

ANTECEDENTS OF E-SERVICE, QUALITY, PERCEIVED VALUE AND MODERATING EFFECT OF E-SATISFACTION WITH E-LOYALTY IN AIRLINE INDUSTRIES

Haliru Muhammad 

C.O.B University Utara Malaysia, Malaysia

muhammadhaliru214@gmail.com

Garba Ibrahim Tanko

COLGIS University Utara Malaysia, Malaysia

garibtan65@gmail.com

Aminu Yusuf

SOA University Utara Malaysia, Malaysia

aminukaura2011@gmail.com

Abstract

The objective of the Study is to examine E-service quality, perceived value of E-loyalty with the moderating effect of E-satisfaction. The study used conceptual approach to determine the effect of proposed variables of E-service quality, perceived value on E-loyalty and how E-satisfaction moderates the relationship using extensive review of Literature, the paper also attempts to link up the variables of E-service quality, perceived value and E-loyalty in the Nigerian aviation industry. An examination of the major airlines was also undertaken they include; Arik air, Aero contractors, Dana air, First nation airways, Med-view airline, and Overland Airways. Therefore, the study is conceptualized to serve as a prelude into an empirical investigation of the relationship in the near future.

Keywords: *E-service quality, Perceived value, E-satisfaction, E-loyalty, Airline Industries*

INTRODUCTION

The Nigerian aviation industry has been journeying through a tough phase. For example the current banking reforms which have created room for liquidity concerns for the industry players and the current rise in the cost of aviation fuel have all orchestrated the mind of players to re-strategies their survival (CFS, 2010). Some researchers' such as Teck-Chai et al (2011) studied the impact of E-service quality and customer E- satisfaction in the airline sector and found a correlation between E-services quality and customer E-satisfaction. Customer Feedback Services West Africa CFS (2010) carried out a customer satisfaction survey of the Nigerian aviation industry and found that most Nigerians prefer carrying out airline transaction, such as booking online. Sun (2010) studied the relationships among E-service quality, system quality, information quality and customer loyalty, her findings revealed a positive relationship among the variables of e-service quality, system quality, information quality and customer loyalty. But there is no available research on E-service quality, perceived value and moderating effects of E-satisfaction on customer E-loyalty in the Nigeria airline sector. Hence, the objective of this study is to evaluate the impact of E- service quality, perceived value and moderating effects of E-satisfaction on customer E- loyalty in the Nigerian airline sector.

E- loyalty has been a far- fetched phenomenon and very hard to achieve, especially in Nigerian Airline Industry. The antecedents of E-service quality, perceived value, combine with the moderating effect of E-satisfaction, have a crucial role to play in ensuring E-loyalty in the Nigerian Airline Industry. This study intends to conceptually analyse these antecedents and discuss the concepts as they are applicable to the Nigerian aviation Industry.

E- service quality is the extent to which a particular website facilitates the delivery of the product or Service efficiently and effectively. In modern marketing the use of customers value as one of the strategies used by marketers to have a competitive advantage over competitors in providing goods and services. In the context of global competition and product proliferations providing customers with a product or service that has great value is believed to be the best way to gain advantage among competitors (Woodruff, 1977). Perceived quality was positively linked to perceived value, and perceived sacrifice was negatively linked to perceived value (Zeithaml, 1998). Various studies confirm the above relationship (Cronnin et al.,1997; Dodds, Monroe & Grewal, 1991; Monroe & Krishnan, 1985; Teas & Agarwal, 2000). The evolution of website design, dependability, security and customer value have an influence on customer satisfaction and in turn creates loyalty.

The E- service characteristics should be determined if they have influence on customer satisfaction that will create loyalty, perceived quality positively relates to perceived value. The perceived value has an important function to play in predicting purchase behavior and achieving

sustainable competitive advantage (Bolton & Drew, 1991; Parasuraman, 1997; Zeithmal, 1998). Perceived value is the benefits the customer receives and cost in terms of monetary, energy, time, and psychic transaction cost of evaluating or obtaining and using a product or service (Kotler, 1997) Perceived value involves the benefit a buyer derives from the seller's offer and the buyer's monetary & non-monetary costs in acquiring the offering. When perceived value is low, the customer will be inclined to switch to competing lines in order to increase perceived value, and thereby contributing to decline in loyalty. Even satisfied customers may likely not repurchase on the same site, if they don't feel that they are acquiring the best value, they will search out other websites in an ongoing attempt to get a better value (Anderson & Srinivasan, 2003; Chang, 2006b; Kainji, 2002).

The objective of the study is to conceptually propose a moderating effect of E-satisfaction on customer loyalty in a relationship established along the antecedents of both perceived service quality and perceived value.

LITERATURE REVIEW

Introduction: This segment tries to brush up some related literature on the antecedents of e-service quality, customers value and moderating effect of satisfaction of customers E- loyalty. E-service quality is fixed as the customer's opinion about any entity (service's) overall excellence or superiority (Zeithaml, 1988). Satisfaction and service quality are highly inter-correlated. Rust and Oliver (1994. p. 6) Offer support for this view in their suggestion that quality is one of the service dimensions factored into consumer's satisfaction judgment', as does parasuraman et al. (1985,1988,1991) who specifically indicate that service quality is an antecedent of customer satisfaction.

E-Service quality refers to the evaluation of website design, dependability, security and customer value of the service offered to insure that the client finds the best (Aladwani & Palvia, 2002; Slater & Narver, 2000; Wolfinger & Gilly, 2002; Yang & Peterson, 2004; Zhan & Ahlan, 2003). The concept of relationship quality arises from theory of customer satisfaction, e-trust and e- loyalty and all of these characteristics of e- service quality has potential influence on customer satisfaction and in turn create loyalty. Various researches test the relationship from various contexts, and they differ from task to project as ascertain by (Ulaga & Eggert, 2006; Chen et al., 2008; Holmlund, 2008; Athanasopoulou, 2008, 2009; Moliner, 2009). The equity concept refers to customers' evaluation of what is just, good, or deserved for the perceived cost offering (Bolton & Lemon, 1999). Customers are inclined to feel equitably treated if they perceive that the ratio of their final result of inputs is comparable to the ratio of outcome of inputs received by the company (Oliver & DeSarbo, 1998; Pakdil & Harwood, 2005).

Customer perceived value has an important part to play in predicting purchase behavior and achieving sustainable competitive advantage (Bolton & Drew, 1991; Parasuraman, 1997; Zeithmal, 1998). Perceived value is a trade-off between quality, or benefits the customer receives and the cost, such as monetary, energy, time and psychic transaction cost, the customer incurs by evaluating, obtaining and using a product (Kotler, 1997). Customer perceived value involves a 'get' component i.e the benefits a buyer derives from seller's offering and a 'give' component i.e the buyers monetary & non- monetary cost acquiring the offering. There is established positive relationship between perceived value and intention to repurchase (Dodds et al. 1991; Parasuraman & Grewel, 2000). When perceived value is low, the customer will be tended to switch to competing lines in order to increase perceived value, hence contributing to decline in commitment. Even satisfied customers are unlikely to repurchase on the same website, if they do not feel like they are getting the best value, instead they will seek out other websites in an ongoing effort to find a better value (Anderson & Srinivasan, 2003; Chang, 2006b; Kainji, 2002).

In the beginning, E-S-QUAL was structured into 22 items grouped into four dimensions: efficiency (the ease and speed of accessing and using the site), fulfillment (the extent to which the site's promises about order delivery and item availability are fulfilled), system availability (the correct technical functioning of the website), and secrecy (the degree to which the situation is safe and protects client information). Researchers have also established a positive relationship between perceived value and intention to purchase/repurchase (Chiu et al. 2005; Dodds et al., 1991; Parasuraman & Grewal, 2000).

Satisfaction is the "total psychological state resulting when emotion surrounding disconfirmed expectations is coupled with the customer's prior feelings about the consumption experience" or it reflects post- purchase evaluation of product quality given pre- purchase expectations (Kotler, 1991).

Satisfaction plays a particularly important role in competitive environments of e-commerce because of its impact on customer loyalty. Liu et al (2008) formulated the antecedents of consumer satisfaction based on phases of the online purchase process: Information search and evaluation of alternatives, Purchasing and Post-purchase phase. At the stage of information search attributes like Web site design and merchandise are evaluated, while at the stage of purchasing, transaction ability, responsiveness, security/privacy and payment are all analyzed. Post purchase stage has delivery and customer service as attributes or antecedents that may have an impact on customer satisfaction online (Liu et al. 2008). Satisfaction is an emotional or cognitive response to a focus (expectation, product, consumption experience, etc.).

Satisfaction is a post- purchase phenomenon, and measured only during the evaluation process (Giese & Cote 2002). Satisfaction is an evaluation of emotion (Hunt, 1977) it reflects the degree to which customer believes that possession or use of a service evokes positive feelings. It is worthy to note that satisfaction could be further conceptualized as transaction specific or cumulative. In an online context when consumers make one time purchase from a new service provider, satisfaction is likely to be transaction specific, whereas repeating the purchase from the same service provider the satisfaction is likely to be cumulative outcome. Chang (2005) Cronin and Taylor (1994), Parasuraman et al. (1998) and Van Reil et al. (2004) consider the overall satisfaction to be primarily a function of perceived service quality. Compared to transaction specific satisfaction, overall satisfaction reflects customers' cumulative impression of a firm's service performance. In turn, it may function as a better predictor of client commitment.

Kotler (2000) also expresses that satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (outcome), in relation to his or her expectations. Research by Zins (2001) on commercial airline industry using structural equation modeling also found customer satisfaction as an important predictor of customer loyalty. Caruana (2002) examined the mediating function of customer satisfaction in a relationship of service quality with customer commitment in the context of traditional shopping, so it will be applied to liaise in an online setting.

Customer loyalty is a buyer's overall attachment or deep commitment to a product, service, brand or organization (Oliver, 1999). Studies have demonstrated that customer loyalty is a multidimensional concept involving both the behavioral approach and attitudinal approach. The behavioral examine customer loyalty as a repeat patronage as measured by rate of purchase, frequency of purchase and possibility of purchase of the same product or serving in a specific category compared to the entire number of purchases made by the buyer in that class. The attitude approach infers customers loyalty from psychological involvement, favouritism and sense of goodwill towards a particular product or service. Oliver(1999,p.34) define customer loyalty as commitment to re-buy or re-patronize a preferred product/service consistently in the future. Neal (1999)thinks customer loyalty is a behaviour and define customer loyalty as:

The proportion of time a purchaser chooses the same product or service in a specific category, compared to the total number of purchases made by purchaser in that category. Under the precondition that the other acceptable products or services are conveniently available in that category (Neal, 1999, p. 21). Customer loyalty is important for both the firm and the customer. As regards the firm, loyal customers are willing to make repeat purchases in the business that delivers value beyond their expectation. Loyal customers often will, over time bring substantial revenues and require less attention from the firms they patronize (Yang and

Peterson, 2004). On the other hand, loyalty is important to customers because loyal customers incur less time and costs in searching for information and evaluating purchase decisions, and also incur less or no switching costs. Therefore, client loyalty is beneficial to both the customer and service provider and so is a major source of sustained competitive edge (Keaveney, 1995

Having discussed related literature on the antecedents of E- service quality, Perceived Value and moderating effects of E satisfaction on customer E- loyalty an attempt on the method will be discussed next.

METHODOLOGY

According to Sekaran (2009), research design involves issues relating to decisions regarding the purpose of the study, its location/setting, the extent to which it is manipulated and controlled by the researcher, its temporal aspect/time horizon and the level at which data will be analysed. The totality of these aspects are integral parts of research design. This study intended to use purposive/and judgment sampling in line with practical applicability of the conceptual needs of the study.

Conceptual research is scientific inquiry that relies on abstract thinking, as opposed to empirical data driven, research- to conceptualize, delimit and solve real-world problems (Corley & Gioia 2011; MacInnis 2011). As evidenced by citations and best- paper awards, conceptual articles can make a real, disproportionate impact on knowledge discovery and discipline's maturity and contribution (Yadav 2010).

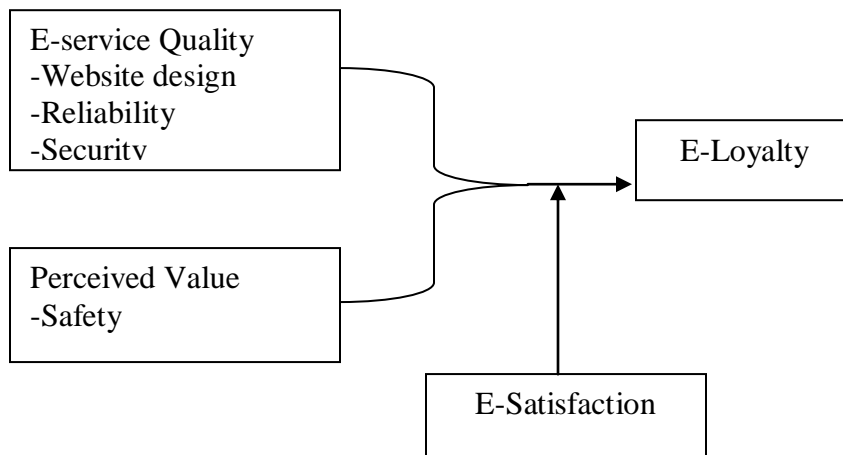
Additionally conceptual research helps us see the world and decision-making phenomena through new lenses, enabling us to find new trailheads for existing and emerging problem- solving quests. Once these research opportunities are identified, subsequent empirical research moves us further down the knowledge discovery path. Conceptual research is thus synergistically intertwined with empirical research.

PROPOSED CONCEPTUAL FRAMEWORK

This conceptual study proposes a conceptual framework for the further empirical research.

(Antecedents of E-Service Quality, Perceived Value and Moderating Effect of E-Satisfaction on E-Loyalty in Airline Industries). See Figure 1.

Figure 1. Conceptual Framework



CONCLUSIVE REMARKS

Airline customer satisfaction is affected by many factors, but at its root, this type of customer satisfaction is no different from that of any other business. Airlines are affected by many regulations and not all factors that affect customer are within the airline's control. So most of them attempt to make up the difference by providing exceptional customer service and comfort. They provide E- service quality to customer who perceived to be having a value, and becomes satisfied, which later turns to be loyalty. Likewise, if the service provided is not up to the quality the customer expects, he becomes dissatisfied, and later switch to other service providers and that amount to disloyalty. Every piece in the above review one can distinctly understand the vital nature of the variables in relation to E loyalty and how satisfaction moderates the relationship, since airlines relate to client from pre-flight stage, in-flight, and post-flight for them to create E-loyalty, for pre-flight customer evaluate: Reliability of the web website, discount offers, baggage allowance, and responsiveness to emergency situations like cancelled flights. Similarly for in-flight, he looks at seat comfort, quality of food, in-flight entertainment services, and courtesy of Crew. So also post-flight service provides customer with prompt baggage delivery. The above mentioned service quality have an impact on building sound customer relationship which in turn creates E- satisfaction and E- loyalty.

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