

## The Effect of Perception Quality/Price of Service on Satisfaction and Loyalty Algerians Customers Evidence Study Turkish Airlines

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### Abstract

This study aims at tackling theoretically and empirically the effect of service quality and price on the satisfaction and loyalty customer towards Turkish Airline. Having determined the main service variables surround Airline services field. We came up with the conceptualization a model to proceed that to analyze the effect of perceived quality of service and price on satisfaction and loyalty Algerians customers. The model is tested on a sample of 300 respondents. We chose to analyze the model using structural equation model SEM. The result confirms our hypotheses that the service quality effect on customer satisfaction. As well as Satisfaction effect on his loyalty to the company. The perceived price fairness affects the satisfaction and the weak impact on loyalty.

**Keywords:** Service quality; Price; Satisfaction; Loyalty; Turkish airlines; Marketing service; Empirical study; Conceptual model

### Introduction

Under the competition situation around the world now, consumer satisfaction is important companies seek to do. However, today the services play a significant role in local economies, and international cuisine was given during the development to check the emerging countries. In 21 represents services, 70% concerning the new posts.

In the environment full of challenges to the various companies are trying to offer the best services to continue. In the context of high competitiveness in the airline should be on the operators to find ways to make its services, highlighting among others through understanding their client's needs than being met or exceeded. The airline companies were very must be aware of the strategic importance of quality, raising the level of quality is not the cost in the long-term, but is an investment generating more gains [1]. That is why researchers interested to study the service quality in various areas, including hotels [2], banks, and airline service [3,4].

Many researchers usually study the service quality. However, the definition of this concept is not clear because of the specific characteristics of the service: involability, variability, indivisibility and perishable. Researchers assume that service quality is the subjective judgment for consumers, focused on the process and the result of the offer of service.

According to Grönroos [5], the service quality is the result of the comparison between the expected service and the perceived service. Also, find that it's hard to assess the quality of service because of the simultaneous delivery and consumption. For, service quality makes an attitude of the consumer, that is to say, an overall assessment. Cronin and Taylor also defined service quality from the consumer's perceptions.

According to Swan and Combs, service quality constitutes the instrumental performance and the performance expressive. According to Lehtinen and Lehtinen, it includes the physical quality, from that of an undertaking, that 88 of interaction, the quality of the process and that of the output. According to Ovreteit, it includes the quality of customer that of experts and management. In the same context, Harvey insists on the fact that the quality constitutes with performance and process.

Service Quality as "the difference between the expected services perceived service by Client". Some of the research on service quality developed by several researchers, those of is the most widespread. They developed ten criteria for assessing service quality and ultimately create through consecutive studies; the model "SERVQUAL" consists of five criteria:

1. Tangible include physical facilities, equipment, and the staff appearance.
2. Reliability includes the provisioning service with dependably and accurately.
3. Responsiveness includes the wish to help customers and faster service.
4. Assurance includes the staff capacity to confidence.
5. Empathy includes personal attention to clients of the company's party.

This measure used by several researchers to measure the service quality. Although many scientists Cronin and Taylor critic this scale (SERVQUAL). It has popularity among researchers and to measure the service quality.

Many studies were exceptional quality service of airlines field in western countries. Also Gursoy et al. is interested in many researchers studied the service quality of airlines in westerly countries. A few studies focused on the service quality.

This current study explains the impact of "service quality-price"

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**Received** January 06, 2018; **Accepted** January 15, 2018; **Published** January 19, 2018

**Citation:** Asma S, Dine MSB, Wafaa B, Redouan A (2018) The Effect of Perception Quality/Price of Service on Satisfaction and Loyalty Algerians Customers Evidence Study Turkish Airlines. Int J Econ Manag Sci 7: 503. doi: [10.4172/2162-6359.1000503](https://doi.org/10.4172/2162-6359.1000503)

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Turkish Airlines on satisfaction and loyalty Algerian consumers. As well as, examine the impact of the dimensions of quality of service (SERVQUAL) proposed by a party and price on the satisfaction and the loyalty of the Algerian consumers. This paper structured as follows: After a brief introduction, we present a literature review about the "quality-price" Airlines and its relation to consumer satisfaction and loyalty. The second section concerns the conceptual framework to the study where we found the model with the theoretical discussion. Finally, we finished our research with an empirical study to confirm our model and our hypotheses.

## The Research Goals

The main goal of our research to study, the effect of "service quality-price" Turkish Airlines on satisfaction and loyalty Algerian consumers.

### Subsidiary goals

Study the effectiveness rate of quality Turkish Airlines service on satisfaction and loyalty Algerian consumers.

Study the effectiveness rate of price Turkish Airlines service on satisfaction and loyalty Algerian consumers.

Study the effectiveness rate of satisfaction on Algerian loyalty consumers.

## The Selected Method

The case study was chosen as the method for this research to confirm our conceptual model in some cities in Algeria. A case study is a "development of detailed, intensive knowledge about a single case or a few related cases".

We used the exploratory method to study by a questionnaire. The questionnaire was distributed to the sample composed of 500 responders.

## Literature Review

They are several types of research examined the impact of service quality on customer satisfaction and loyalty in aviation. Ali et al. [6] Study the Pakistanis and foreigners' customers evaluated the service quality of Pakistan International Airlines (PIA), have argued the primary concern of marketers be to attract and retain customers. The field of relationship marketing mains based on customer satisfaction, perceived quality of service, Price, trust and organisational commitment.

The concept of quality of service has recognised in an apparent importance and of outstanding scientific effort has been devoted to him to improve his understanding and make it multiple forms of measurement.

Vanhamme considered the quality perceived as the general evaluative judgment a (product/service) on the relative superiority of the latter, more accurately, an assessment for the excellence of product/service. For our research, we discuss the quality of Airlines service that is defined as the difference between the perceptions customers of the services offered by the society and expectations.

The scientific literature takes two key concepts, namely satisfaction and perceived service quality, raises a consensus that says these two constructs share a close relationship. This relationship between the perceived quality of service and customer satisfaction has received much attention. In fact, many marketing types of research such as

those from Anderson et al. and A. Parasuraman et al. reported that «satisfaction is the direct result of the perceived quality". In the same research framework, Otto and Ritchie and Cronin 1992 pointed out that the perceived quality is the antecedent sense of satisfaction.

We can formulate our research problematic as follows:

What extent influences that perceived quality and price of the Turkish Airlines services on the satisfaction and loyalty customers?

## Conceptual Framework of Research

### Hypothesis

To answer this problematic, we can subtract the following hypotheses:

**Service quality, customer satisfaction and loyalty:** The dissatisfied will tell nine people about a bad experience, and 13% will tell more than 20 people. According to Hussain, the service quality has a positive impact on customer satisfaction. Furthermore, Clemes found the safety, and security is the most important in the service quality and has more impact on customer satisfaction of the price. Ali sees the five dimensions of service quality, namely (tangibility, tangible terminal, individuals, friendliness in handling and images) affect customer satisfaction. An and Noh reach to recognise the service quality varies between high classes, economic class.

The service quality has the different effect on customer satisfaction between the two classes. From the above, it can formulate the hypotheses such as the following:

H1: Perceived service quality has a high positive impact on customer satisfaction.

**The price of service and customer satisfaction:** According to Consuegra and Riandarini, the price fairness associated positively with the customer satisfaction. Vallejo found the price fairness has the significant impact on the customer satisfaction. Akamavi et al. [7] found a positive relationship between price and customer satisfaction. In other Park do not find the relationship between perceived price and satisfaction. In of the above might develop the following premise:

H2: Perceived price of the service has a positive impact on customer satisfaction.

**The price of service and loyalty:** About the impact of price on customer loyalty [8] has been found the price fairness associated the customer loyalty with a positive impact, the same results found by Asadi et al. [9]. Varki found the strong relationship between price fairness perception and behavioural intention for customers in New Zealand. According to previous studies can propose the following hypothesis:

H3: Perceived price of the service has a positive impact on customer satisfaction.

**Satisfaction and loyalty:** According to Hallowell study, the consumer satisfaction, anterior variable in the loyalty plays a role in strengthening the possession of the customer. Between satisfaction and loyalty, so it is Positive relationship. Although, it varies more or less depending on the type of client.

According to a study of Reichheld and Sasser, satisfying the consumer intends to pay with the will; he wants to get the benefits. He did not react significantly to a somewhat higher price. Consequently, according to the authors, consumer satisfaction is a condition for obtaining the loyalty and significant profit for the company. Report

the presence of a strong correlation between satisfaction and loyalty. Furthermore, many researchers found this correlation. Thus, we establish in this research hypothesis based on the previous studies [10].

H4: The consumers' satisfaction has a positive relation to its intentions of loyalty.

**Justification of the conceptual model**

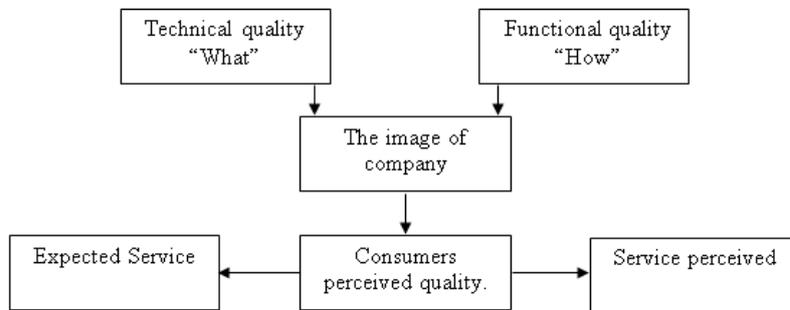
**Model of Grönroos:** Grönroos [11] has elaborated the model (Figure 1) of the evaluation of the service quality. Following it's the model; the service quality perceived by the consumer is an effect of comparison between the waiting approval of the consumer and the experience Proven by the consumer. In this case, the consumer evaluates the service quality based on three dimensions the type of service, the means of supply and the company image.

Grönroos proposes six dimensions that constitute the service quality:

The professionalism and the technique relate to the technical quality; the attitude and the behaviour, accessibility and flexibility, the reliability and the confidence, the recovery of service refers to the functional quality; the reputation and credibility, for they are the image of the company.

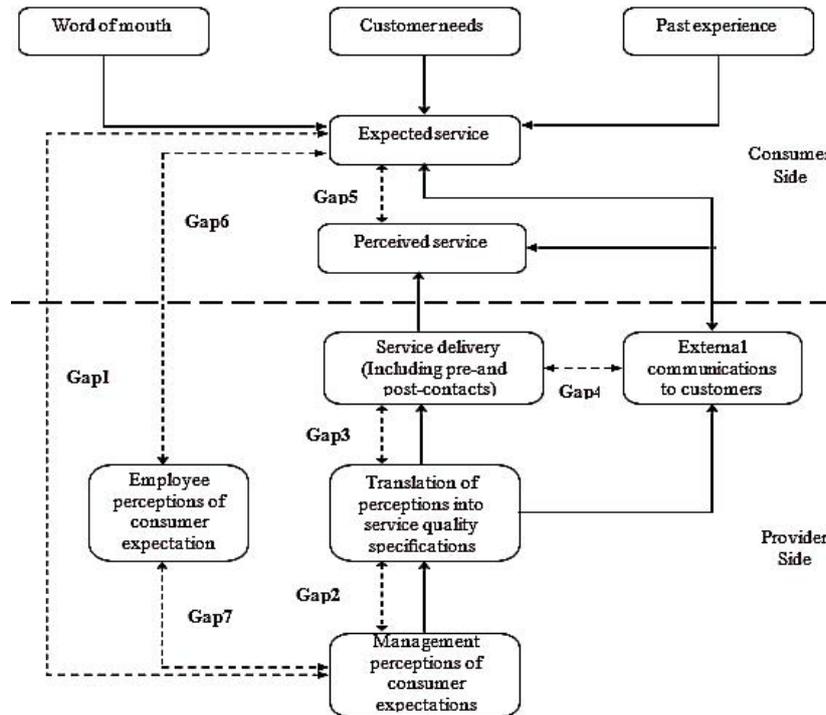
**“SERVQUAL” Model used by Parasuraman, Zeithaml and Berry:** Following the model "SERVQUAL", the consumer considers the difference between the waiting and performance to judge the service quality. This last is less appreciated if the perceived performance does not result in the level of quality. Parasuraman, Zeithaml and Berry, the first developed the service quality model referred to as the PZB Model.

PZB model conducts an empirical analysis on the five companies to improve and reassess their studies. In this study, the authors develop new measurement scales SERVQUAL as shown in Figure 2, applicable to several industries and confirm the reliability and validity of these



Source: Grönroos [12]

Figure 1: Evaluation of the service quality



Source: Lupo T (2013) A fuzzy ServQual based method for reliable measurements of education quality in Italian higher education area. Expert systems with applications, 40(17), 7098.

Figure 2: "SERVQUAL" model.

scales of measurement again. They also examine other studies, which have criticised the SERVQUAL.

Through the synthesis of these explanations and these relationships, allow us to formulate the following conceptual model as shown in Figure 3.

### Case Study

Was measured variables of the study by previous studies, measuring the quality standard of service was taken from the Sultan and Simpson study derived from the study of Parasuraman. Consumer satisfaction scale is taken from a study. The price measures are taken study. We took loyalty scale from the study Zeithaml amount of study 34 items. We have used the scale (Likert) 5 degrees to measure the variables of the study from strongly agree at strongly disagree.

### Data collection

To carry out the present study we have distributed 300 form to the persons who boarded at least once a Turkish Airlines with and we

have focused on government officials and private university professors in Tlemcen City. We have omitted four forms because people did not answer the part of the questions and the sample consists 64% male and 36% female.

### Result

#### Descriptive analyse of the sample

It is seen from the Table 1 below, the highest percentage 64% of respondents are male. The percentage of females estimated at 36%.

The over-age group of 50 years represents 30%. The age groups 40-49 years consists 26% of the sample study, 30-39 years composite at 26%, 20-29 years represent 18%. The 80% of respondents' favourites the economy class and most of the respondents travelled with Turkish airlines, more than twice by 72%. The rest of sample characteristics appear in Table 1.

#### The questionnaire reliability

It means that given to the same results redistribute it more than once on the same sample under the same terms and conditions.

It has been checked the questionnaire reliability through alpha Cronbach's coefficient method, where this parameter is used to measure survey reliability regarding internal consistency to his words. The result was dependent alpha Cronbach's calculated as follows:

Through a result in above Table 2, the value of alpha Cronbach's has been much more than 60%. Which indicates that the questionnaire items have a high stability that justifies using for the study. The value of alpha Cronbach's each gateway was the lowest the value of 89.7% that means that all the items of the study gauge with high reliability and consistency.

#### The Model fit and quality indices

General SEM analysis results include the version of WarpPLS used in the SEM analysis; project file details, such as the project file name and when the file was last saved; model fit and quality indices. Which is discussed in more detail below; and general model elements, such as the algorithm and resampling method used in the SEM analysis.

The Table 3 indicates ten tests to measure quality indicators and the validity of the model. All values are significant. These indicators allow us to analyse the study sample and test hypotheses by the method of structural equations (SEM).

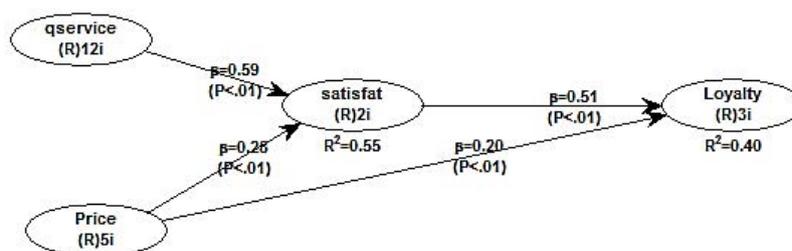
#### Latent variable coefficients (LVC)

Several estimates are provided for each latent variable; these can be used in research reports for discussions on the measurement

Personal variables		Occurrences	Percentages
Gender	Male	192	64%
	Female	108	36%
Age	20-29	54	18%
	30-39	78	26%
	40-49 per year	78	26%
	50 or more	90	30%
Scientific qualification	Primary school	6	2%
	Secondary	18	6%
	The University	108	36%
	Post-graduation	168	56%
Income	Less than 50,000	102	34%
	50.001-60,000	48	16%
	60.001-70,000	42	14%
	70.001-80,000	24	8%
	More than 80.000	84	28%
The Profession	GOV-employee	252	84%
	Company Employee	12	4%
	Retired	24	8%
	Student	12	4%
The number of times travels	Once	36	12%
	Twice	48	16%
	More than twice	216	72%
Class travel	First class	36	12%
	Business class	24	8%
	The Economic Class	240	80%

Source: Based on the output of the SPSSV.24.0.

Table 1: Descriptive analysis of the sample.



Source: Based on the output of the WarpPLS v5.0

Figure 3: Path Coefficients of the model study

Alpha Cronbach's	No. of Items
0.897	34

Source: Based on the output of the SPSSV.24.0.

Table 2: Reliability statistics.

Model fit and quality indices	Value	Sig.
Average path coefficient (APC)	0.397	P<0.001
Average R-squared (ARS)	0.475	P<0.001
Average adjusted R-squared (AARS)	0.471	P<0.001
Average block VIF (AVIF)	1.226	AVIF ≤3.3
Average full collinearity VIF (AFVIF)	2.007	AFVIF ≤3.3
Tenenhaus GoF (GoF)	0.559	GoF ≥ 0.36
Sympson's paradox ratio (SPR)	1	SPR ≥ 0.7
R-squared contribution ratio (RSCR)	1	RSCR ≥ 0.9
Statistical suppression ratio (SSR)	1	SSR ≥ 0.7
Nonlinear bivariate causality direction ratio (NLBCDR)	1	NLBCDR ≥ 0.7

Source: Based on the output of the WarpPLS v5.0.

Table 3: Model fit and quality indices.

	Quality service	Price	Satisfaction	Loyalty	
Composite reliab	0.947	0.846	0.915	0.854	
α Cronbach's	0.938	0.772	0.813	0.743	
Avg.Var.Extrac (AVE)	0.599	0.527	0.843	0.661	
Full collin. VIF	2.362	1.364	2.258	2.043	
Q <sup>2</sup>			0.546	0.403	
Indice KMO	0.916	0.57	0.5	0.598	
Bartlett sphericity test	Chi <sup>2</sup>	5740.68	645.528	188.755	430.064
	ddl	231	10	1	10
	Sig	0	0	0	0

Source: Based on the output of the WarpPLS v5.0 & SPSSV.24.0.

Table 4: Latent variable coefficients.

	R-squared	Adj. R-squared
Satisfaction	0.547	0.544
Loyalty	0.403	0.399

Source: Based on the output of the WarpPLS v5.0.

Table 5: R-squared and Adjusted R-squared coefficients.

instrument's reliability, discriminant and predictive validity, as well as overall Collinearity. R-squared, adjusted R-squared, and Q-squared coefficients are provided only for endogenous latent variables; and reflect the percentages of explained variance and predictive validity associated with each of those latent variables, respectively.

The above Table 4 indicates Alpha Cronbach's coefficients superiority (0.7), and the composite reliability coefficients outweigh (0.7). Also, it shows the average variance extracted (AVE) are all higher than (0.5); the Full Collin. (VIF) All are smaller (3.3). The Q<sup>2</sup> value is greater than (0). All these values are significant.

### R-squared and Adjusted R-squared coefficients

The models were R-squared coefficients or adjusted R-squared coefficients are below 0.02 should be considered for revision.

The R-squared and Adjusted R-squared coefficients are greater than (0.02), these values are significant.

The above Table 5 indicates, the coefficient of Adj. R-squared and R

Relationships	Coef.	P. Value	Sig.
Service quality ◀ Satisfaction	0.595	0.001	***
Price ◀ Satisfaction	0.281	0.001	***
Price ◀ Loyalty	0.198	0.001	***
Satisfaction ◀ Loyalty	0.513	0.001	***

\*\*\*Significant p-value.

Source: Based on the output of the WarpPLS v5.0.

Table 6: Path coefficients.

The hypothesès	Decision
H1: Perceived service quality has a strong positive impact on customer satisfaction	Accepted
H2: Perceived price of the service has a positive impact on customer satisfaction	Accepted
H3: Perceived price of the service has a positive impact on customer satisfaction	Accepted
H4: The consumers' satisfaction has a positive relation to its intentions of loyalty	Accepted

Source: Elaborated by authors.

Table 7: Summary of test hypotheses.

square 0.547, this coefficient means the independent variables explain 54.7% of the changes that have defined the 'Satisfaction' variable, and the rest is due to other factors. Moreover, the coefficient of R square 0.403, this coefficient means the mediator variable 'Satisfaction' explains 40.3% of the changes that have defined the dependent variable 'Loyalty', and the rest is due to other factors.

### Path coefficients

Path coefficients are indicated in Tables 6 and 7.

## Conclusion and Discussion

The current research examines the impact of the service quality and price on satisfaction and loyalty customers towards the Turkish Airlines, using service quality dimensions proposed by Parasuraman. Which applied from several community parties like Sultan and Simpson. The results indicated that it is a positive relationship statistically significant difference between the quality of service and customer satisfaction and this is evidence that the Algerian consumers satisfied with the level of the service quality provided by Turkish Airlines. It is a positive, statistically significant relationship between the price satisfactions as the price has little effect on customer loyalty and this is evidence that the Algerian consumer may alter Turkish Airlines if it finds the best price. It is a strong positive relationship statistically significant between customer satisfaction and loyalty. It is normal when consumers are satisfied, they will advise of others, will also be re-travelling with Turkish Airlines, and this is evidence the extent of the competitive institution with their features and elements.

The constraints of the study, we focus on Turkish Airlines only to recommend you this next research a comparative study between Turkish Airlines and the rest of the other airlines such as Air Algeria or Tunisia or the other. Second, recommend the introduction of other variables on the study model such as Brand image Airlines.

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