholders. It is evaluated through the direct experience of the company's stakeholders, the type of communication and symbolic meaning, and it can show the company's behaviour or compare the behaviour with other major competitors. The company with good image and reputation can improve their business sales because it can increase the certainty and trust of the stakeholders to a company's performances and product or service quality (Giorgia, Cristina & Alicia, 2019). Moreover, corporate images and reputation can also greatly influence the decisions and behaviours of a consumer by providing psychological support during the purchasing process.

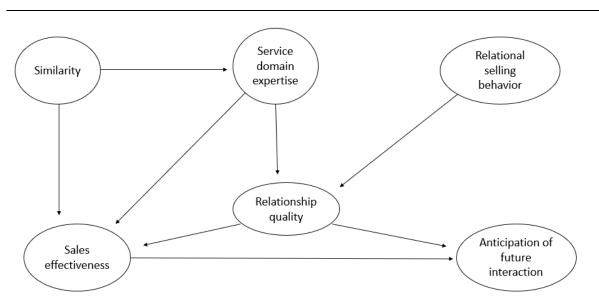
## 2.2 Underlying Theories

## 2.2.1 Relationship Quality

In this study, RQ model is used based on customer loyalty theory to investigate the relationship between the four independent variables which are customer satisfaction, customer feedback, service quality and corporate image and reputation and dependent variable, customer loyalty. According to Auruskeviciene, Salciuviene and Skudiene (2010), the relationship quality between the parties involved is critical to determinant the customer loyalty. In year 1990, Crosby, Evans, and Cowles developed the RQ model in a study about relationship marketing. Fournier stated that the RQ model can be used to determine the relationship strengthen. RQ model is the degree of corporate customers' relationship meets all expectations, forecasts, needs or goals and aspirations of the clients (Syafrizal1, Wahid, and Ismail, 2017). Besides, relationship quality also has been discussed as an intangible bundle of value, which argues for the product and leads to the expected swap between buyer and seller (Lagace, R;Dahlstrom, Gassenheimer, Jule B, 1991).

The customers will evaluate their relationship with suppliers with their own past experiences. The higher the degree of quality relationship quality, the easier attraction to the customers who have confidence and trust in the future performance of service providers based on past satisfactory experience (Crosby et al., 1990). Developed trust can maintain this relationship by reducing buyer uncertainty to bring positive expectations (Lagace, R;Dahlstrom, Gassenheimer, Jule B, 1991). However, the buyers will fell uncertainty to the service providers when the relationship quality is low. A high degree of relationship quality can extant the duration of exchange relationship between the buyer and supplier (Crosby et al., 1990). Tehubijuluw (2015) found out that the customer loyalty to a company will be higher if the relationship quality between the customer and marketer is better.

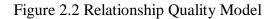
## 2.2.2 Concept of Relationship Quality

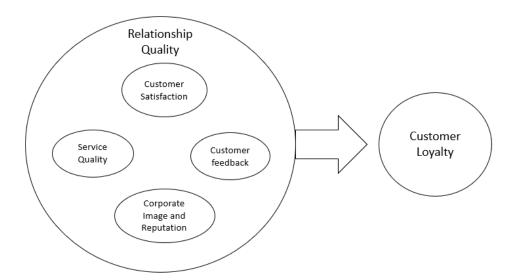


#### Relationship Quality Model

Figure 2.1: Relationship Quality Model

From the figure 2.1 above, there have three external variables are affecting the model and lead to two outcomes of variables. The components for the three external variables are relational selling behaviour, service domain expertise and similarity. The characteristic of the salesperson is what they actually referring are. According to Crosby et al, he suggested the salesperson in relationship quality must have consisted more than one component which is satisfaction and trust in salesperson. Auruskeviciene, Salciuviene and Skudiene (2010) stated the service quality and customer satisfaction have positive impact on relationship quality which is important to determine the customer loyalty. This is because relationship quality brings positive benefits to customers and this could improve that customer loyalty which allow marketer to build long-term relationship with customer (Tehubijuluw, 2015). Besides, one of the outcome variables is sales effectiveness; it refers the current total sales, while expectation for future interactions represents the rebuy purpose to a product. According to Wu and Ai (2016), stated that customer's loyalty is received a large marketing attention from its significance cannot be overstated for present businesses. Relationship quality can affected customer loyalty moderately by relationship value (Lian, 2017).

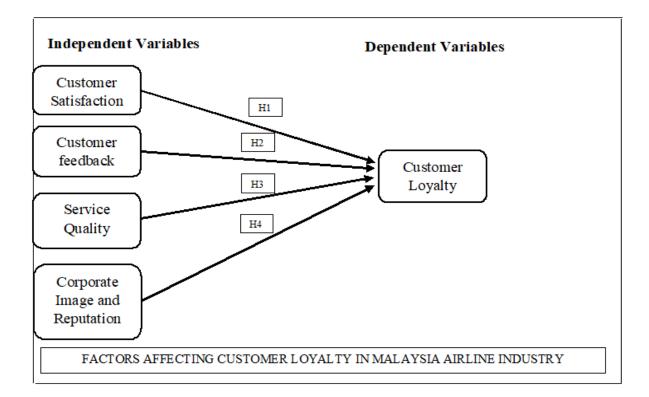




Relationship quality is an important thing to attain customer loyalty (Prince, Palihawanada, Davies, Winsor, 2016). Since the measurement of relationship quality exceptionally depends on customer loyalty (Tehubijuluw, 2015). Understanding customer's determination is critical, and researchers want to assess it is figuring out elements (Kim et al., 2016). A current assessment of customer loyalty research suggests that researchers had been suggesting to research precise variables as important figuring out elements which are, customer's satisfaction(Thaichon and Jebarajakirthy, 2016; Izogo, 2016; El-Adly and Eid, 2016; Chen et al., 2016; Bilgihan et al., 2016; Akroush et al., 2016), and perceived service quality (Izogo, 2016; Rubio et al., 2016), logo reputation(Silva and Goncalves, 2016), and the logo image (Izogo, 2016; El-Adly and Eid, 2016; Customer loyalty is critical for numerous provider carriers in aggressive markets (Wu and Ai, 2016; El-Adly and Eid, 2016; Ali et al., 2016). According to Kandampully et al. (2015), has recognized elements of the logo, image and satisfaction as possible loyalty determinants. The relationship quality hyperlinks among service quality, customer satisfaction, customer feedback and corporate image and reputation, to without delay effect on customer loyalty. According to Rauyruen and Miller (2007), relationship quality has consisted of customer satisfaction and service quality intention to analyze how the relationship quality impacts customer loyalty.

### 2.2.3 Use of model in Other Researches

For the other researches, RQ model is widely applied for various industries. This is because a company can build the customer loyalty by maintaining a quality good relationships quality with their customers (Tehubijuluw, 2015). For examples, Relationship quality has been used by Lian (2017) in determinant of relationship quality and customer loyalty in relationship marketing. Moreover, Rose (2016) used relationship quality to examine impact of relationship quality on online adoption. Furthermore, relationship quality also been used by Doma (2015).



## 2.3 Conceptual Framework

Figure 1: Conceptual Framework Mode

The conceptual framework of this study is developed based on the research objectives and research questions. The link between the two dimensions of independent variables and the customer loyalty is illustrated in Figure 1. In this framework, customer satisfaction, customer feedback, service quality, corporate image and reputation are independent variables while customer loyalty is the dependent variables. Relationship Quality (RQ) Model is the only theory applied in this research as it is more suitable to support this framework by determining the relationships on how our independent variables will affect the customer loyalty. A significant relationship between those two types of variable in Malaysia airline industry are shown in this model. Customer loyalty can be defined into the behavioural and the attitudinal loyalty of the customer, customer willingness to repurchase the product, suggest the product to the others and give positive comments. Moreover, customer loyalty also helps to reduce cost of service, marketing and helps to attract new customers (Yang, Yang, Huang, Yang, & Chang, 2019). According to Lian and Yoong (2017) Relationship Quality is the evaluation by the customer about their relationship quality with the particular company, there are many factors that affect the customer loyalty.

Bogati & Vongurai (2016) find out that the independent variable customer satisfaction and the dependent variable customer loyalty has significant relationship between both of them in the banking industry. Moreover, there is medium positive correlation. The result is similar to the Tweneboah-Koduah & Farley (2015)'s result, they examines the relationship og customer satisfaction and customer loyalty and the result are also positive and significant relationship in Ghana's retail banking business. Those studies found that customer satisfaction is one of the components for the customer loyalty.

There are some studies in the past tested the relationship of customer feedback and the customer loyalty. Results shows feedback does not have direct relationship with the customer loyalty but it only have relationship with the affective commitment according to Dean (2007).

In the discussion of the Budianto (2019), discussing about the effect of the service quality towards the customer loyalty. In Budianto's study, the service quality will have a 38.3 percent of influencing power to the customer loyalty in the modern market of Indonesia, the other portion of 61.70% are influenced by other factors such as the competitors or the types of product and services and the internal factors as well. In addition, Azad & Sadeghifar (2019) also discovered that the service quality has strong, significant and positive relationship with the customer loyalty in the Taban Airline of Mashhad, Iran. The result are considered consistent as they are stable with most of the past studies.

Aldaihani & Ali (2018) had shown that the relationship of the brand image and the customer loyalty is positive, significant and it is a strong relationship of the restaurant service industry. Brand image is vital to the company as it might affect the performance of the company if the company didn't manage their image well. If the brand image being managed well, brand image will help to remain customer loyalty as it represents the organisation's image.

As there is not much research testing on customer satisfaction, customer feedback, service quality, corporate image and reputation will affect customer loyalty in the Malaysia aviation industry. This research tent to find out whether customer of Malaysia aviation industry facing the customer loyalty problems for choosing the airline company. Thus, this is a new and interesting topic to research.

## 2.4 Conclusion

This chapter applied a relationships quality model and discusses about literature reviews. Moreover, this chapter also presents how four identified variables and dependent variables by explaining its meanings and the importance. Besides, theoretical study justifies the theory applied in the research which is customer loyalty theory. Lastly, the theoretical model applied to explain the connection between the dependent variable and the four independent variables. The research methodology of this research will be discuss in the next chapter.

# **CHAPTER 3 RESEARCH METHODOLOGY**

## 3.0 Introduction

The ways of research methodology uses to evaluate the factors that affect the customer loyalty in MAS will be discuss in this chapter. Research methodology is a technique to evaluate a specific study that researcher seeks to solve. It also provide a description of how the study was conducted in term of research design, data collection methods, sampling design, research tools, structural measurements and data processing.

## 3.1 Research Design

Research design defined as the data collection and analysis which intent to integrate economic and procedural research purposes. It is used as investigations recessed to ensure search and control of problem variance (Md.Inaam Akhtar, 2016). A quantitative method is applied in this study as it is more suitable to measure and analyse the objective of this study. Quantitative research is used to evaluate issues or discover phenomena by gathering data in digital form and using mathematical methods for analysis; especially statistics (Oberiri Destiny Apuke, 2017). This is because it can seek precise measurement and analysis of target concepts such as questionnaires, and clarify ambiguities, or discover some ideas that may become potential business opportunities.

## 3.2 Sample design

According to Syed Muhammad Sajjad Kabir (2016), sample design refers to the plans and methods to be followed in selecting sample from the target population and the estimation technique formula for computing the sample statistics.

### **3.2.1 Target Population**

Target population is defined as the entire group of target or objects that the researcher intends to investigate in the study. In the research, Kuala Lumpur International Airport (KLIA) was selected based on the ranking of the highest annual passengers counts in Malaysia in year 2018 (Lang, 2018). Hence, the target population of the research was all Malaysia Airlines users at Kuala Lumpur International Airport (KLIA).

Ranking	Airport	AnnualPassengerCount (Millions)
1	Kuala Lumpur International Airport (KLIA)	58.6
2	Kota Kinabalu International Airport	8
3	Penang International Airport	7.2
4	Kuching International Airport	5.1
5	Senai International Airport	3.1

Table 3.1 Ranking of Air	ports of Malaysia	a with Highest Annual	Passenger Count

Source: Developed for research

## **3.2.2 Sampling Frame and Sampling Location**

Passenger Traffic Snapshot ('000), January 2019									
Total	2019	2018		2019	2018		2019	2018	
Total	Janu	lary	% <b>YOY</b>	Year- t	o-date	%YOY	<sup>1</sup> LT	'M	%YOY
KLIA	5,088	5,083	0.1%	5,088	5,083	<b>0.1%</b>	59,993	58,795	<b>2.0</b> %
International	3,752	3,811	-1.5%	3,752	3,811	-1.5%	43,548	42,738	<b>1.9%</b>
ASEAN	1,732	1,769	-2.1%	1,732	1,769	-2.1%	20,673	20,165	2.5%
Non-ASEAN	2,020	2,042	-1.1%	2,020	2,042	-1.1%	22,875	22,574	1.3%
Domestic	1,336	1,272	<b>5.0%</b>	1,336	1,272	<b>5.0%</b>	16,445	16,057	2.4%
MASB Airports	3,276	3,021	8.4%	3,276	3,021	8.4%	39,341	37,994	3.5%
International	696	637	9.3%	696	637	<b>9.3%</b>	8,145	7,098	14.7%
ASEAN	382	361	5.8%	382	361	5.8%	4,824	4,247	13.6%
Non-ASEAN	314	276	13.8%	314	276	13.8%	3,321	2,852	16.5%
Domestic	2,580	2,384	8.2%	2,580	2,384	8.2%	31,196	30,895	<b>1.0</b> %
Total MAHB	8,363	8,104	3.2%	8,363	8,104	3.2%	99,335	96,789	<b>2.6</b> %
Istanbul SGIA <sup>2</sup>	2,762	2,691	2.6%	2,762	2,691	<b>2.6</b> %	34,130	31,859	7.1%
Total MAHB System	11,125	10,795	3.1%	11,125	10,795	3.1%	133,465	128,648	3.7%

#### Table 3.2 Passenger Traffic of KLIA

#### Source:

Retrieved

from

http://mahb.listedcompany.com/newsroom/Passenger\_Traffic\_Snapshot\_January\_2019.pdf

According to Malaysia Airports Holdings Berhad (2019), the passenger traffic of Kuala Lumpur International Airport (KLIA) consists of there are approximately 43,548,000 potential respondents that are international and domestic passenger, which 20,673,000 passengers (of all 59,993,000) were under international ASEAN status, while 22,875 passengers (of all 59,993,000) were under international Non-Asean status. Besides, domestic passenger consists of 16,445,000 (of all 59,993) individuals. Hence, the sampling frame is known and the Kuala Lumpur International Airport, Malaysia (KLIA) was targeted as the sampling location for the study. The reason of choosing Kuala Lumpur International Airport, Malaysia (KLIA) is because it can be known as the largest, busiest, and fastest growing airport in Malaysia, and the main reason choosing KLIA as sampling location is because Malaysia Airlines (MAS) act as a dominance of long-haul services of KLIA have significant affection to the touristic targets (Blue Swan Daily, 2018).

#### **3.2.3 Sample elements**

For the research sample element, the main criterion in identifying the valid target respondents is based on the user's status, whether the respondents are Malaysia Airlines User. However, respondents that are not Malaysia Airlines User, or never pursue flight service provided by Malaysian Airline. The reason for targeting potential respondents that are really Malaysia Airline user is because they really do understand the factors that affecting the loyalty level when taking the service provided by Malaysia Airline Berhad. Besides, a valid Malaysia Airlines user will also provide reliable and valid information regarding the suggestions, understanding about the services provided by Malaysia Airlines. Hence, the status of customers that can be categorized as a qualified respondent, they must be a Malaysia Airlines user during their recent flight, regardless of demographic difference in terms of gender, educational level, age, monthly income and so on.

#### 3.2.4 Sampling Technique

There are primary sampling techniques which are possibility sampling and nonprobability sampling. There are numerous forms of probability sampling include simple random, systematic, and stratified sampling. Moreover, there are also have several types of non-probability. There is snowball sampling, quota sampling, purposive sampling and convenience sampling. According to Nayeem Showkat, Huma Parveen (2017), a possibility the pattern is one wherein every detail of the population has a regarded non-zero probability of selection. This approach of sampling offers the opportunity that our sample is the consultant of a population. In contrast, the non-probability sampling method makes use of non-randomized techniques to attract the pattern usually involves judgment.

Since the sampling frame is known, probability sampling technique has been chosen instead of nonprobability sampling in the research. Simple random sampling technique has been adopted in the study because every respondent in the location is chosen solely by chances and every individual in the population have equal rate of being selected to answer the questionnaire survey. Hence, some potential bias (sampling bias) can be avoided due to the randomness of strict selection process of respondents.

## 3.2.5 Sample Size

The figure of pattern with inside the studies is referring through pattern size. The vital use of pattern size is to decide how to correct speculation testing. Besides, larger samples size will increase the risk of locating a massive could be different. From the passenger traffic report by Malaysia Airports Holdings Berhad (2019) there are total of 59,993,000 passengers, consists of Asean, Non-Asean and Domestic status passenger. It shows that minimum of 384 respondents (with 95% of confidence level and 5% of margin error) are needed in this study because the population size already exceeded 1,000,000 individuals. Therefore, in order to make less probabilities in the research project, 400 questionnaires will be distributed, extra 14 will be used as precaution for to prevent any error when the respondents answer the questionnaire survey.

Table 1: Sample size based on Desired Accuracy
with Confidence Level of 95%
Source: (Gill et al., 2010)

•	Variance	of the popul	ation P=5	
	Confidence level=95% Margin of error			
Population Size	5	3	1	
50	44	48	50	
75	63	70	74	
100	79	91	99	
150	108	132	148	
200	132	168	196	
250	151	203	244	
300	168	234	291	
400	196	291	384	
500	217	340	475	
600	234	384	565	
700	248	423	652	
800	260	457	738	
1000	278	516	906	
1500	306	624	1297	
2000	322	696	1655	
3000	341	787	2286	
5000	357	879	3288	
10000	370	964	4899	

•	Variance	of the popula	ation P=50%	
	Confidence level=95% Margin of error			
25000	378	1023	6939	
50000	381	1045	8057	
100000	383	1056	8762	
250000	384	1063	9249	
500000	384	1065	9423	
1000000	384	1066	9513	

Source: Retrieved from GILL, J., JOHNSON, P. & CLARK, M. 2010. Research Methods for Managers,

SAGE Publications.

## 3.3 Data collection method

According to Kabir (2016), information collection is the technique of accumulating and measuring facts about variables in a recognized, systematic manner, allowing people to reply stated studies questions, take a look at hypotheses, and examine results. The motive of all information collected is to seize outstanding proof after which turn it into rich statistics evaluation and offer convincing and credible solutions to published questions. There are kinds of information collection technique that are primary data and secondary data. Two kinds of data collection technique had been used in these studies to acquire applicable and accurate statistics.

### 3.3.1 Primary Data

According to Kabir (2016), the data collected from the first-hand experience is called primary data and primary data is more reliable and objective. For example, interview, questionnaire and experiment. We use the questionnaire as our primary data.

### 3.3.2 Secondary Data

According to Kabir (2016), collecting data from a source which is published or existed in any form is considered as secondary data. Journals and articles have been conducted in this research. The two data collections are conducted in the collecting data process and collecting similar messages to obtain more accurate data.

## 3.4 Research Instrument

The questionnaire method has been adopted in this research according to the literature review. This is because questionnaire method easily and widely to collect large amount of data from the respondents. Besides, the respondents can complete the questions by answering through electronic and paper forms.

### 3.4.1 Pilot Test

A pilot test is used to reflect the procedures our research and verify the feasibility of the study by evaluating participants' inclusion and exclusion criteria (In, 2017). By using pilot study, not only the understanding of respondents can be ensured, but it also can make the questionnaire becomes more accurate as it can avoid from doing mistakes.

In this study, there are 30 questionnaires were prepared by using Google platform in the pilot test. Due to the movement control order, the target group of this study which is the passengers of MAS are able to answer the questionnaires through online.

## 3.5 Constructs Measurement

There are 3 parts in this questionnaire which are Section A, B and C. Section A is about the personal details of the respondent. Section B is about the independent variables and Section C is about the dependent variable.

### 3.5.1 Original Sources and Operational Definitions

Variables	Description	Sources
Dependent variable		
Customer Loyalty (CL) Independent	Refers to which customer's commitment to do business while consequent in repurchases of goods and services.	Bose, Rao (2011)
variable		
Customer Satisfaction (CS)	Refers to a customer's emotional response, merge with his experiences and perception after consumption of a product or service.	Lotko A. (2004)
Customer Feedback	Refers to consumer's perception regard to the products and services after consumption.	Wonderflow BV (2016)
Service Quality	Refers to consumer's evaluation of a services and the extent to which it meets consumer's expectations and provides satisfaction.	Al-Jazzazi, A.Sultan,P. (2017)
Corporate image and reputation	Refers to corporate image is an internal collective mental state and corporate reputation is the belief of an organization's performance and quality of services.	Veslas Kuranovic. (2018) , Nordin&Alireza (2019)

### Table of Origin of Constructs

### 3.5.2 Scale of Measurement

Scale of measurement is a scale that used to measure or quantifies the respond from the variables. Nominal, ordinal, interval and ratio are the four types of scale of measurements. All of them have specific attributes, which determine the various uses of statistical analysis. Nominal, ordinal and ratio scales are adopted in this questionnaire.

### 3.5.3 Nominal Scale

Nominal scale is used to deal with qualitative variables which have no value. It is used for classification purposes where the number assigned to the object is used as a label to classify or rank the object in the category. For example:

Gender
 □Male
 □Female

### 3.5.4 Ordinal Scale

Ordinal scale is used to order or rank the measurement, but the degree of difference between them is not determined. For example:

Higher Education Level
 SPM
 STPM
 Foundation
 Diploma
 Degree
 Master
 PHD

## 3.5.5 Ratio Scale

Ratio scale is a variable measuring scales which able to show the differences or intervals of a measurement. For example:

Age

 □20 and below
 □21 to 30
 □31 to 40
 □41 to 50
 □51 to 60
 □61 above.

## 3.6 Data Analysis

According to Sheard (2018), data analysis is defined as method to decrease the overload information and interpret it, it helps to make sense of reducing big quantities of collected information. In the analysing data, Statistical Analysis System (SAS), Statistical Package for the Social Sciences (SPSS), Syllabic Abbreviation of the Words Statistics and Data (STATA) are usable, each of these have different pros and cons. SPSS was used in this research to analyse, explain, transform and produce a characteristic pattern between different data variables which collected from the respondents.

#### 3.6.1 Descriptive Analysis

Descriptive Analysis can turn the raw data into something which can easily understand by the users which ensure that the users can understand thoroughly about the information provided. In short, descriptive analysis help the users understand the survey better. It enhances the reader's knowledge, comprehension and application related to the research. It contains some related cues such as describe, identify, evaluate and examine measure or graphically present them according to Chapman, Lawless, & Boor (2001).

#### **3.6.1.1 Reliability Analysis**

Reliability Analysis is being used to measure the stability and the consistency of a measurement (Sekaran & Bougie, 2010). Cronbach's alpha,  $\alpha$  is common approach that was used to determine internal consistency reliability, it shows how close the related item are in a same group (Bonett & Wright, 2014). In the reliability analysis, there are two variable of alpha which are raw and standardized. It ranged from exact zero to exact one, normally the higher is better, and it means that the reliability is good. If the alpha value equal or greater than 0.70, it means that the scale is

accurate and reliable. However, an alpha value is 0.60 or lower, it will be considered as poor internal reliability and inaccurate.

#### **Rules of Reliability Test**

Coefficient alpha range	Reliability level of data
Between 0.80 and 0.95	Very good
Between 0.70 and 0.80	Good
Between 0.60 and 0.70	Fair
Below 0.60	Poor

Source: Sekaran & Bougie (2010)

### **3.6.2 Inferential Analysis**

Inferential analysis is a study that focus on the collected data in order to draw a conclusion about a particular population. Moreover, inferential analysis can also determine the relationship of the dependent and independent variables. Inferential statistic result are based on the facts and reasoning, so it can also be used to make judgement of the probability (Zikmund, DAlessandro, Winzar, Lowe, & Babin, 2017).

### **3.6.2.1 Pearson Correlation Coefficient**

Pearson correlation coefficient analysis can shows the relationship between independent variables and dependent variables since it is a statistical method (Sekaran & Bougie, 2010). The coefficient values +1.0 represents perfectly positive relationship between two variables. On the other hand, while the coefficient values is -1.0 represents perfectly adverse relationship. If the value is 0, it represents no relationship between these 2 variables.

	nd Strength of Correlation between variables
Range	Relationship
±0.5 to ±1	Strong
±0.3 to ±0.49	Moderate
±0.1 to ±0.29	Weak

Source: Sekaran & Bougie (2010)

### **3.6.3 Multiple Regression Analysis**

Multiple regression is linear regression's further expansion. It explains the variance of dependent variables by using more than one independent variables. In order to derive the value which is dependent variable, using the independent variable to do the prediction based on the values of two or more variables. It combines the various variables to judge how they affect the outcome according to Laura, Frederick and Kim (2012). The analysis shows that the relationship between dependent variables and independent variables.

Whereby:

Y' = a + b1X1 + b2X2 + b3X3 + b4X4

Y'= Dependent Variable

a = fix and Constant, "Y intercept"

- b = Coefficient of each independent variable
- X1= independent variable 1
- X2 = independent variable 2
- X3= independent variable 3
- X4= independent variable 4

## 3.7 Data Processing

All the questionnaires that sent to the respondents will be used in our data processing because of their valuable answer will directly affect the process. A total of 4 steps are used in data processing, namely editing, checking, transcription and coding. (M. A. Hidiroglou, 2019). It use to convert data received to the database.

### 3.7.1 Checking

Step 1 is the data checking which check the reliability of results. Researcher must ensure all the gathered questionnaires from respondents are effective because all questions are fully answered in the proper process (M. A. Hidiroglou, 2019). Moreover, the researchers have to filter up all the ineffective questionnaires, such as irrelevant or uncompleted answers given to the questionnaire. Researcher also must make sure the questionnaire does not contain any missing answer or even incomplete data given.

### 3.7.2 Editing

Step 2 of data processing is data editing. This process provides an overview of editing and imputation in business surveys and, where applicable, describes the potential impact of editing on questionnaire design and survey communication (M. A. Hidiroglou, 2019). Data editing can ensure the completeness and accuracy of all information. Data editing not only can assure the reliability of the received research but also make sure that there it is without any ineffective data or errors happened.

#### 3.7.3 Coding

Step 3 of data processing is data coding. Data coding is responses to different types of business survey questions collect different types of data (M. A. Hidiroglou, 2019). The process involved inserting data into SAS Enterprise Guide to obtain the full result. Every respondent will receive a code assigned from researcher.

## 3.7.4 Transcribing

The final step of data process will be data transcribing. As to receive accurate information and make it accessible to all relevant personnel. Transfer every coded data in the questionnaires received from the respondent into the system is the function of data transcribing (M. A. Hidiroglou, 2019). Overall, the encoded data will be transcribed into SAS Enterprise Guide for the data analysis and observation as the final step of data process.

## 3.8 Conclusion

In short, the two types of data will be applied to group all the relevant information and results. In addition, this chapter ended the sampling design with a complete test, and successfully distributed all questionnaires to all interviewees and participants. By using a method called pilot test to examine whether the dependent and independent variables are reliable, these relevant data are the key to benefit all upcoming Chapter 4 studies.

# **CHAPTER 4 DATA ANALYSIS**

## **4.0 Introduction**

This chapter places emphasis on analysing the data through Statistical Package Social Science (SPSS) software. The data and results associated with the study are shown in figures and tables. For descriptive analysis, the demographic profile is measured. The results of the analysis of multiple regression are also calculated through the usage of measurement of scale.

## **4.1 Descriptive Analysis**

A descriptive evaluation is used to explain the study as well as the fundamental data characteristics. These are the basis for quantitative data processing. In addition, descriptive analysis clearly indicates what the data represents or what the data purports to be.

## 4.1.1 Respondents' Demographic

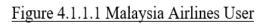
Personal details like gender, age, education level, job, revenue, flying frequency and so on will be asked in our questionnaire.

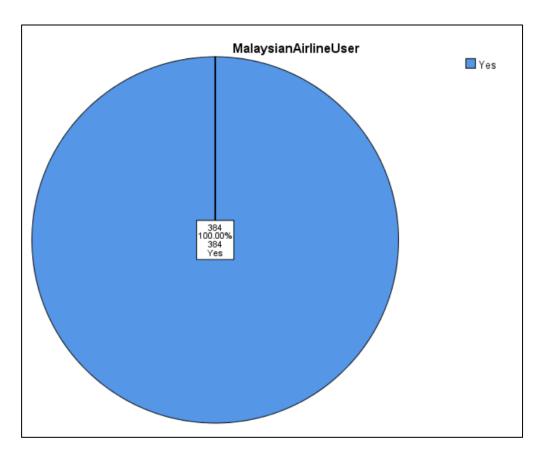
## 4.1.1.1 Malaysia Airlines User

Malaysia	Airlines	Frequency	Percentage	Cumulative	Cumulative
User				Percentage	Frequency
Yes		384	100.0	100.0	100.0
No		0	0		100.0
Total		384	100.0		

## Table 4.1.1.1 Malaysia Airlines User

Source: Developed for research





#### Source: Developed for research

According to Table and Figure 4.1.1.1, all of the respondents are Malaysia Airline Users, which consists of up to 384 respondents (100%).

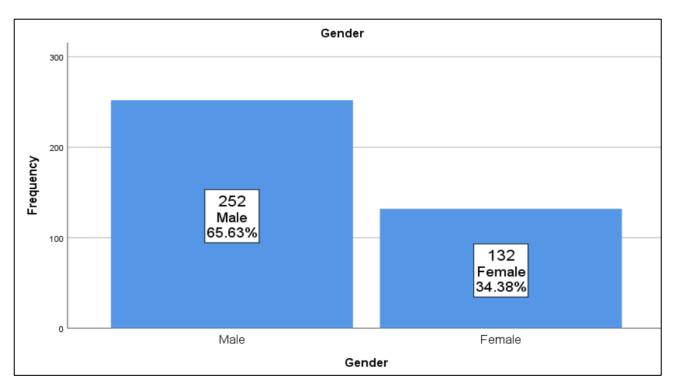
#### 4.1.1.2 Gender

#### Table 4.1.1.2 Gender

Gender	Frequency	Percentage	Cumulative	Cumulative
			Percentage	Frequency
Male	252	65.6	65.6	252
Female	132	34.4	100.0	384
Total	384	100.0		

Source: Developed for research





Source: Developed for research

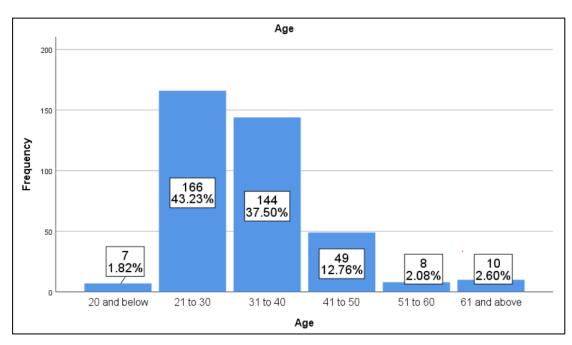
Based on Table and Figure 4.1.1.2, there are 252 (65.63%) of respondents were categorized as of male. Whereby, around 132 (34.38%) respondents were categorized as female.

#### 4.1.1.3 Age

Age	Frequency	Percentage	Cumulative	Cumulative
			Percentage	Frequency
20 and below	7	1.8	1.8	7
21 to 30	166	43.2	45.1	173
31 to 40	144	37.5	82.6	317
41 to 50	49	12.8	95.3	366
51 to 60	8	2.1	97.4	374
61 and above	10	2.6	100.0	384
Total	384	100.0		

Table 4.1.1.3 Age

Source: Developed for research



Source: Developed for research

From the Table and Figure 4.1.1.3, there are 166 (43.23%) of respondents aged between 21 to 30. While 144 (37.5) respondents aged between 31 to 40. Besides, 49 (12.8%) of respondents aged between 41 to 50. There are

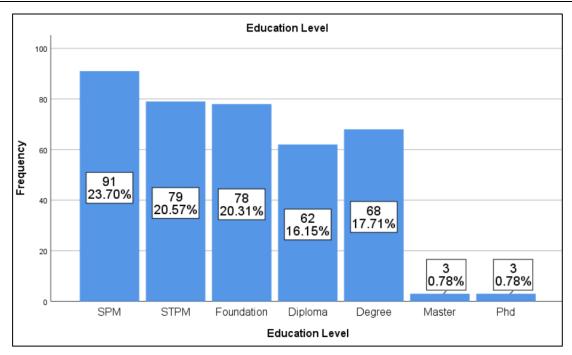
around 10 (2.6%) aged above 61; 8 (2.1%) aged between 51 to 60; and 7 (1.8%) aged below 20.

#### 4.1.1.4 Education Level

Education Level	Frequency	Percentage	Cumulative	Cumulative
			Percentage	Frequency
SPM	91	23.7	23.7	91
STPM	79	20.6	44.3	170
Foundation	78	20.3	64.6	248
Diploma	62	16.1	80.7	310
Degree	68	17.7	98.4	378
Master	3	0.8	99.2	381
PhD	3	0.8	100.0	384
Total	384	100.0		

Table 4.1.1.4 Education Level

Source: Developed for research



Source: Developed for research

From Table and Figure 4.1.1.4, it can be concluded that around 91 (23.7%) of respondents achieved SPM for their education level. While 79 (20.6%) and 78 (20.3%) of respondents achieved STPM and Foundation education level. Besides, 68 (17.7%) of respondents achieved Degree and 62 (16.1%) of respondents obtained Diploma as their level of education. Last but not least, 3 (0.8%) of respondents obtained Master and the remaining 3 (0.8%) of respondents achieved PhD as their level of education.

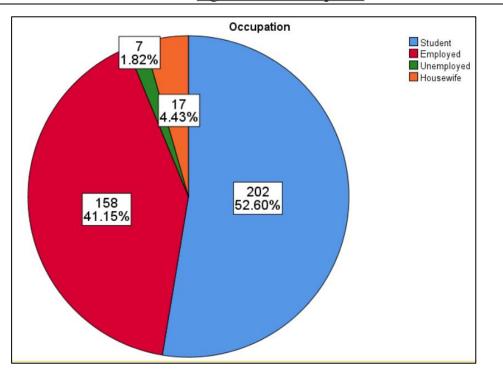
Occupation	Frequency	Percentage	Cumulative	Cumulative	
			Percentage	Frequency	
Student	202	52.6	52.6	202	
Employed	158	41.1	93.8	360	
Unemployed	7	1.8	95.6	367	
Housewife	17	4.4	100.0	384	
Total	384	100.0			

### 4.1.1.5 Occupation

Table 4.1.1.5 Occupation

Source: Developed for research

Figure 4.1.1.5 Occupation



#### Source: Developed for research

According to Table and Figure 4.1.1.5, it showed that around 202 (52.6%) of respondents are students. Whereas 158 (41.1%) of respondents are currently under employed status. Besides, 17 (4.4%) played the role as a housewife and 7 (1.8%) of respondents falls under unemployed status.

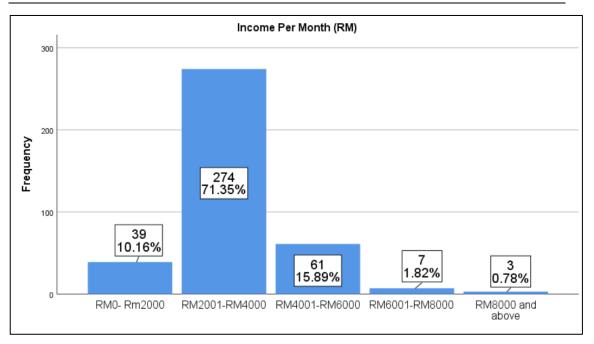
#### 4.1.1.6 Income per Month (RM)

Income Per Month (RM)	Frequency	Percentage	Cumulative	Cumulative
			Percentage	Frequency
RM0-RM2000	39	10.2	10.2	39
RM2001-RM4000	274	71.4	81.5	313
RM4001-RM6000	61	15.9	97.4	374
RM6001-RM8000	7	1.8	99.2	381
RM8000 and above	3	0.8	100.0	384
Total	384	100.0		

#### Table 4.1.1.6 Income per Month (RM)

Source: Developed for research

#### Figure 4.1.1.6 Income per Month (RM)



#### Source: Developed for research

From the Table and Figure 4.1.1.6, it stated that 274 (71.4%) of respondents' income per month drop from RM2001 to RM4000. Whereas 61 (15.9%) of respondents falls between the monthly salary range of RM4001 to RM6000. Next, 39 (10.2%) of respondents' monthly salary range falls between RM0 to RM2000. Last but not least, there are 7 (1.8%) respondents and 3 (0.8%)

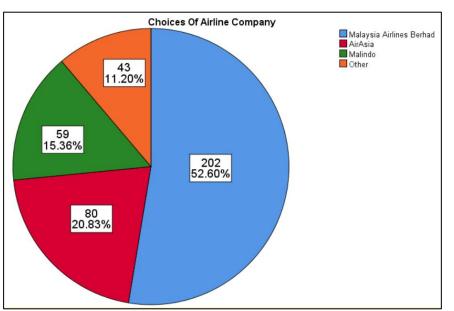
respondents fall between the category of monthly salary range of RM6001 to RM8000, and RM8000 and above.

#### 4.1.1.7 Choices of Airline Company

Choices of Airline	Frequency	Percentage	Cumulative	Cumulative
Company			Percentage	Frequency
Malaysia Airlines <u>Berhad</u>	202	52.6	52.6	202
Air Asia	80	20.8	73.4	282
Malindo	59	15.4	88.8	341
Other	43	11.2	100.0	384
Total	384	100.0		

Table 4.1.1.7 Choices of Airline Company

Source: Developed for research



#### Figure 4.1.1.7 Choices of Airline Company

#### Source: Developed for research

From Table and Figure 4.1.1.7, there are 202 (52.6%) of respondents preferred Malaysia Airlines Berhad over others airline company for their flight. Whereas second most of the respondents preferred Air Asia as their choice of airline company with about 80 (20.8%) respondents. Besides, 59 (15.4%) of respondents preferred Malindo as their choice of

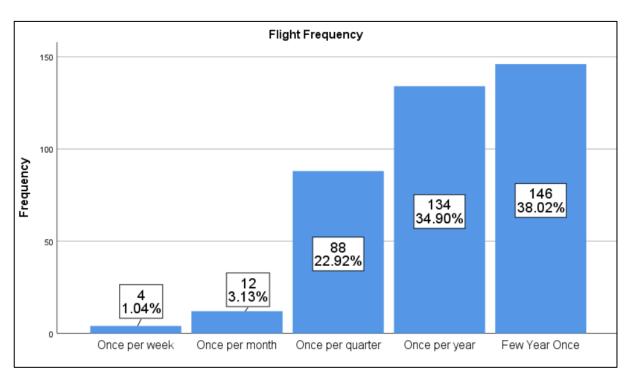
airline company. Lastly, the remaining 43 (11.2%) of respondents chose others airline companies as their choices.

#### 4.1.1.8 Flight Frequency

Flight Frequency	Frequency	Percentage	Cumulative	Cumulative
			Percentage	Frequency
Once per week	4	1.0	1.0	4
Once per month	12	3.1	4.2	16
Once per quarter	88	22.9	27.1	104
Once per year	134	34.9	62.0	238
Few Year Once	146	38.0	100.0	384
Total	384	100.0		

Table 4.1.1.8 Flight Frequency

Source: Developed for research



#### Figure 4.1.1.8 Flight Frequency

#### Source: Developed for research

From Table and Figure 4.1.1.8, about 146 (38.0%) of respondents' frequency of flight are few years once. Besides, around 134 (34.9%) of respondents took the flight once per year. However, 88 (22.9%) respondents took flight once per quarter. Whereas 12 (3.1%) respondents took flight once per month. Lastly, 4 (1.0%) respondents took their flight once per week.

### 4.1.2 Central Tendencies Measurement of Constructs

Central tendency measurement functions in explaining a precise elaboration about data generated. The measures of central tendency that commonly used were median, mean, and mode. Standard deviation and mean values of all variables of the research might be calculated using SPSS software (Manikandan, 2011).

Variable	Statement	Sample	Mean	Ranking	Standard	Ranking
		Size, N		(Mean)	Deviation	(Standard
						Deviation)
CL1	I use service from	384	3.0026	4	1.17746	3
	MAS because it is the					
	best choice for me					
CL2	I intent to keep using	384	3.3594	2	1.13387	4
	the service from MAS					
CL3	I will not switch to a	384	2.8177	5	1.26536	1
	competitor, even if I					
	had a problem with the					
	services of MAS.					
CL4	In compare to other	384	3.3646	1	1.18845	2
	airlines industry, MAS					
	is growing in prestige.					
CL5	I will recommend	384	3.2682	3	0.99263	5
	MAS to other people					

Table 4.1.2.1 Central Tendency Measurement for Customer Loyalty

Source: Developed for research

Based on Table 4.1.2.1, the statement "In compare to other airlines industry, MAS is growing in prestige" obtained mean value which is **3.3646**, ranked 1; while obtained the second one highest standard deviation value of **1.18845**. Besides, the statement "I will not switch to a competitor, even if I had a problem with the services of MAS" had obtained the bottom mean value of **2.8177**, but the highest standard deviation value of **1.26536**. The higher the value of standard deviation is, the lower the variation around the mean will be, vice versa.

Variable	Statement	Sample	Mean	Ranking	Standard	Ranking
		Size, N		(Mean)	Deviation	(Standard
						Deviation)
CS1	I have a satisfying	384	3.7578	2	1.00971	3
	flying experience with					
	MAS					
CS2	I did the right thing	384	3.6823	3	0.80669	4
	when I choose MAS					
	for my flight					
CS3	I normally have	384	3.5365	4	1.17134	1
	pleasant flight with					
	MAS					
CS4	MAS has a high level	384	3.4792	5	1.10048	2
	of technology for their					
	flight to customer					
CS5	MAS provide every	384	4.1823	1	0.5986	5
	customer with an					
	explicit service					
	guarantee					
	uslowed for records					

Table 4.1.2.2 Central Tendency Measurement for Customer Satisfaction

Source: Developed for research

Based on Table 4.1.2.2, "MAS provide every customer with an explicit service guarantee" obtained mean value of **4.1823**, ranked 1; with the lowest standard deviation value of **0.5986**, ranked 5. Next, the statement "I normally have pleasant flight with MAS" achieved the highest value of standard deviation which is **1.17134**, ranked 1.

Variable	Statement	Sample	Mean	Ranking	Standard	Ranking
		Size, N		(Mean)	Deviation	(Standard
						Deviation)
CF1	MAS have up-to-data	384	4.0391	3	0.98343	3
	equipment and					
	visually appealing					
CF2	MAS provide their	384	4.0417	2	0.78387	4
	service as promise					
CF3	MAS's employees	384	3.7344	4	1.16398	1
	always help the					
	customer when needed					
CF4	Customer feel safe	384	3.7188	5	1.11203	2
	when choose the flight					
	from MAS					
CF5	MAS's operating	384	4.2630	1	0.60553	5
	hours are convenient					
	to all their customer					

Table 4.1.2.3 Central Tendency Measurement for Customer Feedback

Source: Developed for research

Based on Table 4.1.2.3, "MAS's operating hours are convenient to all their customer" had obtained the highest mean value and lowest standard deviation value of **4.2630** and **0.60553**. Whereas, the statement "MAS's employees always help the customer when needed" had obtained the highest standard deviation value of **1.16398**, ranked 1.

Variable	Statement	Sample	Mean	Ranking	Standard	Ranking
		Size, N		(Mean)	Deviation	(Standard
						Deviation)
SQ1	The staff of MAS	384	3.8385	2	0.87613	5
	deliver superior					
	service					
SQ2	The in-flight facilities	384	3.6458	5	1.07163	3
	in MAS are excellent					
SQ3	The airline offers	384	3.8047	4	0.98600	4
	excellent baggage					
	handle services					
SQ4	MAS has a convenient	384	3.8620	1	1.08597	2
	flight schedule					
SQ5	MAS has convenient	384	3.8255	3	1.24463	1
	reservation and					
	ticketing system.					

Table 4.1.2.4 Central Tendency Measurement for Service Quality

Source: Developed for research

From Table 4.1.2.4, "MAS has a convenient flight schedule" had obtained the highest mean value of **3.8620**, ranked 1. While the statement "MAS has convenient reservation and ticketing system" resulted the highest standard deviation value of **1.24463**, ranked 1. However, the statement "The staff of MAS deliver superior service" had results the lowest value of standard deviation for **0.87613**, ranked 5. Thus, the higher the value of standard deviation, the least concentrated the variation around the mean, and the higher the dispersion rate results from the respondents.

Variable	Statement	Sample	Mean	Ranking	Standard	Ranking
		Size, N		(Mean)	Deviation	(Standard
						Deviation)
CIR1	MAS keeps promises	384	3.4635	1	0.9742	4
	with customer well.					
CIR2	MAS manages its	384	3.1953	3	1.37713	1
	good image and					
	reputation					
CIR3	MAS has a better	384	2.9557	5	1.19861	3
	reputation that other					
	airlines					
CIR4	MAS has a better	384	3.0026	4	1.2464	2
	image than other					
	airlines industry					
CIR5	MAS is praiseworthy	384	3.3906	2	0.94414	5

Table 4.1.2.5 Central Tendency Measurement for Corporate Image & Reputation

Source: Developed for research

Based

on Table 4.1.2.5, "MAS keeps promises with customer well" resulted with the highest mean value of **3.4635**, ranked 1. Whereby, the statement "MAS manages its good image and reputation" had obtained the highest standard deviation value of **1.37713**, ranked 1.

# **4.2 Scale Measurement**

With 384 respondents in total, this section conducts the reliability check once again. Referring to Cronbach's Alpha, to count the accuracy of the set of items and the correlation between them, the reliability test was used. The reliability test of Dependent Variable and Independent Variables will be shown in the table below:

## 4.2.1 Reliability Analysis

The reliability test is used to assess stability and consistency of the factors as described in Chapter 3. The common method of reliability testing is Cronbach's Alpha. The test results for reliability are shown in the following table:

No.	Variables	Number	Cronbach's	Strength of Association
		of Items	Alpha Value	
1	Customer Loyalty (DV)	5	0.935	Very Good Reliability
2	Customer Satisfaction (IV)	5	0.699	Fair Reliability
3	Customer Feedback (IV)	5	0.662	Fair Reliability
4	Service Quality (IV)	5	0.827	Good Reliability
5	Corporate Image &	5	0.949	Very Good Reliability
	Reputation (IV)			

Table 4.2.1 Reliability Test of Full Study

Source: Developed for research

Based on the outcomes proven from Table 4.2.1, the dependent variable (customer loyalty) and one of the independent variables (Corporate Image & Reputation) had obtained strength of association of Very Good Reliability with the value of 0.935 and 0.949 respectively. While the independent variable (Service Quality) obtained 0.827 of the Cronbach's alpha value, which is also falls under Good Reliability. Lastly, both independent variables (Customer Satisfaction and Customer Feedback) had obtained Fair Reliability of the strength of association with the value of 0.699 and 0.662 respectively.

# **4.3 Inferential Analysis**

Inferential analysis results in population generalization based on collected samples as a statistical model for comparing and analysing data. Multiple Regression Analysis model is chosen in this study, in order to assess the relationship of independent variables with the dependent variable.

## 4.3.1 Pearson Correlation Coefficient Analysis

Pearson correlation coefficient analysis has determine the conjunction among 2 types of variables at interval and ratio level, and to determine their direction, strength and importance (Sekaran & Bougie, 2010).

Table 4.3.1 Intensity range of Pearson Correlation Coefficient Analysis

Range	Relationship
±0.5 to ±1	Strong
±0.3 to ±0.49	Moderate
±0.1 to ±0.29	Weak

Source: Developed for research

#### 4.3.1.1 Customer Satisfaction and Customer Loyalty

Table 4.3.1.1 Pearson Correlation Coefficient Analysis for Customer Satisfaction and Customer Loyalty

	Customer Loyalty	Customer Satisfaction
orrelation	1	.925**
led)		.000
	384	384
orrelation	.925**	1
led)	.000	
	384	384
	led) orrelation led)	led) 384 orrelation .925** led) .000

\*\*Correlation is significant at the 0.01 level (2-tailed).

Source: Developed for research

The result above shows the correlation coefficient resulted value of 0.925. This reveal that Customer Satisfaction is positively correlated to Customer Loyalty. Thus, the customer loyalty will increase when customer satisfaction increase, vice versa. Furthermore, the strength of association between Customer Satisfaction and Customer Loyalty is strong because the correlation coefficient valued 0.925 which categories under the range of  $\pm 0.5$  to  $\pm 1$ . Nevertheless, correlation between Customer Satisfaction and Customer Loyalty shows significant due to the p-value of 0.000 is less than the alpha value 0.05.

#### 4.3.1.2 Customer Feedback and Customer Loyalty

## Table 4.3.1.2 Pearson Correlation Coefficient Analysis for Customer Feedback and Customer Loyalty

		Customer Loyalty	Customer Feedback
Customer Loyalty	Pearson Correlation	1	.093
	Sig. (2-tailed)		.069
	N	384	384
Customer Feedback	Pearson Correlation	.093	1
	Sig. (2-tailed)	.069	
	Ν	384	384

Source: Developed for research

The result above shows the correlation coefficient resulted value of 0.093. This shows that Customer Feedback is positively correlated to Customer Loyalty. Thus the customer loyalty will increase when customer feedback increase, vice versa. Furthermore, the strength of association between Customer Feedback and Customer Loyalty is weak because the correlation coefficient valued 0.093 that categories under the range of  $\pm 0.1$  to  $\pm 0.29$ . Besides, correlation between Customer Feedback and Customer Loyalty is not significant due to the p-value of 0.069 is more than the alpha value 0.05.

## 4.3.1.3 Service Quality and Customer Loyalty

# Table 4.3.1.3 Pearson Correlation Coefficient Analysis for Service Quality and Customer Loyalty

		Customer Loyalty	Service Quality
Customer Loyalty	Pearson Correlation	1	.801**
	Sig. (2-tailed)		.000
	N	384	384
Service Quality	Pearson Correlation	.801**	1
	Sig. (2-tailed)	.000	
	N	384	384

\*\*Correlation is significant at the 0.01 level (2-tailed).

#### Source: Developed for research

The result above shows the correlation coefficient resulted value of 0.801. This shows that Service Quality is positively correlated to Customer Loyalty. Thus the customer loyalty will increase when service quality increase, vice versa. Moreover, Service Quality and Customer Loyalty is strong because the correlation coefficient valued 0.801 which categories under the range of  $\pm 0.5$  to  $\pm 1$ . Nevertheless, the correlation between Service Quality and Customer Loyalty is significant because the p-value of 0.000 is less than the alpha value 0.05.

## 4.3.1.4 Corporate Image & Reputation and Customer Loyalty

# Table 4.3.1.4 Pearson Correlation Coefficient Analysis for Corporate Image & Reputation and Customer Loyalty

		Customer Loyalty	Corporate Image &
			Reputation
Customer Loyalty	Pearson Correlation	1	.896**
	Sig. (2-tailed)		.000
	N	384	384
Corporate Image &	Pearson Correlation	.896**	1
Reputation	Sig. (2-tailed)	.000	
	N	384	384

\*\*Correlation is significant at the 0.01 level (2-tailed).

#### Source: Developed for research

The result above shows the correlation coefficient resulted value of 0.896. This indicates that Corporate Image & Reputation is positively correlated to Customer Loyalty. Thus the customer loyalty will increase when Corporate Image & Reputation increase, vice versa. Moreover, the strength of association between Corporate Image & Reputation and Customer Loyalty is strong because the correlation coefficient valued 0.896 which categories under the range of  $\pm 0.5$  to  $\pm 1$ . Nevertheless, the correlation between Corporate Image & Reputation and Customer Loyalty shows significant due to the p-value of 0.000 is less than the alpha value 0.05.

## 4.3.2 Multiple Regression Analysis

Based on Chapter 3, the relationship between a dependent variable and two and above independent variables by referring to R-square. R-Squared (R<sup>2</sup> or the coefficient of determination) is a statistical measurement in a regression model which determines how much variance in the dependent variable the Independent Variable explains. In other words, r-squared tells how well the data fit the regression model (the goodness of fit) (Zikmund et al., 2013).

Among the independent variables (Customer Satisfaction, Customer Feedback, Service Quality, and Corporate Image & Reputation), the most influential factors affecting customer loyalty in Malaysia Airlines will be identified.

Source	dſ	Sum of	Mean	F Value	<u>Pr</u> >F
		Squares	Square		
Model	4	9361.245	2340.311	1153.035	< 0.0001
Error	379	769.255	2.030		
Corrected Total	383	10130.500			

Source: Developed for research

Table 4.3.2.2 R-Squared

Root MSE	0.961	R-Squared	0.924
Dependent Mean	15.8125	Adjusted R-Squared	0.923

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Service Quality, Customer Feedback, Corporate Image & Reputation, Customer Satisfaction

#### Source: Developed for research

According to Table 4.3.2.1, Pr>F is the p-value associated with the **F**-statistic of a given effect and test statistic. Whereas p-value implies the intensity of the effect of independent variables. The result shows the P-value <0.0001 is less than the alpha value of 0.05. Also, the F-statistic value (1153.035) is significant. From the research, it can be concluded that the model can perfectly explain the relationship between the Dependent Variable (Customer Loyalty) and Independent Variables (Customer Satisfaction, Customer Feedback, Service Quality, and Corporate Image & Reputation).

Next, according to Table 4.3.2.2, R-squared is a goodness-of-fit measure for linear regression models. The R-squared value for the independent variables (Customer Satisfaction, Customer Feedback, Service Quality, and Corporate Image & Reputation) are 0.924. In other words, the independent variables in this study can be explained by approximately 92.4%. In another word, around 7.6% that could not be explained by this study alone such as other variables.

Variable	Df	Parameter Estimate	Standard Error	<i>t</i> value	<u>Pr</u> >[t]
Intercept	1	-4.561	0.580	-7.860	< 0.0001
Customer Satisfaction	1	0.689	0.037	18.460	<0.0001
Customer Feedback	1	-0.044	0.024	-1.873	0.062
Service Quality	1	0.203	0.028	7.180	< 0.0001
Corporate Image & Reputation	1	0.363	0.025	14.456	<0.0001

Table 4.3.2.3 Multi	ple Linear Regression Analys	sis (Parameter Estimates)

Source: Developed for research

Table 4.3.2.3 shows the independent variables are significant in explaining the customer loyalty of Malaysia Airlines; due to the p-value of these three independent variables achieved less than the alpha value of 0.05. However, p-values of independent variables (Customer Feedback) is 0.062. Therefore, Customer Feedback is not significant to predict customer loyalty of Malaysia Airlines because the alpha value (0.062) is more than 0.05.

The four independent variables are the causes that can determine the customer loyalty of Malaysia Airlines. The formulas are expressed below:-

## **Equation:**

Whereby: Y'= a + b1X1 + b2X2+b3X3+b4X4 Y'= Dependent Variable a = fix and Constant, "Y intercept" b = Coefficient of each independent variable X1= independent variable 1 X2 = independent variable 2 X3= independent variable 3 X4= independent variable 4

Customer Loyalty= -4.561 + 0.689 (CS) + (-0.044) (CF) + 0.203 (SQ) + 0.363(CIR)

CS= Customer Satisfaction; CF= Customer Feedback; SQ= Service Quality; CIR= Corporate Image & Reputation

The purpose of the formula above will explain which of the predictors will explain the most of the variation of customer loyalty of Malaysia Airlines. From the results above, we can conclude that customer satisfaction is the predictor that contributes the greater to variation of customer loyalty as its value of parameter estimates is the highest (0.689) among all the predictor variables, this indicates that the variation of customer loyalty is strongly explained by customer satisfaction.

Next, the variable that contributes to the second greatest variation of customer loyalty is corporate image & reputation, which is 0.363, this indicates that corporate image & reputation can be the second strongest predictor to explain the variation of customer loyalty.

Furthermore, service quality is the third strongest predictor that contributes to the variation of customer loyalty as it has parameter estimates value of 0.203, this indicates that it can least explain the variation of customer loyalty. Lastly, since the parameter estimated value of customer feedback is -0.044, it is the lowest predictor of changes in customer loyalty.

# **4.4 Conclusion**

SPSS software is a tool used in this research where it enables all the data collected to be exposited and summarized. In this chapter, data analyzing of response rate, demographic profile of respondents, reliability of questionnaire, normality and central tendencies are carried out. Besides, inferential analysis is carried out in this chapter to investigate the relationship between the two types of variable. When refer the result which generated from the software, majority of the independent variables have significant relationship with dependent variable and are significant in explaining the variation in organizational citizenship behavior. However, there are still some minor variables where there are insignificant of doing so. The last chapter will describe and discuss further data analysis.

# **CHAPTER 5 DISCUSSION, IMPLICATION AND CONCLUSION**

# **5.0 Introduction**

To get the stronger link between the predictions of previous research and real data response, chapter 5 provides an in-depth review of the main findings. This chapter would offer practical and theoretical interpretation, followed by some constraints and guidelines. Finally, a conclusion has been drawn in this research was illustrated in chapter 5.

## **5.1 Summary of Statistical Analysis**

## **5.1.1 Summary of Descriptive Analysis**

There are 384 respondents in our research that all of the respondents is the Malaysia Airlines User, which consists of up to 384 respondents (100%). Among the 384 respondents, men accounted for 65.6% and women accounted for 34.4%. Majority of the respondents were between 21 and 30 years old, followed by 31 to 40 years old, 41 to 50 years old, 61 years old or older, 51 to 60 years old and 20 years old, accounting for 43.23% of 384 respondents respectively 37.5%, 12.8%, 2.6%, 2.1% and 1.8%. There are 23.7% of respondents achieved SPM for their education level. While 20.6% and 20.3% of respondents achieved Degree and 16.1% of respondents obtained Diploma as their level of education. Last but not least, 0.8% of respondents achieved a PhD as their level of education.

Besides that, there are 71.4% of respondents' income per month falls between the range of RM2001 to RM4000. Whereas 15.9% of respondents fall between the monthly salary range of RM4001 to RM6000. Next, 10.2% of respondents' monthly salary range falls between RM0 to RM2000. Lastly, there 1.8% of respondents and 0.8% of respondents fall between the category of the monthly salary range of RM6001 to RM8000, and RM8000 and above.

Moreover, there are 52.6% of respondents preferred Malaysia Airlines Berhad over other airline company for their flight. Whereas second-most of the respondents preferred Air Asia as their choice of airline company with about 20.8% respondents. Besides, 15.4% of respondents preferred Malindo as their choice of the airline company. Lastly, the remaining 11.2% of respondents chose other airline companies as their choices.

In this survey, 38.0% of respondents' frequency of flight are few years once. Besides, around 34.9% of respondents took the flight once per year. However, 22.9% of respondents took flight once per quarter. Whereas 3.1% of respondents took flight once per month. Lastly, 1.0% of respondents took their flight once per week.

#### 5.1.2 Summary of Central Tendencies Measurement of Constructs

According to the results in chapter 4, A total of 20 questions are being prepared regarding the 1 Dependent Variable (Customer Loyalty) and 4 variables (Customer Satisfaction, Service Quality, Customer Feedback and Coperate Image and Reputation) are having a significant relationship with customer loyalty in MAS.

Table 5.1: Central Tendencies Measurement of Constructs

Variables	Mean		Standard Deviation	
	Lowest	Highest	Lowest	Highest
Customer Loyalty (Refer to	2.8177	3.3646	0.99263	1.26536
Table 4.1.2.1)				
Customer Satisfaction (Refer	3.4792	4.1823	0.5986	1.17134
to Table 4.1.2.2)				
Customer Feedback (Refer to	3.7188	4.2630	0.60553	1.16398
Table 4.1.2.3)				
Service Quality (Refer to table	3.6458	3.8620	0.87613	1.24463
4.1.2.5)				
Corporate Image and	2.9557	3.4635	0.94414	1.37713
Reputation				
(Refer to table 4.1.2.6)				

Based on the result that show in the Table 5.1, all dependent variable and independent variables items are listed in the list by referring to Central Tendencies Measurement of Conduct (Table 4.1.2.1 to 4.1.2.6) and the mean is within the range of 2.9557 to 4.2630 while the standard deviation is range from 0.5986 to 1.26536.

## 5.1.3 Summary of Scale Measurement

According to the outcome shown in the previous section, the outcome of reliability test is revealed that dependent variable (Customer Loyalty) 0.935 and independent variables (0.935) which had obtained strength of association of Very Good Reliability. While the independent variable (Service Quality) 0.827 obtained of good reliability. Lastly, the both independent variables (Customer Satisfaction and Customer Feedback) had obtained Fair Reliability of the strength of association with the value of 0.699 and 0.662. In this result, the four independent variable Cronbach's alpha values are all greater than 0.6 so that all our four independent variable have the positive relation with the dependent variable.

## **5.1.4 Summary of Pearson Correlation**

From the report on the chapter 4.3.1, correlation coefficient resulted value of Customer Satisfaction is 0.925, which is the highest correlation coefficient value, continue with Corporation Image & Reputation and Service Quality of 0.896 and 0.801. and the last of Customer Feedback is 0.093 which has the lowest correlation coefficient value. Customer Satisfaction, Service Quality and Corporation Image & Reputation has high strength of association between Customer Loyalty which categories under the range of  $\pm 0.5$  to  $\pm 1$  whereby Customer Feedback has the weak of strength of association between Customer Loyalty which categories under the range of  $\pm 0.1$  to  $\pm 0.29$ . Besides that, the correlation between Customer Satisfaction, Service Quality and Corporation Image & Reputation is significant with Customer Loyalty due to the p-value is less that alpha value but for the correlation between Customer Feedback and Customer Loyalty is not significant because the p-value is greater than the alpha value. Thus, all the Independent Variables are positively correlated to Dependent Variable.

## 5.1.5 Summary of Multiple Linear Regressions

Variable	df	Parameter	Standard	t value	Pr>[t]
		Estimate	Error		
Intercept	1	-4.561	0.580	-7.860	< 0.0001
Customer	1	0.689	0.037	18.460	< 0.0001
Satisfaction					
Customer Feedback	1	-0.044	0.024	-1.873	0.062
Service Quality	1	0.203	0.028	7.180	< 0.0001
Corporate Image &	1	0.363	0.025	14.456	< 0.0001
Reputation					

 Table 5.2 Summary of Multiple Linear Regressions (Parameter Estimate)

Based on the Table 5.2, the independent variables are significant in explaining the customer loyalty among academics of universities in Malaysia; due to the p-value of these three independent variables achieved less than the alpha value of 0.05. However, the p-values of the independent variable (Customer Feedback) is 0.062. Therefore, Customer Feedback is not significant to predict customer loyalty of Malaysia Airlines because the alpha value (0.062) is more than 0.05. Estimates that all of the four Independent variables are accepted in this result, the R<sup>2</sup> for this study is 92.4%, which means that the four IVs can explain the DV in this research. However, it still remains at 7.4% of the dependent variable (Customer Loyalty) unexplained in this research, is mean that they might not have other independent variables that are more appropriate and more significant to explain the Customer Loyalty that not shows out in this study.

#### Multiple Linear Regression equation:

Customer Loyalty= -4.561 + 0.689 (CS) +(-0.044) (CF) + 0.203 (SQ) + 0.363(CIR)

Based on the equation that shows for our IVs and DV, Customer satisfaction shows the highest parameter estimation of 0.689 which means that the IV is the highest influence on the DV. Come to the Corporation Image and Reputation and Service Quality which has a parameter estimation of 0.363 and 0.203. However, Customer Feedback has a negative parameter estimation of -0.044 which means that customer loyalty does not influence the Customer Loyalty of MAS.

# **5.2** Summary of Major Findings and Discussions

Hypothesis	Statement of Hypothesis	Results	Outcomes
	H0: There is no significant relationship		
	between customers' satisfaction and	ß=0.689	
	customer loyalty in MAS.	p=0.000	
Hypothesis 1	H1: There is a positive significant		Supported.
	relationship between customers'	(p<0.05)	
	satisfaction and customer loyalty		
	in MAS.		
	H0: There is no significant relationship		
	between response to customers'	β <b>=-0</b> .044	
	feedback and customer loyalty in MAS.	p=0.062	
Hypothesis 2	H1: There is a positive significant		Not
	relationship between response to	(p≥0.05)	supported.
	customers' feedback and		
	customer loyalty in MAS.		

#### Table 5.2 Hypothesis Testing Results Summarization

	H1: There is a positive significant relationship between response to customers' feedback and		
	customer loyalty in MAS.		
	H0: There is no significant relationship		
	between service quality and customer	β=0.203	
Hypothesis 3	loyalty in MAS.	p=0.000	Supported.
	H1: There is a positive significant		
	relationship between service quality and	(p<0.05)	
	customer loyalty in MAS.		
	H0: There is no significant relationship		
	between corporate image and reputation	β=0.363	
	and customer loyalty in MAS.	p=0.000	
Hypothesis 4	H1: There is a positive significant		Supported.
	relationship between corporate image	(p<0.05)	
	and reputation and customer loyalty in		
	MAS.		

Source: Developed for research

## **5.2.1** Customer Satisfaction and Customer Loyalty

Table 5.2.1 Research Question and Objective with Hypothesis of Customer Satisfaction and Customer Loyalty

## **Research Question:**

Does customers' satisfaction affect the customer loyalty in the MAS?

**Research Objective:** 

To investigate whether the customers' satisfaction can affect the customer loyalty in the Malaysia Airlines.

Source: Developed for research

H1: There is a positive significant relationship between customers' satisfaction and customer loyalty in MAS.

Table 5.2 shows the H1 is supported by the result as p-value is 0.000 which is not more than the confidence level of 0.05. The result as p-value of 0.000 shows the relationship of customer satisfaction and customer loyalty is significant. Hence, the parameter estimate value of 0.689 shows that customer satisfaction has positive affection towards customer loyalty.

The result from the study indicated that customer satisfaction has a positive significant relationship toward customer loyalty (p=0.000). This result is consistent with the study by Jamaluddin and Ruswanti (2017), Chiguvi and Guruwo (2017). Jamaluddin and Ruswanti (2017) stated that customer satisfaction will occur when good service quality being offered to customers. As a result, customers will, in fact, retain their purchase for a product or service if the satisfaction levels were exceeded the expectation of satisfaction of the customers.

Besides, the result of the study is consistent to the study of Chiguvi and Guruwo (2017) as it has pointed out that customer satisfaction has a significant relationship with customer loyalty as customers will be satisfied with the company if they are satisfied by the product or service performed by the company. In another word, if customers that do not have satisfaction towards product or service offered by the company, customer loyalty will not exist. Hence, the findings of the current dissertation are able to provide a significance prove to the study of Jamaluddin and Ruswanti (2017), and Chiguvi and Guruwo (2017). Therefore, the findings answered the research question and objective of the dissertation that there is a positive significant relationship between customers' satisfaction and customer loyalty in MAS.

## 5.2.2 Customer Feedback and Customer Loyalty

Table 5.2.2 Research Question and Objective with Hypothesis of Customer Feedback and Customer Loyalty

#### **Research Question:**

Does customers' feedback affect the customer loyalty in the MAS?

#### **Research Objective:**

To investigate whether the customers' feedback can affect the customer loyalty in the Malaysia Airlines.

Source: Developed for research

# H0: There is no significant relationship between response to customers' feedback and customer loyalty in MAS.

From table 5.2, H1 is not supported by the result as p-value is 0.062 which not more than the confidence level of 0.05. The result as p-value of 0.062 indicates that the relationship between customer feedback and customer loyalty are not significant. Hence, there is no significant relationship between response to customers' feedback and customer loyalty in MAS. Therefore, the research question and objective of the dissertation cannot be answered.

## 5.2.3 Service Quality and Customer Loyalty

Table 5.2.3 Research Question and Objective with Hypothesis of Service Quality and Customer Loyalty

Research Question:

Does service quality affect the customer loyalty in the MAS?

**Research Objective:** 

To investigate whether the service quality can affect the customer loyalty in

the Malaysia Airlines.

Source: Developed for research

H1: There is a positive significant relationship between service quality and customer loyalty in MAS.

The result from the study indicated that service quality has a positive significant relationship toward customer loyalty (p=0.000). The result is same as the study of Ismail and Yunan (2016), Siddig, Abdelsalam, Badreldien and Ali (2015), Chiguvi and Guruwo (2015). The result can be explained by the study of Chiguvi and Guruwo (2015) as they have pointed out service quality can influence customer loyalty in a positive way when services were delivered by the company in an appropriate form and it can increase the customer loyalty through offering good service quality to the customers. In the long run, good service quality can act as competitive advantages for the company.

Also, from the study of Ismail and Yunan (2016), they have pointed out that good service quality can repeat the usage of services by the customers as high-quality services can directly create customer loyalty. Hence, the increment of customer loyalty will occur and customers will not switch to another service since the services offered are high in quality.

Moreover, the study of Siddig, Abdelsalam, Badreldien and Ali (2015) also stated that customer loyalty will occur when services provided by the company to the customers met with their expectations and fulfils the needs of customers. Customer loyalty will exist when service quality able to indirectly increase customer satisfaction when using the services provided by the company. In another word, service quality will enhance customers' satisfaction and it will indirectly lead to the increment of customer loyalty. Therefore, the findings answered the research question and objective of the dissertation that there is a positive significant relationship between service quality and customer loyalty in MAS.

## 5.2.4 Corporate Image and Reputation and Customer Loyalty

Table 5.2.4 Research Question and Objective with Hypothesis of Corporate Image and Reputation and Customer Loyalty

#### **Research Question:**

Does corporate image and reputation affect the customer loyalty in MAS?

#### **Research Objective:**

To investigate whether the corporate image and reputation can affect the customer loyalty in the Malaysia Airlines.

Source: Developed for research

# H1: There is a positive significant relationship between corporate image and reputation and customer loyalty in MAS.

According to table 5.2, H1 is supported by the result as p-value is 0.000 which is not more than the confidence level of 0.05. The result as p-value of 0.000 indicates that the relationship between corporate image and reputation and customer loyalty are significant. Hence, the parameter estimate value of 0.363 shows that corporate image and reputation has positive affection towards customer loyalty.

The result from the study indicated that corporate image and reputation has a positive significant relationship toward customer loyalty (p=0.000). This result is consistent with the study by Giorgia, Cristina and Alicia (2019), Kuranovic (2018), Adeniji, Osibanio, Abiodun and Oni-Oio (2015). As referred to study by Giorgia, Cristina and Alicia (2019), they have pointed out significant evidence that corporate image and reputation of a company have a positive correlation towards customer loyalty as it can increase the certainty and trust of customers toward company's performance and also product and service offered by a company. In another word, company image and reputation can influence the decisions and behaviours of a consumer towards a company. Hence it is important to ensure that company image and reputation is always good to ensure customer loyalty.

Besides, from the study of Kuranovic (2018), it pointed out that corporate image and reputation has a positive affection towards customer loyalty as it creates awareness of products and services offered by a company. Hence, good corporate image and reputation can provide the company with competitive advantages as it can enhance confidence level and customer loyalty when choosing products or services provided by a company that have good images and reputations.

Nevertheless, from the study of Adeniji, Osibanio, Abiodun and Oni-Oio (2015), it can be explained that good corporate image and reputation's company can easily differed by the customers and it will provide a clear advantage to the company that cannot be easily embraced by others. With good corporate image and reputation, customers can have a high confidence level towards a company in terms of internal and external standards. Hence, customer loyalty will strengthen if a company have a good corporate image and reputation. Therefore, the findings answered the research question and objective of the dissertation that there is a positive significant relationship between corporate image and reputation and customer loyalty in MAS.

# **5.3 Implication of the study**

## **5.3.1 Practical Implication**

These study investigates the measurement in relationship satisfaction that includes customer satisfaction, customer feedback, quality of service and corporate image and reputation that has a major impact on customer within the Malaysian airline industry. A guide by the airline industry to achieve a bigger reliability to the customers can be use on model so that will helps the customers institution for service to preserve time and money since no need to carry out maintenance study on keeping customer loyalty throughout the coming years as this research provides them with adequate knowledge.

Moreover, this is a really significant research to the airline operation groups because they will operate toward creating and improving each passenger's average contribution in the aviation industry. The faithful passenger related to the passenger who want to maintain an airline partnership. According to this case, higher involvement can contribute to the greater customer commitment.

These study have the knowledge which the operation team's trusts become the major positions in affecting customer satisfaction. The management will preserve its customer by conveying the significant of authenticity and integrity so buyers should believe them, and trust them.

Furthermore, operation groups should also focus based on the price of service who have a strong customer loyalty link. The operational team will upgrade airline service efficiency like delivering amenities as agreed, friendly equipment and recruiting caring and professional staff as well. Good service quality would in effect help to build a loyal customer in the airline sector.

Eventually, the analysis enables a deeper understanding of the management team of its customer loyalty satisfaction. The finding of this analysis will various with previous work since insignificant association with satisfaction results loyalty to the customers. Therefore, the management team will rely more on others variables like customer satisfaction, customer feedback, service quality, and corporate image and reputation.

## **5.3.2 Theoretical Implication**

These study also has theoretical implications aside from practical implication. There has been some researches into the consistency of relationships carried out in these other places but has not yet been served throughout the Malaysian aviation sector. The thesis obtains thus led against work on diathesis relationships investigating and influencing the link between diathesis and consumer loyalty in airline sector. Moreover, others will be gained from this research to earn their time and the risk of leveraging a new research conduct related area of research in Malaysia.

Numerous research in the past investigate the link between performance partnership and customer loyalty for both the banking and private sectors. But, in the airline industry, few studies are performed. However, this is research based on the Malaysian airline industry to address the important problems was stated earlier.

In fact, this research showed that all the variables in relationship quality despite the exception of satisfaction, the essential relationship with the loyalty to the customer. This work thus demonstrates the validity of the relationship model consistency.

# **5.4 Limitations and Recommendations of Research**

Some limitations had been faced during doing the research. The first limitation is the pandemic of COVID-19, all the people are not allow to go out since the government requires them to stay at home to reduce the infection rate. So this cause the questionnaire survey cannot reach to the respondents by face to face. Besides, it also cause the researcher wasted a lot of time to contact the MAS to get their permission to distribute the questionnaire to their respondents through google form as this is the best way to get an accurate data from the respondents.

The second limitation is participation of respondents. Since this research is using google form to get data from the respondents, some of them may direct ignore or not willing to answer and choose to not replying the researcher's messages. In order to solve these problems, the researcher sent more than 400 sets of questionnaire to different respondents and this took the researcher a long time.

For the recommendation, the future researchers are recommend to contact the MAS before conducting their survey questions. This is not only to get permission from MAS but contacting MAS is the quickest way to determine the respondents are all customers of MAS. When the respondents are determined as MAS customer, the researcher will be easier to distribute their questionnaire to the respondents since they do not need to worry about their reliability.

# **5.5** Conclusion

In these last section, independent variables in this chapter, which are customer satisfaction, customer feedback, service quality, and corporate image and reputation were mentioned in the details found on the finding results. The customer satisfaction, service quality, and corporate image and reputation provided good and significant relationship of dependent customer satisfaction feature in the airline sector in Malaysia but customer feedback is poor and do not relevant relationship of contingent variable customer loyalty in the airline sector in Malaysia.

This were some explications provided to explain why feedback does not contribute significantly to loyalty to the customer.

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# Appendix A

Summary of Past Studied on Airlines Industry

Researchers'	Research	Research	Research
	Topic	Areas	Finding
Kok Koslic	An investigation of	Airlines	There is a
(2017)	CS with low-cost and	flight in	relationship of
	full-service airline	United	investigates
	companies	State	between SQ and
			airline industry.
Farooq	Impact of SQ	Airlines	There is a
(2018)	on CS in	flight in	relationship
	Malaysia	Malaysia	between SQ, CS
	Airlines		and Malaysia
			Airlines System.
Sukri (2014)	CS and loyalty	Malaysia	There is a
	in the airlines	Airlines	relationship
	industry: A	System	between CS, SQ
	case study of	and	and Malaysia
	MAS and	AirAsia In	Airlines System.
	AirAsia.	Malaysia	
Ban and	Understanding	Airlines	There is a
Kim (2019)	Customer	Flight in	relationship
	Experience	Korea	between CF,
	and		customer
	Satisfaction		experience, CS
	through		and airlines
	Airline		industry.
	Passengers'		
	Online		
	Review		

Graham,	Consumers'	Airlines	There is a
Mary &	Willingness to	Industry of	relationship
Moore, John	Pay for	USA	between CIR
(2007)	Corporate		and airlines
	Reputation:		industry.
	The Context		
	of Airline		
	Companies.		
	Corporate		
	Reputation		

# Appendix B

Variable	Item	Description	Reference	Scale of	Definition				
				measurement					
Customer	CS1	I have a	Raditha	Five Point	Refers to a				
Satisfaction		satisfying flying	Hapsari,	Likert Scale	customer's				
		experience with	Michael D.	1 Strongly	emotional				
		MAS	Clemes,	Disagree	response, merge				
	CS2	I did the right	David Dean	2 Disagree	with his				
		thing when I	(2017),	3 Neutral	experiences and				
		choose MAS for	Milner,	4 Agree	perception after				
		my flight	Rebecca &	5 Strongly	consumption of a				
	CS3	I normally have	Furnham,	Agree	product or				
		pleasant flight	Adrian.		service. (Lotko				
		with MAS	(2017)		A, 2004)				
	CS4	MAS has a high							
		level of							
		technology for							
		their flight to							
		customer.							
	CS5	MAS provide							
		every customer							
		with an explicit							
		service guarantee							
Customer	CF1	MAS have up-to-	Milner,	Five Point	Refers to				
feedback		data equipment	Rebecca &	Likert Scale	consumer's				
		and visually	Furnham,	1 Strongly	perception				
		appealing	Adrian.	Disagree	regard to the				
	CF2	MAS provide	(2017)	2 Disagree	products and				
		their service as		3 Neutral	services after				
		promise		4 Agree	consumption.				

### FACTORS AFFECTING CUSTOMER'S LOYALTY IN MALAYSIA AIRLINES BERHAD

	CF3	MAS's		5 Strongly	(Wonderflow
		employees		Agree	BV, 2016)
		always help the			
		customer when			
		needed			
	CF4	Customer feel			
		safe when choose			
		the flight from			
		MAS			
	CF5	MAS's operating			
		hours are			
		convenient for all			
		their customer			
Service	SQ1	The staff of MAS	Raditha	Five Point	Refers to
quality		deliver superior	Hapsari,	Likert Scale	consumer's
		service.	Michael D.	1 Strongly	evaluation of a
	SQ2	The in-flight	Clemes,	Disagree	services and the
		facilities in MAS	David Dean	2 Disagree	extent to which it
		are excellent.	(2017)	3 Neutral	meets
	SQ3	The airline offers		4 Agree	consumer's
		excellent		5 Strongly	expectations and
		baggage handle		Agree	provides
		services			satisfaction. (Al-
	SQ4	MAS has a			Jazzazi,
		convenient flight			A.Sultan,P,2017)
		schedule			
	SQ5	MAS has			
		convenient			
		reservation and			
		ticketing system.			

Corporate	CIR1	MAS keeps	Seo, Eun-Ju	Five Point	Refers to
image and		promises with	& Park, Jin-	Likert Scale	corporate image
reputation		customer well.	Woo.	1 Strongly	is an internal
	CIR2	MAS manages its	(2016);	Disagree	collective mental
	01112	good image and	Nguyen, &	2 Disagree	state and
		reputation	Leblanc.	3 Neutral	corporate
-	CIR3	MAS has a better	(2001)	4 Agree	reputation is the
	ents	reputation that	(2001)	5 Strongly	belief of an
		other airlines		Agree	organization's
-	CIR4	MAS has a better		1.8100	performance and
	CIR4	image than other			quality of
		airlines industry			services. (Veslas
-	CIR5	MAS is			Kuranovic.
	ents	praiseworthy			2018);
		preuseworthy			Nordin&Alireza
					(2019)
Customer	CL1	I use service from	Dehghan,	Five Point	Refers to which
loyalty		MAS because it	Ali &	Likert Scale	customer's
		is the best choice	Shahin,	1 Strongly	commitment to
		for me	Arash.	Disagree	do business
-	CL2	I intent to keep	(2011).	2 Disagree	while consequent
		using the service		3 Neutral	in repurchases of
		from MAS		4 Agree	goods and
-	CL3	I will not switch		5 Strongly	services. (Bose,
		to a competitor,		Agree	Rao, 2011)
		even if I had a			
		problem with the			
		services of MAS.			
	CL4	In compare to			
		other airlines			
				1	

#### FACTORS AFFECTING CUSTOMER'S LOYALTY IN MALAYSIA AIRLINES BERHAD

		growing in
		prestige.
(	CL5	I will recommend
		MAS to other
		people



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8<sup>th</sup> July 2020

To Whom It May Concern

Dear Sir/Madam

Permission to Conduct Survey

This is to confirm that the following students are currently pursuing their Bachelor of *Business Administration (Hons)* programme at the Faculty of Business and Finance, Universiti Tunku Abdul Rahman (UTAR) Perak Campus.

I would be most grateful if you could assist them by allowing them to conduct this research at your institution. All information collected will be kept confidential and used only for academic purposes.

The students are as follows:

Name of Student	Student ID	Mobile Phone No.
Wong Zhi Sheng	15ABB05940	014-6049612
Chang Li Kin	17ABB06347	016-5280430
Chua Le Lin	17ABB2066	016-9171772
Khou Jing Kai	17ABB5561	018-9803849
Yong Jie Ying	16ABB1929	018-9821775

If you need further verification, please do not hesitate to contact me. Thank you.

Yours sincerely

Head of Department, Tee Chee Wee Faculty of Business and Finance Email: teecw@utar.edu.my Supervisor, Pn. Hatijah bt Mohamad Salleh Faculty of Business and Finance Email: hatijah@utar.edu.my

## Factor affect customer loyalty in Malaysia Airlines System

### **Survey Questionnaire**

The purpose of this survey is to investigate the relationship between customer satisfaction, Service Quality, Customer Feedback, Corporate Image and Reputation between Customer Loyalty in Malaysia Airlines Systems. Please answer all questions correctly. All responses are completely confidential

Thank you for your participation

Instructions:

- 1. There are FOUR (4) section in this questionnaire. Please answer ALL question in ALL sections.
- 2. Completion of this form will take you less than 10 minutes.
- 3. The contents of this questionnaire will be kept strictly confidential.

Section A: This section we would like to ask you did you ever used Malaysia Airlines.

Have you ever used Malaysian Airline?

Yes ( ) Please Proceed to Section B

No ( ) Thank you for your participation. You can end the survey.

Section B: Demographic Profile

In this section, we would like to you to fill in your personal details. Please tick or writes down your answer and your answers will be keep strictly confidential.

1. Gender

□Male

□Female

2. Age

 $\Box$  20 and below

 $\Box 21 \text{ to } 30$ 

 $\Box$  31 to 40

 $\Box$ 41 to 50

 $\Box$ 51 to 60

 $\Box$ 61 above.

3. Higher Education Level

 $\Box$ SPM

□STPM

 $\Box$ Foundation

□Diploma

Degree

□Master

 $\Box$ PHD

#### 4. Occupation

Click or tap here to enter text.

#### 5. Income

□RM 0-RM2000

CRM2001-RM4000

□RM4001-RM6000

□RM6001-RM8000

CRM8001-RM10000

 $\Box$ RM10001 and above

6. Besides Malaysian Airline, the other flight carries that you choose is

□AirAsia

 $\Box$  Malindo

Other - Click or tap here to enter text.

#### 7. How often do you fly?

 $\Box$ Once per weak

 $\Box$ Once per month

 $\Box$ Once per quarter

 $\Box$ Once per year

Other-Click or tap here to enter text.

#### 8. Which route you always go with MA

□Local

 $\Box$ International

Both

Section C: Dimension of Relationship Quality

This section is seeking your opining regarding the importance of difference dimension of Relationship Quality about Malaysia Airlines System (MAS). Respondent are asked to indicate the extend to which agreed or disagreed with each statement using 5 Likert scale [ 1= Strongly Disagree (SD); 2= Disagree(D); 3= Neutral(N); 4= Agree(A); 5= Strongly Agree(SA)] respondent framework. Please circle the number per line to indicate the extend to which you agree or disagree with the statements.

No	Questions	SD	D	N	A	SA
C1	Customer Satisfaction (CS)					
CS1	I have a satisfying flying experience with MAS	1	2	3	4	5
CS2	I did the right thing when I choose MAS for my flight	1	2	3	4	5
CS3	I normally have pleasant flight with MAS	1	2	3	4	5
CS4	MAS has a high level of technology for their flight to customer	1	2	3	4	5
CS5	MAS provide every customer with an explicit service guarantee	1	2	3	4	5
No	Questions	SD	D	N	Α	SA
C2	Customer Feedback (CF)					
CF1	MAS have up-to-data equipment and visually appealing	1	2	3	4	5
CF2	MAS provide their service as promise	1	2	3	4	5
CF3	MAS's employees always help the customer when needed	1	2	3	4	5
CF4	Customer feel safe when choose the flight from MAS	1	2	3	4	5
CF5	MAS's operating hours are convenient for all their customer	1	2	3	4	5

No	Questions	SD	D	N	A	SA
C3	Service Quality (SQ)					
SQ1	The staff of MAS deliver superior service	1	2	3	4	5
SQ2	The in-flight facilities in MAS are excellent	1	2	3	4	5
SQ3	The airline offers excellent baggage handle services	1	2	3	4	5
SQ4	MAS has a convenient flight schedule	1	2	3	4	5
SQ5	MAS has a convenient reservation and ticketing system	1	2	3	4	5
No	Questions	SD	D	Ν	Α	SA
C4	Corporate image and Reputation (CIR)					
CIR1	MAS keeps promises with customer well.	1	2	3	4	5
CIR2	MAS manages its good image and reputation	1	2	3	4	5
CIR3	MAS has a better reputation that other airlines	1	2	3	4	5
CIR4	MAS has a better image than other airlines industry	1	2	3	4	5
CIR5	MAS is praiseworthy	1	2	3	4	5

#### Section D; Customer loyalty

This section is seeking your opinion regarding the impact of customer loyalty with the dimension of relationship quality given about Malaysia Airlines System (MAS). Respondent are asked to indicate the extend to which agreed or disagreed with each statement using 5 Likert scale [ 1= Strongly Disagree (SD); 2= Disagree(D); 3= Neutral(N); 4= Agree(A); 5= Strongly Agree(SA)] respondent framework. Please circle the number per line to indicate the extend to which you agree or disagree with the statements.

#### FACTORS AFFECTING CUSTOMER'S LOYALTY IN MALAYSIA AIRLINES BERHAD

No	Questions	SD	D	N	Α	SA
D1	Customer Loyalty (CL)					
CL1	I use service from MAS because it is the best choice for	1	2	3	4	5
	me					
CL2	I intent to keep using the service from MAS	1	2	3	4	5
CL3	I will not switch to a competitor, even if I had a problem	1	2	3	4	5
	with the services of MAS.					
CL4	In compare to other airlines industry, MAS is growing	1	2	3	4	5
	in prestige.					
CL5	I will recommend MAS to other people	1	2	3	4	5