Customer Satisfaction of Low-Cost Airline Application

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ABSTRACT

This research will examine the level of customer satisfaction when people use AirAsia application during COVID-19 pandemic. There are three objectives that research create which are to examine the effect of price towards customer satisfaction on AirAsia application during COVID-19 pandemic, to observe the impact of service quality towards customer satisfaction on AirAsia application during COVID-19 pandemic, and to investigate the relationship between safety and customer satisfaction on AirAsia application during COVID-19 pandemic. The research use AirAsia application to know customer’s pattern. Based on framework, the variables use concept adaption. The variables are price, service quality and safety as independent variables. The variables have positive relationship toward customer satisfaction as dependent variable. In this research, a total of 156 sets of questionnaires were distributed among customers between age 18 until 68 years old. SPSS and Smart PLS are used to analyze the data collected.

Keywords: customer satisfaction, price, service quality, safety, AirAsia, COVID-19

1. INTRODUCTION

In 1993, AirAsia was united by the Malaysian industrial conglomerate, DRB-Hicom and a local aviation company, Mofaz Air. AirAsia was titled to work both domestically and internationally, began services in 1996. According to Jaafar in 2001 stated that 99.75% of the shares were sold at Ringgit Malaysia (MYR) by DRB-Hicom to Tune Air and assumed 50% of AirAsia’s net liabilities, while the left over 0.25% was retained by Mofaz Air, in September 2001. According to Utusan Malaysia in 2001, the sale of AirAsia has been completed and it listed that “no frills, less expensive domestic fares” was a conception used by AirAsia. Besides, AirAsia was one of the largest airlines in Malaysia that frequently be choice of customers to use airline services. AirAsia airlines deal low and affordable charged packages accordance with their company’s tagline of “Now Everyone Can Fly”. The fact for AirAsia had more than 165 destinations in 25 countries and operated scheduled domestic and international flights.

Coronavirus disease 2019 (COVID-19) was an irresistible illness brought about by extreme intense respiratory disorder coronavirus 2 (SARS-CoV-2). The infection was first distinguished in December 2019 in Wuhan, the capital of China’s Hubei area, and had since spread universally. COVID-19 had impacted Malaysian Small and Medium Enterprise (SME) for the past three months. According to Malay mail, 68.9 % of (SMEs) suffered within one week of the Movement Control Order (MCO). On March 18 2020, the Malaysian government had introduced a
Movement Control Order (MCO) that required everyone to stay home, with strictly no travelling and non-essential business premises were ordered to close. MCO occur because of COVID-19 outbreak and been affected around the world like Malaysia need to face a deteriorating and alarming economic crisis that impacted especially in the airline industry. Hence, AirAsia cannot offer all types of travel deals, from premier, standard as well as budget, to personalized services within Asia, Australia, Middle East, Malaysia, and Europe destination like corporate airlines ticketing, KLIA or KLIA2 airport transfer services, and group tours due the MCO. The sales had been drastically down due to the recent pandemic of COVID-19. AirAsia faced severe problems during MCO like the customers cancelled or postponed flight ticket because coronavirus spread universally. AirAsia also worried about cash flow that stemming from very low sales because the business not doing well.

COVID-19 outbreak began affected to many sectors especially airline industry. The problem was the sales have been drastically down due to the recent pandemic of COVID-19. AirAsia faced severe problems during MCO like the customers cancelled or postponed flight ticket because coronavirus spread universally. It means the business was not doing well. Low and affordable price was one of AirAsia’s attractions among Malaysians when picking airline services. AirAsia had beat other airlines like Malaysia Airline Berhad as a reasonable and quality service that given by staff and the company itself. AirAsia also improved their system from manual to better and more orderly for users as they can check in themselves while boarding the plane and customers can also purchase tickets online to be more specific through the AirAsia application on mobile or web.

Moreover, customer satisfaction was the main and vital in all types of business conducted whether the company provided services or produce products. In 2004, according to Hansemark and Albinson stated that, “the level of customer satisfaction with a service provided will be exhibited through their perspectives and enthusiastic responses between what they need and what they had gotten comparable to necessities, wants and purposes”. Among the factors that should have given attention by AirAsia were in terms of price, service quality, and safety. One tactic to guarantee the level of customer satisfaction can be succeeded through the production of research which was a systematic intelligence data that was widely utilized by large service companies.

The study focused on price, service quality and safety toward customer satisfaction using AirAsia application during COVID-19 pandemic which were help to increase the level of satisfaction of customers to choose AirAsia as their airline service. The independent variables were price, service quality, and safety had positive influenced toward customer satisfaction as dependent variable. Moreover, a critical factor for victory in business was it need to make sure that level of customer satisfaction. In 2013, Arif, Gupta and William expressed the discoveries of the examination would be huge in giving understanding on customers in airline industry when the requests and desires of customers should be underlined by each business to guarantee consumer satisfaction can be accomplished. Jamil
Bojei and Aryaty Alwi (2010) mentioned the presence of clients who were faithful to a business and brand with the level of satisfaction they had accomplished through the products and services got (Hennig Thurau et al., 2002).

II. LITERATURE REVIEW

A. Customer Satisfaction

Satisfaction, whether someone had done something or whether a person wished to do something was a feeling of pleasure and satisfaction. In addition, happiness satisfied the needs and wants of one to recognize goods or services after the order. Customer satisfaction was a changed in behavior that relied on customer service and was seen as an essential determinant of long-term customer loyalty (Oliver, as cited in Albattat & Romli, 2017). Consumer satisfaction was significant on the grounds that it made available for marketers and entrepreneurs with a metric that they can use to oversee and improved their organizations. In addition, never cared less about customer satisfaction because the customer may ignore your product or service.

B. Price

The price was the sum of all the attributes a consumer gave up to obtain the benefit of a product or service possessing or using it. Price had been the major factor affecting buyer choice. Thus, for getting or utilized the goods, customers traded a specific value that call price (Claessens, 2015). Airlines based their prices on the necessities of their customers. A vacationer can stand to design his vacation and booked a very long time ahead to get an extraordinary arrangement, however a business explorer was probably going to book tickets near the takeoff and pay full charged (Dixon, 2019). In advertising blend, value alludes to the sum that a ware was worth. It relied upon production costs, the focused-on portion, the market’s eagerness to pay, accessibility (The Economic Times, 2020). Pricing was one of approach that offered airline momentous huge chanced to expand sales and stood out in the packed marketplace today.

C. Service Quality

It was a combination of two words, service and quality that underlined on the availability of quality services to the definitive buyers. The term quality obvious on the norm of particular that a service producing association guarantees (Bhargava, V., 2020). Service quality focused evaluation that mirrored the customer’s impression of explicit elements of service to be specific dependability, responsiveness, confirmation, sympathy, and tangibles (Zeithaml and Bitner, 2003). Customers were requesting higher service guidelines as they are getting more complex and adjusted in their assumptions. According to Ghylin in 2008, Defined and evaluated the service quality, organizations would actually offering a help that was of top notch level apparently prompting consumer satisfaction.
D. Safety

Safety was an idea that consisted of all actions and practices required to safeguard the life, wellbeing, and bodily honesty of people. The idea “safety” had numerous applications. Safety can allude to a believing, a gadget, a trademark or a condition, situation and circumstances. Contingent upon the setting in which the word safety was utilized, it consequently can have various implications and understandings (Peter Blokland, 2017).

E. Underpinning Theory

According to Baharum. A & Jaafar. A (2015), the Expectation Confirmation Theory, which inferred that satisfaction depended regularly on customers’ insights and assumptions for a service and whether, it will be affirmed during the real use (Oliver, 1980). In 2015, Aslina Baharum and Azizah Jaafar stated that customer expectations viewed as spreading, that was, every customer had a capacity that would portrays the relative probability that a specific quality result would be capable (Rust et al, 1999). The Expectation Confirmation Theory really help to collect what the variables to be apply in customer satisfaction. Based on theory, the variables used concept adaption. The variables were price, service quality and safety as independent variables. The variables had positive relationship toward customer satisfaction as dependent variable. The Expectation Confirmation Theory reflected the variables to meet expectation from potential customers.

F. Hypotheses Development

H1: There is a positive relationship between price ticket by AirAsia and customer satisfaction.

H2: There is a positive relationship between service quality by AirAsia and customer satisfaction.

H3: There is a positive relationship between safety of AirAsia application and customer satisfaction.

III. METHODOLOGY

Quantitative research centered on the investigation and speculation of numerical information through gathered of people, or on depicted a particular marvel. There were no precise models to become respondent for this research. According to Hutagol, D. C and Rezi Erdiansyah (2020), this study additionally would utilized quantitative technique as the strategy to decide the variables that impacted of customer satisfaction using AirAsia application during COVID-19 pandemic. Then, the quantitative strategy used in the poll to gather the information from respondent. The polls were created reliant on the investigation from the past research to build up a new idea of things and to acquire solid data from the respondent.
From the quantitative strategy, this research utilized close finished inquiry and directed the online survey questionnaire. About the survey, the questionnaire would be appropriated by Google Form and sent the message through WhatsApp application. The questionnaire used huge gauge survey exploration and statistical analysis. This research study went to be that specialize in applied research which was descriptive. The meaning of descriptive research is to collect data that would explained the characteristics of individuals, activities, or scenarios. Albattat & Romli (2017) used cross-sectional research because it was being done once to a particular period. A significant decision in research designed process was that the option to be made regarding research approach since it determined how relevant information for a study were going to be obtained. From that it would be simpler and set aside a short effort to gather the information and to empower the researcher to address the questionnaire.

A. Research Framework

![Research Framework](image)

B. Sampling Mechanism & Data Collection Technique

Data collected by using the random sampling method as probability sampling and for non-probability sampling, this study also used snowball sampling. According to Fernando, Kumara & Mendis et al. (2018) data collection would be more effective by using random sampling to develop more generalizable research study.

To collect the data from respondent, this study did the pilot test to 40 respondents in advance to find out that the questionnaire would not have any problem before distributed the questionnaire to the real target. Therefore, the total of sample that had been collected in this research is 156 according to results of questionnaire. The target respondents for this research are from people who had been used the AirAsia application as an easy way for them to buy flight tickets and to get other services. There were three sections included in the questionnaire which were the demographic characteristics of the respondent such as age, gender, education, occupation and income level. Other section focused
on the independent variables which are price, service quality and safety. The final section was dependent variable which is customer satisfaction. The aim of this question to examine the level of customer satisfaction that using AirAsia application and to identify the relationships between the three independent variables and the customers’ satisfaction toward AirAsia application.

With random sampling, this research randomly selected 156 respondents that had the criteria that required answering the questionnaire. Related to snowball sampling, due to the COVID-19 pandemic situation this study carried out the questionnaires by used an online survey which was Google Form as the method for respondents to answer the questionnaire and to collect the data. The main advantage of this type of designed questionnaire was that a wide geographical area can be covered in the survey. By using the Google Form, it can be easier because it only shared the link through WhatsApp app and according to Naderifah, Goli and Ghaljaie (2017) Google Form only took a little time to collect the data. Therefore, it can increase the number of respondents from one respondent to several respondents. According to Wachyuni and Kusumaningram (2020) Google Form was a reliable method because all questionnaires were filled without any questions left or damaged. This study used the Likert scale to measure the response from respondents. From that, all questions would be measuring the level of customer satisfaction that using AirAsia application during COVID-19 pandemic by the Likert scale five point. The scales that used in this research to measure the level of satisfaction was from 1 (not satisfied) and 5 (completely satisfied).

The purpose of this research was to provide quantitative data for descriptive research which consisted of closed-ended questions. Statistical Software Package (SPSS software) and Partial Least Square-Structural Equation Modelling or Smart PLS technique to analyze the quantitative data. According to Sarstedt . M, et al. (2017) the function of IBM SPSS was to filter the data and Smart PLS was a tool to analyze because its advantages can explain models with various interrelated relationships.

iv. FINDING

The demographic analysis for this research consist of the 156 respondents, most of them are from the female. There were 60 male and 96 female respondents in this research. The majority of the respondents from the survey were from the age group of 18 to 28 years old (79.5%) and the least came from the age group of 49 to 58 years old (3.2%). For the education, most of the respondents were from bachelor (3.2 %) and the least came from post graduated (5.1 %). Then, for the occupation of the respondents, we had received most of the feedback from students (53.2 %) while the minorities came from employees (27.6 %). In this research, it was found that, (65.4 %) of the respondent income levels were below 1500, it was because most of the respondents were from student. Next, the highest frequency of respondents that flying with AirAsia before COVID-19 was below than 4 times (66.0 %). The data presented, there were 72 out of 156 respondents (46.2 %) were taking flight for holiday and the least number
of respondents which was 4 respondents come from the other (2.6%) that were not their purpose for travel, business trip, study and holiday. Then, for the respondent that faced the problem while using AirAsia application, 129 respondents were not faced any problem while the remaining 27 respondents were faced the problem while using the AirAsia application.

The cross tabulation of demographic analysis for this research was shown the feedback from 156 respondents in term of purpose of taking flight and frequency of flying with AirAsia before COVID-19. For purpose of taking flight according to the gender, 29 out of 60 male respondents mostly taking flight for holiday (18.6%) while the least purpose of taking flight was other (1.3%). For respondent from female, 43 of them also taking AirAsia as one of their flights for holiday (27.6%) while for business trip and other was the purpose of taking the fewest flights which shown the feedback for each of that categories were only (1.3%). From that 72 out of 156 from male and female respondent choose holiday as their main purpose of taking flight. Next for frequency of flying with AirAsia before COVID-19 according to the gender, majority of respondent from male are flying with AirAsia was below than 4 times (23.7%) while the minorities come from the frequency of 4 to 6 times (9.0%). Then, female group got the highest respondents of flying with AirAsia below than 4 times (42.3%) and the lowest of frequency for female to flying with AirAsia before COVID-19 was above than 10 time (2.6%).

Result of the structural model between all the independent variables and the dependent variable. Based on the sample the R Square of customer satisfaction towards AirAsia application (0.788) shown that the amount of variance could be defined by price, service quality and safety. The result of the variance of the independent variable for price was (0.190), service quality (0.157), and safety (0.602). According to Hair et al (2014), it was reported that the used of composite reliability in this study was justified by its ability to take incognizant the specific loading of respective indicators recommended for used in PLS studies. Based on the result of the structural model, safety had the highest value (0.602) which indicated that this variable had a stronger relationship to the customer satisfaction toward AirAsia application compared to other variables which were price and service quality.

According to the price variable it shown that the highest factor loading was price 4 (0.920) which meant that the strength that AirAsia need to maintain and lowest factor loading was price 5 (0.824), that was part AirAsia need to improve in term of price. For service quality variable, the highest loading factor was service quality 5 (0.906) which indicated that the item affected customer satisfaction in the used of AirAsia application. In addition, the items with a lowest loading factor were service quality 2 (0.857) which had less impacted on customer satisfaction with the AirAsia application and it was an area that needs to be taken into consideration and improved by AirAsia. Then for safety variable, safety 2 (0.913) was the highest loading factor which shown that safety item 2 was a matter that highly emphasized by AirAsia so that respondents felt satisfied with the safety provided in the AirAsia application. However, the lowest loading factor was safety 3 (0.842) which was one of the items that on safety variable that
needs to be further improved by AirAsia so that customers were always confident of their personal data that had been entered in the AirAsia application in a secure state without any issues related to intrusion of users’ personal data.

Hypothesis one and three are accepted because of the t-value proof that there was a significant and positive relationship between independent variable which was between price (2.485), safety (7.211) and customer satisfaction toward AirAsia application and it was a factor that greatly affected customer satisfaction in using AirAsia application while for hypothesis two which was between service quality and customer satisfaction shown that their relationship was not significant (1.434). Therefore, it shown that service quality variable has less affected to customer satisfaction that using AirAsia application. From that service quality was a factor that many customers were dissatisfied and this needs to be improve by AirAsia so that its customer satisfaction can continue to be maintain. The significant or not significant between independent variable and dependent variable can be seen when the t-value was more or less than 1.96 (t < 1.96).

The study conducted to examine the level of customer satisfaction when people use AirAsia application during COVID-19 pandemic and identify the relationship between price, service quality, and safety toward customer satisfaction. The adaption for price, service quality, and safety as independent variables came from past research that had been studied well and published over the past few years. In fact, customer satisfaction as dependent variable also adapted from trusted past research. This kind of situation we used to construct our study.

Based on results of study, safety considered as most significant influenced in customer satisfaction (t = 7.211). For safety, security acted as a factor that greatly impacted on customer satisfaction during pandemic because nowadays, almost all things need to be done using apps such as purchased flight tickets to reduce risk that contacted with people. At the same time, apps also created need to installed high level of security to avoid customers’ information being lacked. According to Gupta and Dubey (2016); Biener et al. (2015) as cited in Ingaldi & Brozova (2020), the customers afraid that their personal data or also called as personal information being hacked or spilled out by irresponsible party like when they did payment transactions in apps. Moreover, the respondents felt very concerned about safety as one of independent variables in AirAsia application compared to others because when the security was not improved, it can give effect and brought problem to customers.

Next, price as one of independent variables also had significantly affected on customer satisfaction using AirAsia application during COVID-19 pandemic (t = 1.745). Price that offered in apps was a reasonable and it was a way to increase customer satisfaction. According to Hassan et al. (2013), Amanah (2010), and Marti´n-Consuegra et al. (2007) as cited in Albari & Atika (2020), price had positive influenced toward customer satisfaction. Hence, AirAsia need to control well the price for ticket flight to be affordable. So, all types of income groups choose to
purchase ticket willingly and it would create long term for customer loyalty. In addition, people income also affected by COVID-19 pandemic situation. That was why price highlighted as given priority by customers.

Besides, the study found out that service quality was not significant influenced on customer satisfaction using AirAsia application during COVID-19 pandemic \((t = 1.434)\). That means service quality as one of independent variables gave less impacted on customer satisfaction such as information related to the boarding process in the apps become unimportance customer priority due to departure processed was tightly controlled at the airport especially during pandemic like airport staff would guide customers from entrance to boarding that based on SOP requirement for COVID-19 by government to prevent virus transmission. Another example, customers that purchased of ticket through this application did not need to highlight out because customers not interacted with AirAsia staff. In fact, due to the reasons customers did not put priority on service quality.

In conclusion, the results from our study shown that respondents tend to believe price and safety which were independent variables became factors for most influenced toward customer satisfaction when using AirAsia application during COVID-19 pandemic while service quality as factor that played role in independent variables had less affected toward customer satisfaction that used AirAsia application.

V. CONCLUSION AND RECOMMENDATION

Findings shows there were positive relationship between price ticket by AirAsia, service quality, and safety toward customer satisfaction and it can be concluded that safety had the highest vote to influence on customer satisfaction. For lowest to impact on customer satisfaction was service quality. Safety that provided in app by AirAsia referred as an idea that incorporated all actions and practices required to save the life, wellbeing, and bodily honesty of people. Basically, safety acted to play as the highest vote to influence customer satisfaction was very important. This was because if AirAsia did not provide safety that worth for customers, they can turn back or switch to another airline service. Then, customer satisfaction cannot be created. Hence, safety as the most influence variable toward customer satisfaction needs to be maintain and care. When customer satisfaction was successfully built, the customers would reuse again AirAsia service. As the result, when safety been improved from time to time during COVID-19 that follow Standard Operating Procedure or also known as SOP would help people to continue used AirAsia app when travel.

For the first recommendation to AirAsia as airline service is it need to keep a price competitiveness strategy that generally running. In view of the after effects of the research that has been done, price is one of independent variable that had positive relationship and gave impact on customer satisfaction. Beside of affordable price, company must have great service quality for customer. Great service quality like the app can give useful information and be responsive when customers need. It very well may be effect to customer satisfaction. To put it plainly, great service
quality can make customer satisfied and never switch to other airline service. The recommendation also highlights to improve safety by add more specific data information for payment and identification. This is to secured more when user to access. Safety can play big role to achieve customer satisfaction.

The main contribution of the study was the result of the research that added more facts toward airlines industry especially on the online application that offered service to the customers. Next, AirAsia the board staff would more be able to make aware of their security system due to customers substantially more open to utilize AirAsia online application such as when they purchase ticket during pandemic without get fear for their private data spilled. Then, AirAsia can keep up their standing as a low-cost airline when additionally gave an e-commerce solution for fulfill the needs of customer despite the fact that in COVID-19 pandemic by improved their application.

REFERENCES


