



An asymmetrical approach to understanding configurations of customer loyalty in the airline industry



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ABSTRACT

This study employs fuzzy set qualitative comparative analysis (fsQCA) to examine asymmetrical relationships among service attributes, relationship quality, and customer loyalty in the airline industry. The study incorporates customers' demographics and psychological variables to model customer loyalty. Customer loyalty is operationalised as behavioural and attitudinal dimensions in order to capture customers' actual behaviours and behavioural intentions. Symmetrical testing is also used to compare findings with those from fsQCA application. The study provides various causal recipes or configurations for predicting relationship quality and customer loyalty. The comparison between symmetrical and asymmetrical findings presents deeper and more insightful information. These findings provide useful guidelines and references for the relevant researchers and practitioners. The study also contributes to the literature by utilising symmetrical and asymmetrical tools to advance understanding of antecedent conditions of relationship quality and customer loyalty.

1. Research background

Customer loyalty has been extensively discussed in the relevant literature. Achieving customer loyalty is a key strategy to gaining competitive advantage for firms. Over decades loyalty research has been centred on identifying and analysing antecedents of customer loyalty and examining structural relationships among these predictors. Factors that precede customer loyalty include service quality and customer satisfaction or relationship quality (Caruana, 2002; Hollowell, 1996; Orel and Kara, 2014; Rauyrueen and Miller, 2007; Storbacka and Strandvik, 1994). Researchers (e.g. Heskett and Schlesinger, 1994) propose that delivering premium service is important to satisfy customers. Happy customers stay loyal to the business. Customer loyalty accounts largely for business profitability.

Nevertheless, some researchers (e.g. Kale and Klugsberger, 2007; Prentice, 2013a; Prentice and Woodside, 2013b; Prentice, 2014; Zeithaml, Berry and Parasuraman, 1996) argue that customer satisfaction is not a necessary condition of loyalty. In many cases satisfied customers do not return to the business (Bowen and Shoemaker, 1998; Griffin and Herres, 2002; Reichheld et al., 2000). On the other hand, service quality does not always lead to customer satisfaction and loyalty. Service quality is generally conceptualized as a multidimensional construct, consisting of several dimensions that are classified on the basis of customers' perception of various service encounters. Firms

endeavour to ensure delivering quality service over each encounter to generate positive perceptions and assessment of the firm's service quality and to achieve customer satisfaction. Despite such effort, research (e.g. Prentice, 2014) shows that some dimensions of service quality have negative impact on customers' favourable behavioural intentions. These studies reveal asymmetrical complex relationships among service quality, customer satisfaction and loyalty.

However, the symmetrical testing of service quality-customer satisfaction-loyalty link appears to be dominant in the literature. This testing predominantly uses regression analyses and structural equation modelling to generate symmetrical relationships between these constructs. This approach explicitly assume high or low values of independent variable X (X can be a single variable or a group of variables) associate with high or low values of a dependent variable (Y) (see Woodside, 2013; Woodside et al., 2015). The symmetrical assumption is rather simplistic. Ragin (2008) contends that X and Y are rarely symmetrically related in real life contexts, and that asymmetrical relationships are often present. This contention is consistent with the complexity theory proposed by Byrne (2005). The theory indicates that both high and low scores of X , depending on the configuration, can lead to high outcomes of Y . In some cases, the same outcome is produced by different or contradictory paths.

Woodside (2013) points out various flaws in the prevalent symmetrical testing in business research. Drawing on the complexity theory,

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he asserts that a research paradigm shift is emerging by adopting asymmetrical testing of the XY relationships. This testing employs fuzzy-set qualitative comparative analysis (hereafter fsQCA) to examine asymmetrical relationships between X and Y. FsQCA uses algorithms to examine outcome conditions and “rests on both a quantitative and qualitative approach to data analysis and theory in that the method is able to generalize across cases while still being able to explain complexity at the case level” (Woodside et al., 2015, p. 66). Originally developed for sociology and political science, FsQCA has been gaining attention in business research (e.g. Fiss, 2007; Greckhamer et al., 2008).

In addition to investigating complex relationships between X and Y, fsQCA uses Boolean algebra to examine configuration of causal conditions for the outcome. Outcomes of interest rarely result from a single causal factor; causal factors rarely operate in isolation; and, the same causal factor may have different—even opposing—effects depending on the context (Greckhamer et al., 2008). Such principles imply “equifinality”. The concept of equifinality indicates that the same outcome can be achieved through different configurations of causal factors (Ragin, 2000). While the configurations of factors pertaining to a phenomenon can potentially be numerous, equifinal configurations effectively explain the phenomenon and typically reduce to a few coherent patterns of attributes. FsQCA is a set-membership analytical technique appropriate for complex configuration analyses (Ragin, 2000).

Consistent with above discussion, the current study employs fsQCA to examine complex relationships among service provisions and customer responses (e.g. customer satisfaction, loyalty) in the airline industry. Competition in this industry is intensifying. Gaining customer patronage and loyalty is key to achieve competitive advantage. This study draws on the complexity theory and uses asymmetrical testing to identify the factors that may attract passengers’ positive response to respective airlines.

Prior studies have revealed that servicescape or intrinsic cues are important stimuli leading to customer satisfaction or loyalty (e.g., Bitner, 1992; Wakefield and Blodgett, 1994; Tombs and McColl-Kennedy, 2003; Kim and Moon, 2009; Loureiro et al., 2013). In the context of air transportation researchers have pointed out the importance of customer experience (Zomerdiijk and Voss, 2009) and particularly the effects of in-flight attributes or the servicescape of the plane (e.g. ambience, sitting, design of the aircraft) on air travellers’ decision (Han, 2013) and loyalty (Han and Hwang, 2014). However, findings from prior research are primarily drawn on individual service attributes and generated through symmetric approaches. In this research, we deploy fsQCA and propose a holistic approach to investigating configurations of attributes associated with airlines as well as with the passengers in explaining customers’ attitudes and behavioural outcomes.

The antecedent conditions examined in the study are services related to the airlines including in/out aircraft attributes. Customers’ demographic-psychological variables are also included in the analyses. The rationale for this inclusion is discussed next. The outcome variables in this study are focused on passengers’ relationship quality with the airline and their loyalty. Relationship quality has been considered as a set of intangible values in the exchange between a customer and a seller or a provider (e.g., Levitt, 1986; Crosby et al., 1990). Although there is no consensus on which dimensions make up relationship quality, three constructs have been regarded as the core dimensions: satisfaction, trust and commitment (e.g., De Wulf et al., 2001; Athanasopoulou, 2009; Tsaour et al., 2014). These dimensions are important in explaining customer loyalty (e.g., Akamavi et al., 2015; Garbarino and Johnson, 1999; Loureiro and Miranda, 2008).

Specifically this study investigates how the antecedent conditions (flight attributes) are combined to predict the outcomes (relationship quality and loyalty). The purpose of configuration analysis is to discover those few equifinal configurations. The relationship between airline carriers and passengers is a complex and multidimensional phenomenon, in which the configuration of the in-flight attributes is

more important than the individual attribute. There should be an appropriate fit between the configuration and passengers’ demographic-psychological variables. This investigation uses Boolean algebra rules to identify which of the attribute combinations, if any, act as sufficient or necessary conditions for the outcomes (relationship quality and behaviour intentions) (Fiss, 2007). The same attributes, depending on their configuration with other attributes, can also foster or inhibit passengers’ relationship quality and loyalty. The purpose of configuration analysis is to discover those few equifinal configurations.

The present study contributes to the literature by demonstrating asymmetrical ways of thinking about relationships for complex antecedent conditions and outcomes—which allows for a more nuanced understanding of the underlying configurations on how customers’ combine service facet evaluations when assessing airlines. In doing so, the study includes contrarian case analysis (CCA). CCA includes nearly all data sets whereby an indicator (independent variable) associates with an outcome (condition or dependent variable) in a manner that counters to the reported principal symmetric relationship.

2. Hypotheses

2.1. Drivers and outcomes of the airline service providers

Inflight attributes are generally believed to affect passengers’ perception of service quality and satisfaction with the airline (see Han, Sean and Kim, 2014). These attributes primarily refer to the aircraft’s tangible elements including ambient conditions (e.g. air quality, temperature, odour, noise) and other servicescape components (e.g. layout, sittings, equipment and amenities) (Han, 2013; Han and Hwang, 2014). However, a plethora of research (e.g. Bettencourt and Gwinner, 1996; Sirianni, Bitner, Brown and Mandel, 2013; Prentice, 2013a; Prentice and Woodside, 2013b; Prentice, 2014; Singh, 2000) has stressed the role of service employees in shaping customer attitudes and behaviours. The service provided by employees on the aircraft, namely flight attendants, is a key to estimating the airline’s perceived service quality (An and Noh, 2009). Researchers (Ryu and Jang, 2007; Loureiro, 2015) highlight importance of considering social elements that mainly involve the interactions between service employees and passengers. However, prior research on flight attendants is primarily focused on their employee-related outcomes (e.g. turnover, health issues) (e.g. Chen, 2006; Rafnsson et al., 2001; Reynolds et al., 2002). This research includes the service performed by flight attendants in the analyses of relationship quality and loyalty.

In addition to in-flight attributes, outside-flight services, for instance, availability of flights and online service that facilitate passengers’ travel are also important to perception of the airline’s service quality. Very little research has attended to these aspects to understand customers’ responses. Today, travelling by air is one of the most popular means for national and international travellers. Flight frequency and availability provide convenience for frequent flyers. Naturally air travellers would prefer airlines that provide more flights on daily or weekly bases. The internet service also eases travellers’ busy lives. Travellers today tend to book and arrange their air travels online. The services that facilitates online purchase also affect travellers’ preference and loyalty towards the airline. The foregoing discussion leads to the following hypothesis.

H1. Both in/out-flight attributes form complex antecedent conditions for passenger relationship quality with the airlines.

H2. Both in/out-flight attributes form complex antecedent conditions for passenger loyalty with the airlines

Most research approaches to service quality and customer behaviours from service providers’ perspective. Service production takes place simultaneously which indicates that the production process involves service providers and customers (Lovell and Gummesson,

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