

# Enhancing E-Service Quality of Airline Industry: an Empirical Study in Customers of Low Cost Airline

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**Abstract** - The purpose of this study examined the influence of e-service quality on loyalty intention of customer's low cost airline. The questionnaire was tool to collected information from 295 customers of low cost airline in Thailand. The result indicated that e-service quality had positively influence on loyalty intention. Moreover, customer trust as a mediator variable between e-service quality on loyalty intention and marketing communication as a moderator between them. This study fulfilled e-service quality has importance factor to build customer trust and service loyalty intention in low cost airline.

**Keywords** - E-Service Quality, Service Loyalty Intention, Customer Trust, Marketing Communication

## I. INTRODUCTION

Recently, the growth and development of Thailand economy has driven the demand for domestic airline transportation. Specially, the rapid growth of low cost airlines in domestic, the report from Airports of Thailand Public Company Limited, 26 million low cost domestic passengers. Key point of low cost airline is a business strategy by reducing the cost of aviation such as employee uniforms, food service. It make possible to sell tickets at economy prices. In addition, advance ticket sales via the internet system and make it easy to plan flights. Reduce the risk of not being able to travel in full. Therefore, low cost airline can create competitive advantage in industry from convenience of online system.

New service through online is the best channel to provide to customers [1], effectiveness to keep customers, reduce costs, improving service and customer satisfaction, increase market share and enhancing competitive positions [2]. Therefore, business needs to be adjusted accordingly with economic and social conditions and try to use marketing strategies to create a competitive advantage [3]. Service quality is a one of marketing strategies in the online and determining the success or failure of e-commerce business [4]. Therefore, the companies should be improves their quality and innovativeness which the core reasons lead to development e-quality is building opportunity from technology, the new service and developing customer relationships, customer loyalty [5].

The service quality literature found that the online channel has received limited attention and mostly focus on the offline, but use offline dimension of service quality in online context, which there are difference between offline and online. In currently, the several businesses focus on developing online service. According, the growth of communication technology in Thailand, it showed that customers increase to need for communicated between the people in society. The report of electronic transactions development agency (Public Organization) showed that internet usage behavior of Thai people tends to increase continuously. In 2018, Thai people use the internet for an average of 10 hours per day. The customers have lifestyle matching to new technology communication and looking that service online is a common in today. Therefore, the purpose of this study to

examined the influence of e-service quality on loyalty intention of customer on online service of low cost airline. Finding of this study will be fulfill in the e-service quality literature and testing model of drives, outcomes of e-service quality and the practical implications will be helpful in solving real problems in business.

## **II. LITERATURE REVIEW**

### **A. E-Service Quality**

Service quality has been popular in marketing strategy literature, leading to customer enjoyable, business profitability and the economic growth of countries [6]. Several researcher defined e-service quality is basic that facilitates effective and efficient purchase, sale and delivery of goods and service on online [4]. The scale of e-service quality has will be differences offline service and online service. Parasuraman [7] obtained following: efficiency, fulfillment, system availability, and privacy. This study focused four dimensions of e-service quality because it very widely accepted. Pervious study showed that four dimensions of e-service quality are significant predictors to consumer trust [8]. This research focuses on four dimensions of e-service quality, the hypotheses are as follows:

**H1:** The higher e-service quality: efficiency (H1a), system availability (H1b), fulfillment (H1c), and privacy (H1d) are, the more likely that the customer will have customer trust on online service of low cost airline.

Several researches agree that e-service quality influence on the loyalty of customers [5], more user-friendly and sufficiently informative, the more likely are customers to purchase, make re-purchase and consumer loyalty. Therefore, e-service quality, they are likely to become loyalty intention to online service of business and predictor to loyalty [9]. The hypothesis is as follows:

**H2:** The higher e-service quality is, the more likely that the customer will have loyalty intention on online service of low cost airline.

### **B. Customer Trust**

The role of trust on online service account of the absence of proven guarantees that an e-vendor will not get engaged in harmful opportunistic behavior and also because the environment is less regulated. Customer trust is more important in the online service than any other channel [10] and very important has been identified as a key to the development them. The customer trust as a belief gives credit to others before experience and initial stages of a relationship. In marketing research verified that customer trust has an impact on loyalty. Commonly, the most used construct for loyalty are the proportion of purchase, purchase intention, and attitude [11]. Therefore, the hypotheses are as follow:

**H3:** The higher customer trust is, the more likely that the customer will have loyalty intention on online service of low cost airline.

**H4:** The higher customer trust is a mediates positively influence of e-service quality on service loyalty.

### **C. Marketing Communication**

Marketing literature, the communication has influence on change customer's decision making and contributed to psychological and attitudinal changes against the situation. Mostly, the customer's decision making is based on appropriate information about opportunities, benefits, risks and outcomes. Also, the marketing communication is a process of management that focus on customer and main goal is to create positive information of product / organization to customer [12]. The communication has important role in increasing their trust by enhancing emotional solidarity. Therefore, the hypothesis is as follows:

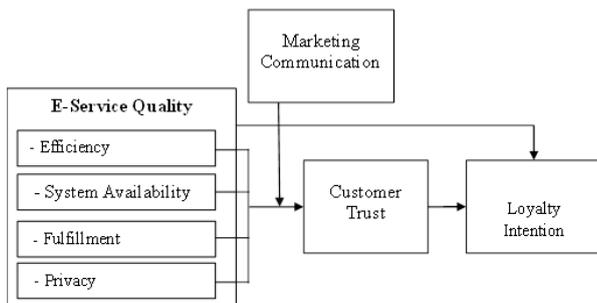
**H5:** The higher marketing communication is a moderate positively influence of e-service quality on customer trust on online service of low cost airline.

### **D. Loyalty Intention**

In the marketing literature, the loyalty in marketing area has experienced explosive growth over the last decade. Service loyalty

has been defined as “a deeply occurred commitment of customer to reuse or patronize a preferred service consistently in the Future” adapted from the concept of Oliver [13]. The previous study indicate that only offline loyalty but this small proportion of loyalty online customers loyalty are highly profitable for online business, and important positive impact on profit of business [14]. Online service context, the loyalty us important to service provider, it is beneficial to establish a relationship with the customer that the customer would like to retain and using service intention. Thus, the low cost airline are trying to build service loyalty intention to customers It will lead to a competitive advantage for businesses.

**CONCEPTUAL FRAMEWORK**



**Fig. 1** Showed that the Overall Influence of E-Service Quality on Service Loyalty Intention of Customer on Service Online of Low Cost Airline.

**III. METHODS**

The research focused to influence of e-service quality on service loyalty intention of customer on service online of low cost airline. The data set for study was collected survey consumers were selected as the respondents ever using online service booking airline ticket and selected by purposive sampling method. A questionnaire used as a primary data collection tool. The researcher collected the data from 295 customers. This research tool, each item was measure on a five-point likert scale. Moreover, the reliability of the measurements was evaluated by Cronbach Alpha coefficient. In the scales reliability, Cronbach alpha coefficients between 0.74 – 0.86 are greater than 0.70 all construct [15]. In this study hypothesis testing analyzed by simple and

multiple regression analysis by enter method from statistical package computer program. The regression analysis is used to test the hypothesized relationships and estimate factors influencing the loyalty intention.

**IV. RESULTS**

For this research descriptive analysis the total 216 low cost airline customers, majority of respondents were female (69.00%) age between 30-40 years (36.60%), under graduate (52.20%), and income per mouth 25,001-35,000 Bath. Also, they used Airasia airline, Nokair airline and Lionair airline, respectively.

**TABLE I**  
**THE RESULT OF MULTIPLE REGRESSION ANALYSIS OF E-SERVICE QUALITY AND CUSTOMER TRUST**

E-Service Quality	Customer Trust		t	p-value
	B	Std. Error		
Constant	0.681	0.175	3.897	0.000***
Efficiency	0.124	0.050	2.473	0.014**
System Availability	0.248	0.054	4.614	0.000***
Fulfillment	0.235	0.058	4.022	0.000***
Privacy	0.231	0.051	4.527	0.000***
<b>R= 0.82 R<sup>2</sup>=0.66 Adjusted R<sup>2</sup> = 0.65</b>				

\*\*p ≤ 0.05, \*\*\*p ≤ 0.01

The results showed that e-service quality consist efficiency, system availability, fulfillment and privacy have positively influence significant on customer trust ( $\beta = 0.124, p \leq 0.05$ ;  $\beta = 0.248, p \leq 0.01$ ;  $\beta = 0.235, p \leq 0.01$ ,  $\beta = 0.231, p \leq 0.01$ ), Therefore, hypothesis 1a, 1b, 1c, and 1d are supported. This result according to pervious study found that the e-service quality influence on customer trust [8-9]. Moreover, the research indicated four dimensions of e-service quality was efficiency, system availability, and fulfillment positively influence to consumer trust, this study confirmed that a higher level of e-service quality led to higher level of customer trust, the low cost airline business concerns to enchasing e-service quality for response to consumer and lead to reusing service through online system.

**TABLE II**  
**THE RESULT OF INFLUENCE OF E-SERVICE QUALITY ON LOYALTY INTENTION BY CUSTOMER TRUST AS A MEDIATOR VARIABLE**

Independent Variable	Dependent Variable	$\beta$	Ad.R <sup>2</sup>	p-value
EQ	CT	0.837	0.657	0.000***
EQ	LI	0.792	0.540	0.000***
CT	LI	0.794	0.576	0.000***

\*\*p ≤ 0.05, \*\*\*p ≤ 0.01

The table II, shows that the e-service quality (EQ) and customer trust (CT) influence on service loyalty intention (LI) ( $\beta = 0.837$ ,  $p < 0.001$ ;  $\beta = 0.794$ ,  $p < 0.001$ ). Therefore, H2 and H3 are supported. The role of customer trust mediated the influence of e-service quality on loyalty intention. The influence of them is significant lower than the influence customer trust on loyalty intention ( $\beta = 0.792$ ,  $p < 0.001$ ) lower than ( $\beta = 0.794$ ,  $p < 0.001$ ). The beta coefficient is considered, it is also smaller than the beta coefficient. The mediator tested following a study by Baron and Kenny [28]. The results mean that the influence of e-service quality on loyalty intention should be a mediating variable and increase strong to examine the relation. Moreover, when compare adjusted R<sup>2</sup> (0.576) of customer trust and loyalty intention has greater than e-service quality on loyalty intention (0.540). For this reason, the customer trust is mediating of the influence. Hypothesis 4 is supported. According to pervious study found that the customer trust as a mediator the effect of e-service quality and loyalty intention [8]. The customer trust is a partial mediator variable of relation.

**TABLE III**  
**THE RESULT OF INFLUENCE OF E-SERVICE QUALITY ON LOYALTY INTENTION BY MARKETING COMMUNICATION AS A MODERATE VARIABLE**

Independent variable	Customer Trust		t	p-value
	B	Std. Error		
Constant	1.807	0.300	6.017	0.000***
EQ	0.264	0.133	1.987	0.048**
EQ*MC	0.272	0.016	4.506	0.000***
<b>R= 0.830 R<sup>2</sup>=0.688 Adjusted R<sup>2</sup> = 0.685</b>				

\*\*p ≤ 0.05, \*\*\*p ≤ 0.01

The table III, shows that the relationship between e-service quality and customer trust by marketing communication as a moderate variable. By compare beta coefficient between e-service quality, customer trust and marketing communication act as a moderator ( $\beta = 0.272$ ,  $p \leq 0.01$ ) has greater than e-service quality (EQ) and customer trust (CT) ( $\beta = 0.264$ ,  $p \leq 0.05$ ). For this reason, the marketing communication is moderator between e-service quality on customer trust. Therefore, hypothesis 5 is supported. The results mean that influence of e-service quality on customer trust should be a marketing communication act as a moderator, increase strong to examine the relation between them.

## V. CONCLUSIONS

This research attempts to gain clear understanding on the influence of e-service quality on service loyalty intention by applying principal theoretical frameworks to explain the relationships. This research investigated the direct link in e-service quality and customer trust to loyalty intention of customer low cost airline business in Thailand. This study attempts to integrate the influence of e-service quality: efficiency, system availability, fulfillment and privacy. The results reveal that the hypotheses are accepted. It implies that this study can apply and enhancing developments in e-service quality of online service of low cost airline business. This study confirmed that the influence of e-service quality on customer trust and loyalty intention was significantly. More possibly, e-service quality can achieve to customer trust and loyalty intention. The marketing communication has a significant influence that stimulates the relationship between them. Therefore, the best online service of low cost airline business will create higher differentiation than other competitors and greater profitability in the short and long term.

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**(Arranged in the order of citation in the same fashion as the case of Footnotes.)**

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