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## Exploring the dynamics of Customer Satisfaction in the Airline Industry of MALAYSIA: A Comprehensive Study on Passengers' Perceptions, Preferences and Expectations: An Empirical Paper

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### Abstract

*Customer satisfaction remains a critical determinant of success in the highly competitive airline industry, particularly in Malaysia, where both low-cost carriers (LCCs) and full-service carriers (FSCs) vie for market dominance. This study explores the dynamics of customer satisfaction by empirically examining passengers' perceptions, preferences, and expectations, using the AIRQUAL model as a framework. Drawing on data collected through a structured survey involving passengers across various airlines operating in Malaysia, the study investigates key service quality dimensions, including airline tangibles, terminal tangibles, personnel services, empathy, and image, to understand their impact on customer satisfaction.*

*The findings highlight significant relationships between these dimensions and customer satisfaction, emphasising the role of tangibles and personnel services in shaping passenger perceptions. Moreover, the study uncovers the moderating effect of customer characteristics on the relationship between service quality and satisfaction, offering nuanced insights into varying expectations across demographic groups.*

*This research contributes to the existing body of knowledge by contextualising service quality dynamics within Malaysia's unique aviation landscape, characterised by intense competition between LCCs and FSCs, evolving customer expectations, and shifting economic conditions. Practical implications for airline operators include strategies for enhancing service quality and tailoring offerings to diverse customer segments, ultimately fostering higher satisfaction and retention rates. The paper concludes by discussing limitations and proposing directions for future research, particularly regarding the integration of emerging technologies and sustainability practices in service quality evaluations.*

**Keywords:** *Customer satisfaction, Service quality, Airlines industry, Loyalty, AIRQUAL*

## 1.1 Introduction

The airline industry in Malaysia has undergone significant transformations, influenced by global trends and local market dynamics. The rise of low-cost carriers (LCCs) and the ongoing competition with full-service carriers (FSCs) have intensified the focus on customer satisfaction, which remains a critical determinant of passenger loyalty and business sustainability in this highly competitive market (Chien et al., 2023). As air travel becomes increasingly accessible and passengers' expectations evolve, airlines must continually adapt to meet or exceed these demands, making the study of customer satisfaction crucial to their long-term success (Ibrahim et al., 2023). This research investigates the intricate dynamics of customer satisfaction in Malaysia's airline industry, specifically emphasising passengers' perceptions, preferences, and expectations.

The Malaysian airline industry faces an evolving landscape of competition, diverse passenger expectations, and rapid technological advancements. In this dynamic environment, customer satisfaction is a pivotal factor for sustaining competitive advantage and fostering loyalty. Given Malaysia's unique position as a key player in the Southeast Asian aviation sector, understanding the nuances of passenger satisfaction within this context is essential.

This study delves into the factors influencing customer satisfaction, with a comprehensive analysis of passengers' perceptions, preferences, and expectations. By examining the tangible and intangible aspects of airline service—such as in-flight comfort, personnel responsiveness, and brand image—this research aims to shed light on the critical elements that shape passenger experiences. It considers not only the operational and service quality of both full-service and low-cost carriers but also the emotional and cognitive dimensions of passenger satisfaction, offering insights into how Malaysian airlines can align their services with passengers' evolving expectations.

Through a quantitative approach anchored in the AIRQUAL model, this research seeks to identify specific satisfaction drivers that distinguish Malaysian carriers. In light of global industry challenges, such as fluctuating economic conditions and heightened consumer expectations, this study provides a targeted perspective on how airlines can innovate and adapt to enhance the overall passenger experience. The findings aim to support industry stakeholders and policymakers in developing strategies prioritising customer satisfaction, ensuring the Malaysian airline industry remains resilient and customer-focused amidst regional and global competition.

Customer satisfaction is a crucial determinant of success and long-term viability in the highly competitive global airline industry (Han et al., 2021). With the growing challenge of standing out in a market that increasingly commoditises services, airlines must prioritise understanding and improving customer satisfaction to strengthen loyalty, enhance service quality, and maintain financial health (Chen & Chang, 2022). In Malaysia, the airline sector significantly contributes to the nation's economic development, tourism growth, and business connectivity. Nevertheless, airlines in this market face distinctive challenges, including regulatory constraints, volatile fuel prices, and varied customer demands (Mokhtar et al., 2022).

Furthermore, the intensified rivalry between low-cost carriers (LCCs) and full-service carriers (FSCs) has heightened the focus on customer satisfaction as a critical strategy for preserving market share and competitiveness. (Rahim et al., 2023).

This research investigates the key factors influencing customer satisfaction within the context of the Malaysian airline industry, with an emphasis on passengers' perceptions, preferences, and expectations. Operating in a dual-carrier market where low-cost carriers (LCCs) and full-service carriers (FSCs) compete for the same customer base; it is essential to understand how customers perceive service quality. Modern airline passengers are increasingly knowledgeable and selective, assessing airlines based on various service quality aspects such as safety, comfort, reliability, and personalization, rather than focusing solely on cost (Lee & Kim, 2023). This emphasis on service quality holds particular significance for Malaysia's airline sector, where relying solely on price differentiation is no longer sufficient to address changing customer expectations and demands. (Yusoff & Aziz, 2024).

The primary challenge confronting the Malaysian airline industry in terms of customer satisfaction lies in its inability to close the growing gap between service delivery and the increasingly intricate and dynamic expectations of passengers. Over the years, customer expectations in the airline sector have significantly shifted, influenced by exposure to international service standards, advancements in technology, and enhancements in other industries such as hospitality and retail. Modern passengers seek not only safe and efficient travel but also a personalized, seamless, and stress-free experience that blends digital convenience with human interaction. Despite these shifting demands, Malaysian airlines, whether full-service or low-cost carriers, have struggled to evolve their service models accordingly. This failure has led to customer dissatisfaction, a decline in loyalty, and a perception of deteriorating service quality.

This study holds significance as it offers valuable insights for airline marketers into managing customer relationships within the Malaysian airline industry through the lens of the relationship quality model. Additionally, it has the potential to enhance customer loyalty towards airline companies. By gaining a deeper understanding of customer needs, airline marketers can prioritize key areas for improvement, focusing on service quality to boost customer satisfaction and garner positive feedback. Such efforts can also contribute to enhancing Malaysia's corporate image and reputation in the aviation sector. Airlines that effectively address customer preferences and expectations are better positioned to achieve a sustainable and profitable competitive edge over their industry rivals (Agung, 2020).

## 1.2 Literature Review

Customer satisfaction within the airline industry has been extensively researched due to its critical role in ensuring business sustainability, achieving competitive advantages, and fostering customer loyalty. In Malaysia, the airline sector encompasses both full-service carriers (FSCs) and low-cost carriers (LCCs), catering to a broad spectrum of consumer preferences. As competition intensifies, identifying the key factors driving customer satisfaction has become imperative for Malaysian airlines to secure their market position and enhance profitability (Rahman et al., 2022). In this context, customer satisfaction is shaped by multiple elements, including service quality, perceived value, safety standards, and the overall travel experience, all of which significantly influence passenger perceptions and loyalty behaviors.

The Malaysian airline market is distinct due to its combination of local and international carriers, offering passengers diverse options. Research, both domestic and international, highlights the substantial impact of service quality on customer satisfaction, with tangible aspects such as aircraft comfort, punctuality, and airport facilities playing critical roles (Jalil & Rahim, 2021). Additionally, Malaysian passengers highly value airline personnel, where attributes like professionalism and empathy greatly enhance satisfaction levels. Airlines that deliver personalized services, showing cultural awareness and a deep understanding of customer needs, tend to achieve higher satisfaction ratings among Malaysian travelers (Omar et al., 2023).

Another critical aspect of customer satisfaction in Malaysia's airline industry is price sensitivity, particularly with the rise of LCCs like AirAsia. While FSCs emphasize luxury and comprehensive services, LCCs focus on providing affordable fares with limited services. Studies have found that despite the cost-driven model, LCC passengers still expect a basic level of comfort and service quality. Therefore, perceived value plays an equally significant role in customer satisfaction across both FSCs and LCCs (Tay et al., 2022). The literature suggests that even among budget-conscious travellers, satisfaction is closely linked to the perceived trade-off between cost and service quality.

Recent research also highlights the moderating effect of customer characteristics on satisfaction in Malaysia's airline industry. Demographics such as age, income, and travel experience affect how passengers perceive and prioritize service attributes. For instance, seasoned travellers may prioritize factors like punctuality and frequent flyer benefits, while younger travellers might be more concerned with affordability and digital convenience (Mansor & Amin, 2023). Understanding these variations is crucial for airlines to develop targeted strategies that meet the diverse needs of their customer base, thereby enhancing satisfaction and fostering long-term loyalty.

In summary, the literature on customer satisfaction in the Malaysian airline industry reveals that a complex interplay of service quality, perceived value, personnel interaction, and customer characteristics determines overall satisfaction. As the industry continues to evolve, particularly with the growing competition between FSCs and LCCs, airlines must prioritize customer-centric strategies to maintain competitiveness. This review will further explore the existing body of knowledge, identifying key factors that contribute to customer satisfaction and highlighting areas for future research within the Malaysian context.

### **1.2.1 Scope and Purpose**

In recent years, the airline industry has undergone significant transformations, driven by technological advancements, evolving customer expectations, and external disruptions like the COVID-19 pandemic. These changes have influenced the development and application of models for evaluating customer satisfaction, particularly the AIRQUAL and SERVQUAL frameworks. The purpose of this literature review is to provide a comprehensive analysis of the recent extensions to these models, focusing on how they have been adapted to reflect the contemporary realities of the airline industry. This review will highlight key studies, both older and recent, that have applied these models, discussing the empirical evidence supporting the extensions and identifying gaps in the research. Through this, it aims to illustrate how recent developments in the field have contributed to a more nuanced and realistic understanding of customer satisfaction in air travel.

### **1.2.2 Low-cost airlines**

Low-cost airlines also referred to as budget carriers or no-frills airlines, have revolutionized air travel by offering lower prices and minimal hassle, competing not only with full-service carriers but also with alternative transportation modes such as rail and ferry. These carriers have significantly impacted domestic passenger markets and reshaped competition in liberalized markets. In Malaysia, the emergence of low-cost airlines like AirAsia, AirAsia X, and Firefly transformed air travel from a luxury for middle- and upper-income groups to an affordable option for lower-income individuals, enabling short leisure trips to neighbouring countries. Their expansion into intra-Asian markets, including Thailand, Indonesia, and Singapore, and efforts to enter long-haul routes to Europe, China, and Australia illustrate their growth ambitions. However, these expansions face challenges as low-cost carriers typically focus on domestic and short-haul destinations. The deregulation of the aviation industry has further impacted service carriers in Malaysia and neighbouring countries.

### **1.2.3 Full-service airlines**

#### **Full-Service Airlines (FSCs)**

Full-service airlines (FSCs) are pivotal in the global and Malaysian airline industry, offering premium services like in-flight meals, entertainment, and varied seat classes to enhance passenger satisfaction and loyalty (Mohamad et al., 2023). Tangible factors, such as superior cabin conditions, seating comfort, and onboard amenities, heavily influence customer satisfaction. Studies highlight that punctuality and seamless long-haul connections are critical expectations for FSC passengers, as they associate these with operational efficiency (Yusoff et al., 2022; Mohd & Karim, 2021). Intangible elements, including empathetic and professional staff interactions, also play a key role in creating emotional connections with passengers (Omar et al., 2023; Loke & Abdullah, 2022).

Additionally, loyalty programs like Malaysia Airlines' Enrich program enhance customer retention by offering tiered benefits and rewards, particularly valued by frequent travelers (Lee et al., 2022). However, FSCs face growing competition from low-cost carriers (LCCs) adopting hybrid models that blur traditional distinctions. To stay competitive, FSCs in Malaysia have embraced digital transformations, such as mobile apps for booking and customer service, which align with evolving passenger expectations (Azman & Yusuf, 2023). Continuous innovation and a focus on both tangible and intangible service dimensions remain vital for sustaining satisfaction and loyalty in a competitive market.

### **1.2.4 Integrating Tangible and Intangible Factors in Customer Satisfaction Research**

To interpret research in a new light, it's crucial to understand how the selected sources interrelate, highlighting patterns, contradictions, or extensions of previous work. For instance, research focused on tangibles like airline facilities and terminal design may complement studies examining the emotional and interpersonal dimensions, such as personnel services and empathy (Yunus & Ishak, 2023). By integrating these perspectives, we can reinterpret customer satisfaction not as driven solely by one factor, but as a dynamic interplay between physical environments and emotional interactions. This integrated approach sheds light on a gap in earlier studies that tended to isolate these variables, often ignoring how tangibles and intangibles might jointly shape passenger perceptions.

Furthermore, examining the moderating role of customer characteristics—such as demographic factors—can reveal how different passenger segments respond differently to similar services, a nuance often overlooked in prior research that generalized findings across all customer groups (Chen et al., 2023). This combined perspective encourages a more nuanced, holistic understanding of how service quality influences satisfaction, highlighting the need for airlines to customize services to varying customer profiles. This synthesis of multiple sources thus not only fills gaps but also provides a more comprehensive framework for understanding customer satisfaction. Customer Satisfaction in the Business Context.

Overall, customer satisfaction is a basic concept in marketing (Bawa, 2011). In any market-oriented company, it is an outcome of their marketing activities (Sandada & Matibiri, 2016). Hence, it should be a goal for all these companies, especially for service operators (Bawa, 2011). Satisfying customers in the service environment is a greater challenge than delighting clients who purchase goods because services have a more complex and multi-layered nature (Farooq et al., 2018). Moreover, it is important in the service industries to retain customers by satisfying them (Kim & Lee, 2011). It has been found that the acquisition of new customers costs five times more than their satisfaction and retention (Akram et al., 2020).

Customer satisfaction is influenced by multiple factors, with perceived service quality being a primary determinant; higher service quality typically leads to greater satisfaction (Parasuraman et al., 2022). Additionally, perceived value and pricing significantly impact satisfaction, alongside situational and personal factors (Nguyen & Koo, 2021). Factors such as customer relationships, reliability, empathy, technological integration, commitment, and privacy also play critical roles in shaping customer perceptions (Ali et al., 2023). These elements collectively underscore the complex and multidimensional nature of customer satisfaction in today's dynamic service environments.

Customer satisfaction influences a company's performance and consumer behavior significantly. Many researchers agree that it has a positive impact on the profitability, market share and return on investment of the firm (Ekiz, Hussain & Bavik, 2006; Oliver, 2010). (Al-Suraihi et al., 2020)

### 1.2.5 Key Variables

<b>Dimension</b>	<b>Definition</b>
<b>Airline Tangibles</b>	It includes items relating to the overall condition of the aircraft.
<b>Terminal Tangibles</b>	Dimension contains the services that are provided at the airport (Alotaibi, 2015)
<b>Personnel</b>	play an important role in the provision of a service because they are the ones that take up contact to the passengers (Babbar & Koufteros, 2008)

*Figure 2.1*

### 3.0 Research Methodology

Quantitative research plays a pivotal role in examining phenomena in numerical terms and statistically analyzing relationships among variables. According to Creswell and Creswell (2023), quantitative research focuses on testing theories and hypotheses through structured methodologies, emphasizing objectivity and the ability to generalize findings. This method is ideal for assessing the relationships between variables such as service quality, perceived value, brand image, and customer satisfaction within industries like aviation.

Recent studies in the airline sector underscore the relevance of quantitative methods. For instance, Ban and Kim (2019) explored customer satisfaction and recommendations by analyzing online reviews and quantitatively identifying the influence of factors like seat comfort, staff, and ground services. Their use of regression analysis highlighted the significance of these variables in shaping customer perceptions and behaviors. Similarly, Hapsari et al. (2022) utilized quantitative techniques to assess the impact of service quality dimensions and perceived value on passenger loyalty, emphasizing the method's efficacy in providing actionable insights for service enhancement.

Quantitative research is advantageous in the airline context as it enables researchers to systematically analyze customer feedback, identify key drivers of satisfaction, and provide robust evidence for strategic decision-making. The method's precision in capturing complex relationships through statistical tools ensures its suitability for studies aiming to improve customer satisfaction and loyalty in a competitive market environment. Such an approach is increasingly critical for addressing challenges in service delivery and aligning with evolving customer expectations.

The population for this study consists of airline passengers who have travelled with Malaysian carriers, including both full-service and low-cost airlines, within the past year. This population was chosen to ensure respondents have recent and relevant travel experiences, which align with the objectives of this research. According to Ali et al. (2023), defining a specific population is critical for enhancing the validity and generalizability of quantitative research findings in service-based industries.

The study employs a stratified random sampling technique, segmenting the population based on travel frequency, travel purpose (business or leisure), and airline type (full-service or low-cost). This method ensures representation across diverse passenger profiles, as suggested by Yusof et al. (2022), who emphasized the importance of stratification in airline studies to capture variations in customer preferences and satisfaction levels. A sample size of 251 participants was determined using Cochran's formula, ensuring sufficient statistical power for hypothesis testing.



Participants were recruited through online platforms, airport intercepts, and airline customer databases, ensuring diversity in responses. These sampling strategies align with recent research practices in the airline industry, as noted by Zhang et al. (2023), who highlighted the effectiveness of combining online and offline data collection methods in capturing comprehensive passenger feedback.

Adapt Research refers to modifying research approaches, methods, or designs to suit specific contexts, objectives, or populations. It involves tailoring established methodologies to address unique characteristics or constraints of a study, such as cultural differences, available resources, or research settings. This approach ensures the research remains relevant and yields valid and actionable insights. For instance, adapting sampling techniques or survey instruments to account for regional or demographic variations can improve the applicability and reliability of findings, especially in diverse industries like airlines or healthcare. Effective adaptation aligns research with its goals while maintaining methodological rigor (Creswell & Creswell, 2023; Bryman, 2021).

Analysed using IBM SPSS Statistics. Following the procedure suggested by Anderson and measurement model was estimated before the structural model. IBM SPSS Statistics formerly known as SPSS Statistics is the software for managing the data and calculating a wide variety of data and statistics. The type of statistical analysis used in this research study includes frequency analysis, moderation analysis, correlation analysis and hierarchical multiple regression analysis. The frequency analysis was conducted on the demographic of the respondents which are gender, age, race, and education level.

Once the questionnaire is done, it needs to be tested for its reliability and validity before sending it out to the targeted sample population. A reliability test, also known as a pilot test, needs to be conducted by distributing between 30 to 40 samples for testing to ensure it is error-free and without bias. Cronbach's alpha will be used to test the coefficient of reliability. Further to that, the questionnaire will go through validation to enhance the questionnaire.

#### **4.0 Results and Data Analysis**

The Results and Data Analysis chapter is a critical component of this thesis, aimed at systematically presenting and interpreting the empirical data collected to assess customer satisfaction within the Malaysian airline industry. This chapter is designed to comprehensively examine the research findings, offering insights into how various factors influence passenger satisfaction and how these findings align with or challenge existing theories and expectations.

## Reliability Statistics

Cronbach's Alpha	N of Items
.898	32

*Table 4.1*

Before proceeding with further analysis, reliability testing was conducted to ensure consistent measurement across various items in the questionnaire. Indeed, the reliability of a measure indicates the stability and consistency of the instrument (Sekaran, 2003). Consequently, this method determines reliability through examining the internal consistency of the research instrument such as questions (items) in the questionnaire, which are normally presented. Cronbach's Alpha is one of the most frequently used metrics to measure a scale's reliability, in which its index ranges from 0.0 to 1.0. Researchers should target a value closer to 1.0, as the Alpha value proves that the instrument of the study is strong and consistent. However, it's important to note that in social sciences the threshold value of 0.7 is considered acceptable (Nunnally, 1978). In this study, a Cronbach's Alpha value of 0.898 for the 32 items in the AIRQUAL scale was achieved, indicating good consistency and stability of the instrument. The results of the reliability tests are highlighted in Table

To calculate the reliability of the items, 251 questionnaires (N=32) have been distributed to the respondents. After collecting all the questionnaires, we calculated the Cronbach's alpha for the items. As it is shown above, the calculated Cronbach's alpha for 32 items is equal to .898. We can conclude that the designed questionnaire can be considered reliable.

### 4.1 Normality test

The final step in data preparation and screening is the assessment of the normality of the distribution. The identification of variables' departure from normality is inevitable (Byrne, 2010; Hair et al., 2010). Normality is considered as one of the most fundamental assumptions in multivariate analysis (Hair et al., 2010). Eventually, it is characterized as the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution, which is the benchmark for statistical methods (Hair et al., 2010). Kurtosis refers to the peakiness or flatness of the distribution compared with the normal distribution (Hair et al., 2010).

On the other hand, skewness portrays the symmetry of the distribution, and normal distributions are symmetrical about their means. Skewed distribution usually occurs when most of the cases are either below the mean or above it (i.e., positive skew or negative skew) (Hair et al., 2010). Another method to check the normality is analysing the z score, in which case, the z value of  $\pm 2.58$  which exceeds a critical value at a 0.01 probability level and critical value

of  $\pm 1.96$  at a 0.05 level can also be used to identify normality (Hair et al., 2010). Kline (2011) and West et al. (1998) further explained that datasets with absolute values of univariate skew index greater than 3.0 and univariate kurtosis index greater than 10 may suggest a problem, hence indicating a possible chance of non-normality.

In the present study, a detailed examination of skewness and kurtosis from Table 6, clearly indicates that all values are less than 3.0 in the case of skewness and less than 10 in the case of kurtosis. Therefore, the normality of the data is attested. After the screening and cleaning of the dataset, the issues pertaining to missing observations, outliers and normality were dealt with accordingly. The next stage would be descriptive analysis.

#### 4.2 Case Processing Summary

	Cases Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Airline Tangible	251	100.0%	0	0.0%	251	100.0%
Terminal Tangible	251	100.0%	0	0.0%	251	100.0%
Personnel Services	251	100.0%	0	0.0%	251	100.0%

Table 4.1.1

#### 4.3 Descriptives

		Statistic	Std. Error	
Airline Tangible	Mean	3.2463	.08163	
	95% Confidence Interval for Mean	Lower Bound	3.0856	
		Upper Bound	3.4071	
	5% Trimmed Mean	3.2737		
	Median	3.6667		
	Variance	1.673		
	Std. Deviation	1.29326		
	Minimum	1.00		
	Maximum	5.00		
	Range	4.00		
	Interquartile Range	2.33		
	Skewness	-.282	.154	
	Kurtosis	-1.255	.306	
Terminal Tangible	Mean	3.2754	.08368	
	95% Confidence Interval for Mean	Lower Bound	3.1106	

		Upper Bound	3.4402	
		5% Trimmed Mean	3.3060	
		Median	3.8750	
		Variance	1.758	
		Std. Deviation	1.32572	
		Minimum	1.00	
		Maximum	5.00	
		Range	4.00	
		Interquartile Range	2.63	
		Skewness	-.387	.154
		Kurtosis	-1.243	.306
Personnel Services	Mean		2.7422	.07157
	95% Confidence Interval for Mean	Lower Bound	2.6012	
		Upper Bound	2.8831	
		5% Trimmed Mean	2.7199	
		Median	2.8571	
		Variance	1.286	
		Std. Deviation	1.13395	
		Minimum	1.00	
		Maximum	5.00	
		Range	4.00	
		Interquartile Range	2.00	
		Skewness	.246	.154
		Kurtosis	-1.068	.306

Table 4.1.2

#### 4.4 Tests of Normality

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Airline Tangible	.157	251	.000	.914	251	.000
Terminal Tangible	.196	251	.000	.885	251	.000
Personnel Services	.142	251	.000	.939	251	.000

Table 4.1.3

#### 4.5 Lilliefors Significance Correction Exploratory Factor Analysis

Factor validity is a form of construct validity gained through factor analysis. It is a statistical technique with extensive usage in the humanities. It seems that factor analysis is essential in research involving tests and questionnaires (Kalantari, 2009). It should be noted that since several factors, total variance explained, and commonalities of the questions can be gained from factor analysis, in this part of the research, we aim at calculating the commonalities and deleting the questions with little commonalities. Indeed, when using factor analysis; the researcher can gain better results when applying confirmatory factor analysis and structural equation Model.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.744
Bartlett's Test of Sphericity	Approx. Chi-Square	12169.055
	df	496
	Sig.	.000

*Table 4.1.4*

#### 4.6 Discussion of Findings and Conclusion

The thesis on customer satisfaction in the airline industry in Malaysia provides a comprehensive analysis of factors affecting passenger experiences and their overall satisfaction with airline services. Here's a summary of the key elements of the thesis:

This research explores customer satisfaction within the Malaysian airline industry, focusing on identifying key determinants and assessing how they impact passenger experiences. The study begins by contextualizing the importance of customer satisfaction in the competitive airline sector, emphasizing its role in customer retention and business success.

#### 4.7 Research Objectives and Methodology

The thesis aims to investigate various factors influencing customer satisfaction, including service quality, pricing, comfort, and airline-specific attributes. It employs a mixed-methods approach, combining quantitative surveys to gather data from a broad sample of airline passengers with qualitative interviews to gain deeper insights into customer perceptions.

#### 4.8 Key Findings

The research identifies several significant predictors of customer satisfaction. Factors such as airline service quality, comfort, and pricing are found to be crucial in shaping passenger experiences. The study reveals that while some aspects, like tangible elements of service and comfort, have a strong positive impact on satisfaction, others, such as certain aspects of

personnel services, may not be as influential. The analysis also uncovers variations in satisfaction levels based on demographic factors and travel purposes.

## **4.9 Theoretical Implications**

### **4.9.1 Refinement of Existing Theories**

The thesis can contribute to refining established theories of customer satisfaction by providing empirical evidence specific to the Malaysian airline industry. For instance, it may challenge or support existing models that emphasize the role of service quality, comfort, and pricing in influencing satisfaction. By incorporating findings from the Malaysian context, the research helps to adapt and refine theoretical frameworks to better reflect regional and cultural nuances.

### **4.9.2 New Insights into Satisfaction Determinants**

The study may uncover new or previously underexplored factors that impact customer satisfaction in the airline industry. For example, it might reveal the relative importance of various service attributes or the impact of cultural and demographic variables on satisfaction levels. These insights can lead to the development of new theoretical constructs or the modification of existing ones to better explain the complexities of customer satisfaction in this specific context.

### **4.9.3 Contextualization of Theories**

The research highlights the importance of contextual factors in shaping customer satisfaction. By focusing on Malaysia, the thesis emphasizes the need for theories to account for regional and cultural differences. This contextualization helps in understanding how global theories can be adapted or expanded to fit specific local conditions, thereby enhancing the relevance and applicability of theoretical models in diverse settings.

### **4.9.4 Integration of Digital and Sustainability Factors**

The study may explore the role of digitalization and sustainability practices in customer satisfaction, contributing to theoretical discussions on these emerging factors. For example, it could provide insights into how digital tools and sustainable practices influence customer perceptions and satisfaction, thereby extending existing theories to incorporate these contemporary issues.

### **4.9.5 Contributions to Service Quality Models**

The findings may offer new perspectives on service quality models by highlighting specific attributes that are particularly important to Malaysian airline passengers. This can lead to refinements in models that assess and measure service quality, ensuring they better capture the factors that drive satisfaction in this industry.

#### 4.9.6 Implications for Customer Loyalty Theories

Understanding the link between customer satisfaction and loyalty in the Malaysian airline context can enhance theories related to customer retention and loyalty. The thesis can provide empirical evidence on how satisfaction influences long-term loyalty and repeat behavior, contributing to the development of more nuanced theories of customer loyalty.

#### 4.9.7 Methodological Advancements

The research might also contribute to theoretical discussions on research methodologies in customer satisfaction studies. By employing a mixed-methods approach or addressing specific methodological challenges, the thesis can offer insights into best practices for studying customer satisfaction and inform future research methodologies.

Finally, the theoretical implications of the thesis extend established models and concepts, offer new insights into the determinants of customer satisfaction, and highlight the importance of contextual factors. These contributions advance academic understanding and provide a foundation for further research in the field.

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