

INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

< Factors that motivates brand loyalty within the airline services industry – Aspects from behavioral loyalty and attitudinal loyalty >

Author: Chan Kok Hoe

Student ID: I09003841

Supervisor: Mr. Shaheen Mansori

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Abstract

Often we see organizations from all industries fighting for survival in today's intense market place, and airline service industry is no exception. Such dynamic challenges placed brand loyal customers as an important asset to maintain an airline's success. Therefore, this thesis observes and ascertains the motivators of brand loyalty towards the airline services industry.

Relevant studies and previous research are integrated to present a theoretical framework of brand loyalty in the airline service industry in particular. It is analyzed that brand loyalty here, have two different approaches; behavioral loyalty and attitudinal loyalty. Four motivating factors are then identified; switching cost to competitors' airline, flight crew service quality, trustworthiness of the airline companies, and social identity provided by the airline companies.

A quota sampling methodology, targeting 200 respondents of different background is carried out. Responses collected revealed the strength of the determining factors when purchasing an airline service. Accordingly, this thesis relates the main essence of sustaining brand loyalty, hence, creating a competitive winning edge for airline companies.

At the end of this paper, the research finding reveals that both behavioral loyalty and attitudinal loyalty can work together in order to create high brand loyalty. However, among the four identified and tested independent variables, trustworthiness of airline companies and flight crew service quality, each from the two different dimension of brand loyalty were seen proven significant in the results towards the dependent variables. With that, the researcher came to conclude that trustworthiness of airline companies and flight crew service quality, both play major roles in creating and enhancing high brand loyalty.

Declaration

"I hereby declare that this research project is of my own effort except for those summaries and information of which the sources are clearly specified."

30th March 2011

Chan Kok Hoe

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List of Abbreviations

- SIA - Singapore International Airlines
- MAS - Malaysia Airline System
- LCC - Low Cost Carrier
- RO - Research Objective
- RQ - Research Question
- FFP - Frequent Flyer Program

CHAPTER I: INTRODUCTION

1.1 Background

A specialized aviation analyst, Ng Sem Guan, from Kuala Lumpur OSK research, once commented that aviation is a highly competitive industry (Wijaya, 2010). Past decades have shown the airline industry to experience the economic outburst in the history of commercial aviation as unprecedented series of financial alarms thus, affect many airline services and employees (Moorse, 2010). Moreover, the recent deregulation of Southeast Asia's skies shoved the industry to legitimate price competition, ending the decades of monopolization among the national flag carriers. The Malaysia-Singapore route having previously dominated by SIA and Malaysian Airlines for over 35 years was only recently opened to other carriers (Wijaya, 2010). Together with global airline market moving towards deregulations, the forces of competition intensifies, causing constant positioning of loyalties between airlines, where various forms of partnerships arrangements and cooperative schemes are designed to capture market share and increase profits (Chin, 2002). Also, it is expected that by 2015, a full effect of market liberalization will take place through Southeast Asia's so-called 'Open Sky Agreement'. The agreement, permitting unlimited flights for regional air carriers to all 10 ASEAN members Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, assures to boost intra-regional tourism, trade, and investments among the member countries. As this will additionally benefit the region's low cost carriers, it can be seen that many low cost carriers are now aggressively undertaking to draw in consumers, including higher-paying travellers, away from their financially troubled premium peers (Wijaya, 2010).

Nevertheless, smart businessmen are investing on Asia's budget airline business model. The global economic crisis served a golden opportunity to the

low cost carriers to expand and win market share, further consolidating their positions in comparison to the much premium airlines (Wijaya, 2010). For instance, during the quarter of 2009, Air Asia, also known as the leading low cost carrier in the Malaysia, produced a growth in capacity of 22% (YoY). This is due to the growing number of routes flight frequencies and passengers increment of 24% (YoY) or 9 005 828 seats in total as at 11 August 2009. The low fare structure made Air Asia the number one choice as opposed to MAS (Scribd.com, 2010). Being able to react sensibly to the shifting consumer preferences and trends, it is evident that low cost carrier airline companies contributed so much in transforming the industry's underlying economics. In 2010, Wijaya in her article also added that during the global recession in 2008, Asian travellers downsized significantly on luxury seats, and instead, hunted for the lowest fares. Her reason was that premium airlines having hampered with strict fixed-cost structures and higher debts, were therefore slower in responding to economic shifts. As a result, they lost out to the more agile low cost carrier competitors. As low cost carriers function on a different set of economic and financial theory, Pander and Baum in 2000 clearly described the operating feature which gives cost advantage to low cost carriers as compared to traditional premium airline (Piga, Filippi, Bachis, 2001). The recently listed Tiger Airways' chief executive officer, Tony Davies, held that the airline has strategically followed the approaches of US hyper-market retailer Walmart, quoting, "Low cost carriers are essentially retailers. Our business is to sell seats." (Wijaya, 2010)

In terms of figures to judge on the market competitiveness, in 2007, the global airline industry grew by 11.3%, with a value worth of \$429.9 billion, having a volume of 2,076 million passengers. It is forecasted that by 2012, the industry will have a volume of 2,362 million passengers, with an increase of value of 65.4% since 2007 to reach \$711 billion (Report Buyer, 2011). Having said so, the airline company has to come up marketing strategies to lure airline passengers to choose them as their mode of air transportation. To gain

advantage share in such a competitive market, airline sought to build brand loyalty among travelers which in turn attract primary demands, at the same time effectively discourage new carrier competition. In 1988, Bennett defined brand as 'a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers' (Woods, 2000). On the other hand, De Chernatony described brand as a cluster of functional and emotional values that promises a unique and welcome experience for its customers (Benner, 2006). The ability to create a direct and exclusive, yet distinctive relations and sentiment among customers of a particular airline will help build the airline brand which consequently differentiates that airline from its competitor. With time, customers develop a sense of loyal attachment with a specific brand because it provides beneficial values to their lives (Heath, Brandt, Nairn, 2006; Wyner, 2003). It can be clearly seen that a customer's preference and choice of a given brand largely falls on whether the customer-brand relationship brings significant worth. Ultimately, the basic in building customer loyalty towards an airline is to understand what customers expect from their relationship with an airline brand.

Over the past 30 years, the growth of global airline service industry has grown approximately 5% in average every year, with considerable yearly variations due both to shifting economic conditions, and changes in economic progression happening in different part of the globe (mit.edu, 2010). Today, air travellers seem to look for carriers that are able to offer high service quality, on-time arrival, and low fares all at once. The entry of low cost carriers in the Asia region has caused the established top carriers to sharply lower their fares to hold up against competition (Chang and Cheng, 2007). Leaving with no choice, airline companies have to modify their traditional business strategy theory to adapt to this new environment in order to try achieving low cost and differentiation simultaneously (Dostaler and Flouris, 2005). Although we have seen organisations coming out with promotions like "zero air fare", incentives,

and even superb services, however, a high level of brand-switching behaviour prevails in the airline services industry especially in the high end segment.

As numerous studies strongly agree that customer loyalty plays an important role in building long-term relationships, consequently, improving the financial performance of an organization (Mattila, 2006). It is now widely accepted that brand loyalty includes commitment toward the quality of a brand in positive attitudes and repetitive purchases (Tepeci, 2001). Therefore, the key success here is to secure and retain group of customers, maintaining the customers' loyalty towards the brand so that they are committed to perform continuous purchase from that particular brand alone. Customer acquisition is an expensive and difficult task for companies, requiring considerable investment (Sheth and Kellstadt 1992; Reichheld and Sasser, 1990), time and effort. This in turn makes customer retention a major concern for companies. Thereby it is seen to be an increasing focus upon strategically building a strong base of brand loyal customers rather than concentrating on attracting new ones (Kumar, Matista, and Maull, 2011). On average, researches revealed that retaining existing customers is less expensive than luring new customers (Skaanning, 2005; Greenyer, 2005) and reducing customer defections by as little as 5% can, in some circumstances, boost profits by 25 to 55% (Skaanning, 2005; Gartner, 2001). Likewise affirmed by Ennew (2003), retaining customers is proven profitable for companies than investing models in attracting new ones (Kumar, Matista, and Maull, 2011). As repurchasing tendency grows in a brand loyal customer than a non-brand loyal customer, it can be said that the foundation of an airline company in maintaining its sustainable position in the competitive airline industry is the ability to create and enhance its brand loyalty among the potential and existing customer.

1.2 Problem Statement and Operation Definition

1.2.1 Problem Statement

Hence, based on the discussion above, this paper will probe into the highly competitive market of airline industry to uncover the factors that encourage brand loyalty among airlines, so to lessen down the dynamic that affects brand switching. As this airline industry involves intangible products, there are high chances of brand switching among the customers. Also, due to the very low switching cost in the airline preference, airline brand loyalty is almost a non-existent. Competitions between full service carriers and low cost carriers have begun since the emergence of low cost carriers (Chang and Cheng, 2007). Customers often change their preferences over airlines and this made the airlines harder and more costly in terms of retaining existing customers and to attract new and potential customers. Furthermore, with such wide choices of airlines in the market, the competition within the industry itself creates a very huge challenge towards the airline companies. Each and every airline company has their own strategies in tackling their potential customers. For instance, Malaysia Airlines focused on the service quality and customer preferences and on the other hand, airline companies like Air Asia focus on cost sensitivity where they offered the lowest air fare for the customers.

The appearance of low cost carriers come into the market greatly affects the business of full service carriers as large part of customers switched brand choices from full service carriers to low cost carriers. This group of customers are mostly the business travellers whom are the frequent flyers of the full service carriers. With 50% lower in fare pricing, low cost carriers are able to deliver 80% of the service quality provided by full service carriers (Franke, 2004). These lower price fares offered by low cost carriers do not only help decrease the expenses of business travelling, but are also able to provide a quality service. As Mason (2001) indicated, low cost carriers are now very much

likely to attract more business travellers from small and medium sized companies.

As what mentioned, it is very obvious that the airline service industry has been facing low brand loyalty and in a long run, there will be no dedicated customers in an airline company. This would be the main concern of this research paper and the problem which needed to be addressed. As we focus closely into brand loyalty, it branches into two aspects; behavioural loyalty and attitudinal loyalty (Day, 1969). However, this research shows that the problems of airline companies faced might be the difficulty to secure the customers attitudinal loyalty instead of behavioural loyalty.

This paper further examined the factors that motivate customers to switch brand. Though countless studies have been carried out by different researchers to identify the factors on influencing business travellers' behaviour in selecting their preferred airlines (Chang and Cheng, 2007), high brand switching remains a common occurrence. Such conducts create a threat to the airline companies as there will be an unexpected fluctuation of active, loyal customers. With all these happenings, organisations will not be able to protect their long-term interest as they will not able to obtain an on-going loyal relationship with their customers.

Furthermore, with such numbers of strategies introduced to the business, many airline companies still fail to secure their customers' loyalty. For instance, Air Asia had their low cost strategies with the tagline of everyone can fly, but still, there are many non-loyal customers which are still looking for more attractive offers in the market. This group of customers would be grouped under the category of behavioural loyalty as they are loyal to the firm because they have no other choice. In Air Asia's website (airasia.com, 2010), it mentioned that Air

Asia believe that customers are loyalty to their low cost program. No doubt that each airline companies will have different strategies to focus on, there should however be a commonality between all. The fact that every service industries offer intangible products, customers' experience has been noticed to be of core importance in defining brand loyalty within the all service industries. This thesis approaches the research questions from both behavioural loyalty and attitudinal loyalty perspective.

1.2.2 Operation Definition

1.2.2.1 Behavioural Loyalty

Switching cost to competitors' airline– Airline companies often offer attractive flight programmes to secure customer loyalty. When customer sign up for a flight programme, they have to pay a premium in order to enjoy the benefits. If the premium is high, customer will not change to another airline services until the programme ends as the premium act as a switching cost to secure brand loyalty (Buttle, 2008).

Flight crew service quality – this factor would be categorized under the inertia behavioural loyalty. When customer have no other choice of good airline that have superb services offered, they are forced to be loyal to a brand that would provide better quality service. For instance, Malaysia Airlines managed to capture their customers' loyalty through the top notch service provided. When compete in terms of other strength such as pricing, Air Asia prevails over Malaysia Airlines. However, due to their higher quality services provided, customers opt to remain loyal to the Malaysia Airlines. Having awarded the Best Cabin Crew of the world in year 2007, Malaysia Airlines proved that their service quality was globally recognized by the worldwide consumers.

1.2.2.2 Attitudinal Loyalty

Trustworthiness of the airline companies – Trust issue play a very important role in the service industry. As service is an intangible subject, customers will have expectation over the service provided. No doubt airline companies offer tangible products to customers, however; the core business is the flight service. When airline companies managed to develop strong trust bond with the customers, over time, customers will begin having the sense of attachment with the company. Hence, once high trustworthiness is created with the customers, such feeling will secure customer loyalty towards the brand emotionally (Anuwichanont, 2010).

Social Identity provided by the airline companies – Social identity is another factor that customers consider when purchasing over the brand. Customers want to be socially identified when being associated with a brand. As attitudinal loyalty linked very closely with customers' emotions, social identity will influence their purchasing behaviour (Chang & Cheng, 2007). For instance, customers with high regards to social recognition and symbolic benefit will definitely go for the most expensive airlines or the first class airline. Although the services provided are not as good as other airlines, or the price is not as competitive as other airlines, consumers do not mind paying the price as it gives them a sense of upper class identity. This can be demonstrated through the different classes of flight service offered in an airplane; economical class, business class and first class, of which the latter gives customers a much more superior social identity. Being so, social identity is also an emotional determinant of customer loyalty (Benner, 2009).

1.3 Research Objectives and Research Questions

1.3.1 Research Objectives

This research aimed to identify the motivators of brand loyalty in airline industry. Motivators will be categorized by attitudinal loyalty and behavioral loyalty hence, objectives research will focus on both types of loyalties and the motivators that have significant influence over brand loyalty.

RO 1: To identify which factors among the four independent variables have the most significant influence over the dependent variable of brand loyalty in airline service industry.

RO 2: To determine whether behavioral loyalty or attitudinal loyalty will have a stronger influence over brand loyalty in airline service industry.

RO 3: To analyze the factors of behavioral loyalty on brand loyalty.

RO 4: To analyze the factors of attitudinal loyalty on brand loyalty.

1.3.2 Research Questions

The research questions set in this paper set are very direct and have a strong relationship with the research objective. The researcher first identified the relationship between independent variables and dependent variables. The questions set were then narrow down into the strength of each factor and determine the significance of the independent variable towards the dependent variable. The results of the analysis will clearly show which factor would have significant influence towards brand loyalty in airline service industry.

As the main research objective is to identify the most significant factor that would influence brand loyalty in the airline service industry, the first research question consist of understanding the influence of the four independent variables.

Research Question 1: Do switching cost to competitors' airline, flight crew service quality, trustworthiness of the airline companies and social identity provided by the airline companies have an influence over brand loyalty in airline service industry?

Research Question 2: Which factor has the most significant influence over brand loyalty in airline service industry?

Last but not least, the final research question that needs to be answered in this research paper is,

Research Question 3: Which factor should organizations focus to motivate high brand loyalty in airline service industry?

Once the solution to the problem is found, appropriate marketing strategies should be implemented by the companies. Having identified the factor to motivate brand loyalty in airline service industry is identified, variable is tested as whether it is applicable in the real life airline service industry. Surveys are carried out based on customer's experiences and perceptions. If there is no win- win situation between customers and organizations, it would not be practical for the organization to carry the inappropriate strategies to encourage brand loyalty. Hence, with this research question, organizations will know which variable to focus in so that a win- win situation can be attained, meanwhile instilling and maintaining brand loyalty.

1.4 Significant of Study and Limitation of Study

1.4.1 Significant of Study

The significance of this study area is to determine the motivating variables of brand loyalty in the airline service industry. In this era of technology, businesses had been growing rapidly and most of the businesses have expended overseas, thus creating high barriers geographically among the marketers. As businesses boom overseas, the demand for airline services increased dramatically over the

past decades, which in turn, increases the supply for airline services. Airline companies have been springing up and created a highly competitive environment over the airline services industry. With this research done, it is not only to determine the variables that have strong influence over airlines' brand loyalty, but it deliberately narrowed down the factors that can create and enhance brand loyalty among the costumers within the airline service industry.

Other than that, high brand loyalty is also shown to ensure customers' loyalty and with the factors identified, organisations will be able to know the core factor which will promise continuous loyalty in the airline service industries. Without securing loyal customers, it poses great threat for the organizations as airline service industry is no longer a monopoly market but an oligopoly market or even a monopolistic competitive market. Thus, the attractive part of this research is that it helps airline companies to adjust their firms' strategies through the variables identified to create and better their approach towards customer satisfaction and ultimately lead to brand loyalty. If this research paper is able to assist airline companies to be ascertain the wants and needs of customers, the airline company can definitely gain their competitive advantage by modifying their business concept and focus on new strategic approaches.

Additionally, past research done over the world adapting to different countries and culture have not addressed the issue of brand loyalty effectively. Although all these variables are tested and shown significant level of importance towards brand loyalty, the relevance of the variables is questionable for the airline service industries. Similarly, the effectiveness of the findings is still in doubt as many service firms are still facing low customer loyalty. In order to get an effective solution towards the competitive airline service industry, there must be constant research carried out adapting to the ever changing needs of consumers specifically different cultural backgrounds which may have different perspectives on brand loyalty.

Not forgetting that this research would be important for other businesses in other industry as well. No doubt the study area focus specifically on airline service industry, there are businesses in other industries which share similar business environment with airline service industry. Brand loyalty is not something new that have just recently appeared in the research world. Literature research has shown that much studies have been done on this topic and researchers will have their own research model to pick on brand loyalty. By having airline service industry as an area of study, this research will adopt examples and cases from airline companies.

1.4.2 Limitation of Study

The main challenge faced in this research paper would be identifying the independent variable under the category of behavioural loyalty and attitudinal loyalty. As mentioned above, brand loyalty is not any current issue faced by the organizations, what more in airline service industry. Hence, there are many variables suggested by past researchers and proven under the domain of behavioural loyalty and attitudinal loyalty. Selecting the variables out of all the possible highly significant variables within these two aspects alone would definitely be considered as one of the main limitation of the study.

This research also encountered shortage of time. One critical time consuming area is the search for secondary source data, which are the journal articles, books and past research papers as reference. Furthermore, having to collect primary source of data using questionnaire which are distributed to different locations such as the airport, university and business areas posed another challenge in the research.

Last but not least, the last limitation to be found in this research process would be the biasness in the research paper. As the sampling method is convenience

sampling, they might be a part of the real population not being targeted. Hence, results and opinions obtained may prejudice towards the smaller group of respondent, as real population is not well represented. Not forgetting that targeted population is in Malaysia where the culture and practice may be different from other countries. This can create biasness of respondents judging only on the local cultures and practices. Majority of the studies may possibly encourage bias responses, largely desired by the society in general. Also, some statistical methods used are unlikely to acquire actual responses and opinions from the minority within the society.

1.5 Organization of the Study

Chapter one gives an outline of the research. It includes a brief overview of the current status of service quality, trust, customer satisfaction and brand image, the contribution and problem statements and then the research objectives, hypothesizes and questions. Finally, it gives a short explanation about the research methodology.

Chapter two provides the background of the research issues based on the work that has been done by other researchers. The content of this chapter forms the basis for the construction of theoretical framework and derivation of the hypothesis.

Chapter three discusses the research method used for this research. It includes a clarification of the types and sources of data used, the data collection method, the scope and sample size, the research instrument, the measurement scales and the statistical procedure and techniques for data analysis.

Chapter four looks into all the analysis and findings of the research. Regression test is being adopted to analyze the relationship between the independent and dependent variables. Validity test and reliability test were used as well in order to ensure accuracy of results. Respondent demographic factors were also explained in chart forms so that readers will have a basic understanding of the respondents' characteristics in this research.

Chapter five covers managerial implications, recommendations for future research and conclusion. Conclusively findings based on analysis were used to reinforce the research topic. Recommendations were discussed in managerial implication so that managers' will have a general view of the whole research and to enable extraction of relevant factor to build airline's brand loyalty. Besides, recommendations were also made for future research purposes to further enhance the research findings.

CHAPTER II: LITERATURE REVIEW

2.1 Brand Loyalty in Airline Service Industry

The topic of brand loyalty has been popularly discussed since the past few decades. Organizations have been facing the same problem without having a proper solution. Organizations failed to retain customer loyalty although many research had been done and strategies suggested. There is a lot of research showing the motivator of brand loyalty. Day (1969) and Jacoby (1971) recommended that brand loyalty to be regarded as a two dimensional concept; behavioral loyalty and attitudinal loyalty. Moving forward, recent researchers also incorporated multiple attitudinal or psychological facets into the studies of brand loyalty, thus leading to a more in-depth and better integrated understanding of the meaning of brand loyalty (Kuo, Chia, Cheng, 2004). No doubt that research on brand loyalty had since been brought to another level of insight, however, in this paper, the main concern will look into the factors within the two dimensions of loyalty which is behavioral loyalty and attitudinal loyalty. As definition integrating this multidimensional construct has been provided Oliver (1999) said, "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior." (Gommans, Krishnan, Scheffold, 2001).

Before further explanations, first, the difference between the definition of service loyalty and brand loyalty must be addressed as many misunderstood that both terms are interchangeable. Although this research focused on the airline service industry, the meaning behind service loyalty towards airline companies and brand loyalty towards airline companies is very much different. Questions often rose saying that when customers are loyalty to a service firm, wouldn't they be loyal to the brand as well? Gremler and Brown (1996) firmly conclude that

service loyalty differs from brand loyalty. Service loyalty in airline industry can be solely on the airline service itself but brand loyalty towards the airline companies includes all the airlines' products and service. In brand loyalty, customers are loyal to the airline brand as a whole rather than the flight service alone. For instance, Air Asia has a huge umbrella of product which includes Tunes Hotel, Tunes Communication and Air Asia branded products. Customers that are loyal to the brand will prefer anything from Air Asia and not only the flight service provided by Air Asia. When organizations stress on the matter of brand loyalty, organizations may need to determine the exact meaning of brand loyalty and strategize their business accordingly so that the strategies can fit into the business environment.

There are a lot of definitions constructed behind the meaning of brand loyalty. In 1974, Sheth and Park defined brand loyalty as 'a positively biased emotive, evaluative and behavioral response tendency towards a brand, label or graded alternative by an individual in his capacity as a user, choice maker or purchasing agent'. Following 1982, Engel, Kollat, and Blackwell proposed that brand loyalty is the attitudinal, behavioral and preferential reaction towards one or more brands in a product category expressed over a period of time by the buyer. On the other hand, there are also researchers suggesting that brand loyalty is the favorable attitude towards a brand, leading to consistent purchase and repurchase from that particular brand for a period of time (Assael, 1992; Keller, 1993). As the research goes on, it is predictable that there will be more definitions and thoughts by researchers contributed to this area of study. As Chaudhuri and Holbrook (2001) examined the effects of both behavioral loyalty and attitudinal loyalty on brand performance, they realized that behavioral loyalty allocate better market share for the brand, while attitudinal loyalty stimulate higher relative price. Having said so, however, a lot of studies have shown results that behavioral loyalty and attitudinal loyalty are the main dimensions in assessing brand loyalty, thus, these two dimensions must always

be taken into strict consideration when assessing loyalty towards a brand (Gremler 1995; Anderson and Srinivasan, 2003).

2.2 Behavioral Loyalty

During the early years, studies deemed that loyalty focused entirely on the behavioral dimension (Kuusik, 2007; cf. Jacoby and Chestnut, 1978; Pritchard, 1991). This means that as long as there is repeat purchase in the customer behavior towards specific brand overtime, it would be consider as loyal without having attitudinal loyalty. When researchers define closely in loyalty, behavioral loyalty was then divided and clearly defined in a newer dimension of brand loyalty. According to Kuusik (2007), customers that are behaviorally loyal towards the organization have no loyal actual bond attached with the brand or supplier. Customers who are behavioral loyal to a brand will positively have an unknowing bias response towards the brand regardless of its procurement, purchase and consumption activities (Sheth and Park, 1974). As for another research done in 1991 by Backman and Crompton, behavioral loyalty can be seen when a loyal customer practice a conduct of consistent purchase products of one brand over time.

Besides, Kuusik (2007) also asserted that there are three categories of behavioral loyalty customers. They are those who are forced to be loyal, second are those who are loyal due to inertia, and finally those who are functionally loyal. All the customer loyalty factors under the dimension were judge based on these three criteria. On the other hand, there are other researchers suggested that behavioral loyalty was classified into four groups; loyalty that located in customer buying sequence, loyalty on a basis of the proportion of customer purchase over a particular brand, probability of repeat purchase in customer buying behavior, and the combination of all the mentioned behavior were findings of Jacoby and Chestnut in 1978. These four classifications were also

supported by other researchers such as Pritchard, Howards and Havitz, 1992; Burford, Enis, and Paul, 1971 and etc. In short, behavioral loyalty represents the time and motion study of customers as they behave towards the brand in a positively biased way (Sheth and Park, 1974).

2.2.1 Switching Cost to Competitors' Airline

One factor that is the main influencing factor behind brand loyalty in airline service industry is switching costs- those related with changing from the usage of one product or provider to another (Guiltinan 1989; Klemperer 1987; Zeithaml 1981). In most of the industry, organizations would establish certain loyalty programs in order to secure their customer loyalty. Most of these programs involve cost in terms of monetary cost or time. Switching cost has been well studied when loyalty became a concern in the industries. According to Jones et al. (2002), switching cost is the factor that makes it hard and costly for consumers to switch providers. It also been defined by Shergill and Bing (2006) that switching cost is the technical, financial and psychological issues that bring about difficulties and unnecessary expensive cost when customer changes a brand.

In airline service industry, "Frequent Flyer Programs" is a program often offered to the customers. Frequent flyer programs (FFPs) act as a loyalty program specifically for the airline industry. In this program, customers get to accumulate points throughout their loyal support, and in return given privilege to enjoy benefits by the airline companies. These accumulated points can then be redeemed for rewards. One of which the most common is free flights or free upgrades of seating with the given airline or one of its alliance partners (Benner, 2009; Lederman, 2007, p. 1137; Carlsson & Löfgren, 2006, p. 1470). Hence, when consumers switch the brand or supplier, they would have lost all the beneficial advantages that they might have gained.

However, in 1997, Dowling and Uncles claimed that customers are loyal to the loyalty program instead of the actual airline brand. Doganis (2006) also argue that customers who often enjoy this frequent flyers program often are high yield passengers and are usually member of several airlines' frequent flyer programs. No doubt that there are argument of the effectiveness of switching cost in airline service industry, however, the program have prove to secure customer loyalty towards the airline service. Ultimately, the goal of the program can be reach, which is to provide switching cost to the customers and secure their brand loyalty in airline service industry. Therefore, such repeating purchase because of the forced loyalty, switching cost is classified under the category of behavioral loyalty.

2.2.2 Flight crew service quality

Service quality is one of the most dominant areas of research in the service industry for most customers emphasize a lot in being served with a first class quality. (Fisk et al., 1993). Part of the reason is also because service is the core product of a service firm and with low service quality; it equals to consumers paying for low quality product. Researchers had been conceptualizing service quality as the comparison of service expectations with the actual service provided by the service provider (Zeithaml et al., 1990), at which service offered and delivered is measured at which level it matches the customers' expectations (Lewis & Booms, 1983).

In the research done by Parasuraman (1988) and Zeithaml (1988), they proposed using SERVQUAL instrument to measure customer expectations. Through SERVQUAL, researcher identifies how much service quality would affect brand loyalty and whether high service quality will lead to customer satisfaction and eventually, leading to brand loyalty. Delivering superior quality of service has been recognized as one of the most effective way to ensure a company's offerings to shine among the competitors' airline with similar

services offered (Parasuraman et al., 1991a). Berry in 1988 too asserted that service quality act as a key weapon of most of the leading service firms in the market.

While providing top service quality remains a core strategy to retain brand loyalty, airlines companies have seen to do a lot in promoting and enhancing their service quality, especially during selections of airline crews, which is widely known to be meticulous and demanding. Loyal customers will return purchase from the same service provider if the beneficial values that they receive are comparative higher than expected from the competitors (Zeithaml & Bitner, 2003). In the present competitive environment, it is important for airline companies to realize the advantages of customers' lifetime values (Zeithaml & Bitner, 1996), and the worth in developing and sustaining long-term customer relationships (Gronroos, 1990b, 1991; Peters, 1988) in prolonging companies' survival (Kandampully, 1998). Besides, building up organizations reputation and attract new customers, service quality can also be one of the factors that build strong brand loyalty in a long run. Thus, quality was visualized as a peripheral value-adding component of a service (Parasuraman et al., 1991b) and a component designed to boost up firms' competitive advantage (Berry et al., 1988; Berry & Parasuraman, 1991; Brunell et al., 1992; Peters & Waterman, 1982).

2.3 Attitudinal Loyalty

According to Backman and Crompton (1991) brand loyalty does not only involved more than simple repeat usage, as it should also include an attitudinal measure. Due to deficiencies in aiming at behavioral loyal alone in determining loyalty, the dimension of attitudinal loyalty is then looked into (Lam, 2005). Attitudinal loyal customers are those whom practiced repeat purchase based on cognitive, affective, evaluative and predisposition factors (Jacoby, 1971).