

探討航空公司對顧客的服務品質、知覺價格公平、滿意度與購買意願之關係—以越南航空為例

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摘要

本研究探討越南航空知覺價格公平，服務品質，滿意度和乘客購買意願之間的相互關係。以收集乘客與越南航空飛行的數據來進行研究，共有 205 份有效問卷，回收率為 68.33%。結構方程建模(SEM)用於測試假設。結果驗證大多數研究假設的概念模組的經驗和可靠性：(1)服務品質，(包括有形因素，響應性，可靠性三個因素)與感知價格公平性對客戶滿意度有顯著的正向直接影響；(2)滿意度與購買意願有顯著相關性；(3)服務品質和感知價格對滿意度作為調節的購買意願之間的影響。最後，討論到了具體的理論和管理意義。

關鍵詞：知覺價格公平、服務品質、滿意度、購買意願、越南航空、結構模型方程式(SEM)

Examining the Interrelationships among Service Quality, Perceived Price Fairness, Satisfaction and Purchase Intention of Passengers: A Case Study of Vietnam Airlines

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Abstract

This study aims to examine the interrelationships among service quality, perceived price fairness, satisfaction and the purchase intention of air passengers at Vietnam Airlines. An online survey is conducted to collect data from passengers who have been flying with Vietnam Airlines. With a return rate of 68.33%, a total of 205 questionnaires are valid. Structural Equation Modeling (SEM) was used to test hypotheses. The results showed the empirical validation and reliability of the conceptual model that supports most of the research hypotheses: (1) Service quality (including three factors: tangibles, responsiveness, reliability) and perceived price fairness have a significant positive and direct effect on customer satisfaction; (2) satisfaction is significantly related to purchase intention; (3) Service quality and perceived price reveal the indirect effect on purchase intentions mediated by satisfaction. Finally, specific theoretical and managerial implications are discussed.

Keywords: Perceived Price Fairness; Service Quality; Satisfaction; Purchase Intention; Vietnam Airlines; Structural Equation Model (SEM)

I. Introduction

In the last 25 years, the aviation industry has been growing rapidly. It is often said that the aviation industry is the center of globalization for other industries because its technological developments has supported world trade, international investment, and tourism activities (Hanlon, 2000). The Vietnam aviation market has become busier since Vietnam joined the World Trade Organization (WTO) in 2007 and the airline had the third fastest growth rate in the world in 2014 after China and Brazil (Giovanni Bisignani, the director general and CEO of the International Air Transport Association-IATA). There are five airlines, which currently share the Vietnamese aviation market and this number is predicted to increase in the near future.

Vietnam Airlines is now occupying the highest position in Vietnam aviation sector. Vietnam Airlines was launched in January, 1956 and was officially established as the country's national flag carrier in 1993. Vietnam Airlines today operates one of the most modern fleets in the region with the average age of the fleet is 5.4 years with 21 cities throughout the country and 28 international destinations in Asia, Europe, and Australia. In 2006, Vietnam Airlines joined the International Air Transport Association (IATA) as an official member, affirming its international standard. In 2010, Vietnam Airlines joined SkyTeam, the world's second largest global airline alliance, affirming the carrier's new position on the global aviation map as the strategic partner of the alliance in Southeast Asia region as well as its international standard services (the official website of Vietnam Airlines). The race between those airlines becomes more intense as they need to catch up with the growth momentum of the market. This is seen by the success of two private airlines (Air Mekong and Vietjet Air) in recent years has been threatening the dominating position of Vietnam Airlines in the domestic airline market.

In the battle to gain a competitive advantage among enterprises, customers play a vital role in determining the victory of an airline. In fact, the importance of customers to the very existence of a firm in general and an airline in specific cannot be denied. Theory suggests that increasing customer retention is a major key in the ability of a service provider to generate profits (Zeithaml et al., 1996). For example, Airlines provide primary service (transporting passengers and their belongings) and additional service (booking, bonus service on the flight etc..) from one point to another for an agreed price. In that sense, the airline had some special characteristics of the service sector such as: intangible product, both service delivery and consumption take place at the same time, thus customers feel more risks when deciding to use service of airline. Understanding and meeting customers' expectations and subsequently being different from competitors are important in order to survive in this sector. Due to the dynamic environment and increasing demand of better service from the customer, it is a must for airline industry to provide excellent service and focus on continuing improvement, so that they can remain the uniqueness of their services and create more competitive advantages than the competitors. Airline managers hope that passengers will appreciate the service quality of their airline, and this leads to satisfied customers, which can increase the intention to use airline's service in the future (Park et al., 2006; Khraim, 2013). Therefore, increasing the quality of service, and the level of tourist satisfaction is very important for the airlines.

Customer satisfaction is commonly considered a prerequisite in retaining customers and building customer loyalty, thereby contributing to the long-term success of an organization (Oliver, 1999; Peppers & Rogers, 2005). Empirical studies on demand for airline services showed that service quality is central to the choice of airlines for both business and leisure travelers (Bureau of Transport and Communications Economics, 1994). It is commonly believed that higher service quality can lead to higher customer overall satisfaction and subsequently lead to higher purchase intention (Bigne et al., 2001; Boulding et al., 1993; Cronin & Taylor, 1992). Researchers have found that customer satisfaction has a measurable impact on purchase intention (Muhammad et al., 2012). Besides service quality, some studies have suggested that the measurement of consumer satisfaction should be used in conjunction

with the measurement of perceived price fairness, which may have an effect on customer satisfaction (Bowen & Shoemaker, 1998; Kimes, 2002; Xia et al., 2004) and purchase intention (Chiang & Jang, 2008).

It can be said that examining the relationships among service quality, perceived price fairness, customer satisfaction and purchase intention has been being one of the interesting topics in various different areas (e.g., services, trade). Previous studies investigated the relationships among four factors by looking at the direct impacts of perceived price fairness on service quality (Varki & Colgate, 2001); both these factors on customer satisfaction (Bharati & Berg, 2005; Yoo & Park, 2007; Hermann et al., 2007; Martin-Consuegra et al., 2007) and purchase intention (Sullivan & Walstrom, 2001; Chiang & Jang, 2006); customer satisfaction on purchase intention (Cronin et al., 2000; Petrick & Backman, 2002). Previous studies also investigated the role of tourist satisfaction as a mediator in the link between service quality and customer satisfaction (Athanasopoulos, 2000; Baker & Crompton, 2000). However, to the best of our knowledge there is still little research that examines in depth the interrelationships among service quality, perceived price fairness, customer satisfaction and purchase intention and no studies that evaluate the mediating role of customer satisfaction in the relationship between perceived price fairness and purchase intention in the aviation industry context. Therefore, this study aims to contribute to the literature on the interrelationships among these four factors in relation to service marketing, by performing an empirical study for a particular aviation sector - the Vietnam Airlines context. In order to simultaneously examine multivariate dependence relationships, the study applies the structural equation model (SEM), which has been used popularly in previous studies and in different areas (Hair et al., 2011; Hershberger, 2003). The empirical data for this study was collected from passengers of Vietnam Airlines.

II. Literature review

1. Research concepts

(1) Service quality and its dimensions

Service quality plays important role in creating difference of companies from its competitors (Ladhari, 2008). Defining service quality helps companies to be able to deliver services with higher quality level presumably resulting in increased customer satisfaction (Ghylin et al., 2008). However, Wisniewski (2001) stated that the quality of service should have maximum interest and be discussed in the literature because of the difficulties in both defining it and measuring it.

Parasuraman et al. (1988) defined service quality as the difference between customer expectations in regard to service received and the perception of the service received. Another study by Canan et al. (2012) also considered service quality as the conformance to customer requirements in the delivery of a service. The study by Park et al. (2004) examining the impact of airline service quality on passengers' behavioral intentions in Korea defined service quality as a consumer's overall impression of the relative efficiency of the organization and its service. Also in the aviation industry context, study by Chou et al. (2011) identified airline service quality as to meet the needs and desires of passengers based on providing the product-service to them.

This study determined airline service quality as a comparison between passenger's expectations and their perception of actual services performed. Expectation is viewed in service quality literature as desires or wants of consumer i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988). Perceived service is the outcome of the consumer's view of the service dimensions, which are both technical and functional in nature (Gronroos, 1984). Passenger's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation.

In a highly competitive environment within the airline industry, where all airlines have comparable fares and matching frequent flyer programs, delivering service quality can be considered a competitive advantage (Abrahams, 1983). Service quality is important to service firms because it has been shown to increase profit levels, reduce costs, and increase market shares (Parasuraman et al., 1985). Moreover, service quality has been shown to influence purchase intention (Sullivan & Walstrom, 2001), and is used by some firms to strategically position themselves in the market place (Brown & Swartz, 1989).

Service quality is measured by a variety of dimensions and the exact identification of these factors depends on the characteristics of service and research environment. In this context, the SERQUAL model, developed by Parasuraman et al. (1988), is considered as the most suitable model to measure service quality, which includes five elements: tangibles, reliability, responsiveness, assurance, empathy. Based on the SERVQUAL model, many previous studies on the service quality of airlines proposed a variety of dimensions to measure, in particular: price, safety, timeliness (Gourdin, 1988); timeliness of luggage transport, food and beverage quality, seat comfort, the check-in process, and in-flight service (Elliot & Roach, 1993). A study by Pakdl & Aydin (2007) applied SERVQUAL to measure airline service quality by simultaneously examine both passenger expectations and perceptions in an international airline with eight dimensions: employees, tangibles, responsiveness, reliability and assurance, flight pattern, availability, image, empathy.

In order to determine dimensions of service quality of Vietnam Airlines, this work analyzed the process of delivery airline service of this company from passenger choosing the airline to fly until finishing the flight. In particular, consumers will find out the information about the flights (departure and arrival time, ticket-price etc..) of airlines, they then decide to choose airline which meets their expectations through booking ticket on the websites or airline agency. Coming to passenger's flight schedules, they will check in at the airport or online system. After they complete the procedure, they will experience flight on aircraft of the airlines, then finishing the flight at the destination. In that process, this study identified the factors affecting the airline service delivery of Vietnam Airlines as well as the expectations and perceptions of passengers on its service quality, such as: service processes, staff, technical facilities, systems and equipment, product-service. Besides, based on the dimensions given by previous studies (e.g., Parasuraman et al., 1988), this study proposes three dimensions measuring service quality, including: tangibles, responsiveness and reliability.

Tangibles: is all that passengers see directly with their eyes and the senses, such as: facilities, equipment, machinery, staff style, materials, manuals and communication systems.

Responsiveness: is a measurement element of airline's abilities, including quickly solve problems, effectively complaints handle, be ready to support customers, and meet their requirements. In other words, it is the response from the service provider to what the customer wants.

Reliability: express airline's ability to provide service accurate, punctual and reliable service. This requires consistency in the service delivery and the respect of the commitments to their customers.

(2) Perceived price fairness

From the consumer's perspective, price is the amount of money charged for a product or service, or the sum of the values which customers actually pay in exchange for the benefits accruing from a product or service (Kotler & Armstrong, 2010; Lovelock & Wirtz, 2007). Price is classified into two parts: objective price and perceived price. Objective price is the actual price of the product while perceived price is the individual's belief of the price in relation to the quality of the product (Donald et al., 1989; Jacoby & Olson, 1977; Lewis & Shoemaker, 1997).

Perceived price is a key concept in understanding how the consumer explains prices in reference to their internal price standard or competing prices (Oh, 2000; Kim et al., 2012) and this comparative assessment gives rise to the concept of perceived price fairness (Campbell, 1999; Martin & Monroe, 1994; Oh, 2000; Chiang &

Jang, 2006). Perceived price fairness is a customer's perception of a sales transaction where the outcome is just, acceptable and reasonable (Bolton et al., 2003). For example, if company proposes a relative low price, the consumer will consider it as a fair price. This means that consumer feels it is a highly suitable perceived price. In contrast, if price is given highly, the consumer will evaluate it as an unfair price, which indicates that it is considered as unfavorable perceived price (Oh, 2000; Chiang & Jang, 2006). However, consumer also consider price as an indicator of product quality in some cases (Chiang & Jang, 2006; Lien et al., 2015). For example, some people might think it is valuable for a high price and vice versa.

In the airline context, passengers usually compare price given by this airline with its competitors and then form their perceptions of price. In the strongly competitive environment, fairness price (acceptable or reasonable) help airlines gain the sustainable competitive advantage with their airline service.

(3) Customer satisfaction

Satisfaction is an overall affective response to a perceived discrepancy between prior expectation and performance perception after consumption (Oliver, 1980; Engel et al., 1990). It can be defined as the degree to which one believes that an experience evokes positive feelings (Rust & Oliver, 1994). It can be said that, customer satisfaction is actually how the customer evaluates ongoing performance (Gustafsson et al., 2005) and is the customer's reaction to the state of satisfaction, and the customer's judgment of the level of satisfaction (Kim et al., 2004).

Customer satisfaction today is considered a core element in the success of a business. It has a direct and/or indirect impact on business results because customer satisfaction leads to repeat purchases, customer loyalty and positive brand advertising (Hoyer & MacInnis, 2001). On the other hand, dissatisfaction has some undeniable implications for the future of a business. Consequently, dissatisfied customers should be paid attention to as much as those who are satisfied because they will tell others about their bad experience. They will try to ease their dissatisfaction by telling it to the others. This in turn will affect the other potential customers by destroying the reputation of the firm in the market place (Technical Assistance Research Programs - TARP, 1986).

(4) Customer's purchase intention

Purchasing intention is involved when a consumer prefers to buy a product or service because of demand for the particular product or service, or even a positive attitude towards the product and their perception of the product. Besides, purchasing intention also means that the consumer will buy a product once again after they have assessed the product and found the product to be worth buying (Mazhari et al., 2012).

While consumers may choose a particular product, the final decision on accepting or rejecting the purchase of the product depends on the consumers' intention. Thus, purchasing intention can be defined as the possibility of a consumer purchasing a particular product. The higher the purchase intention is, the higher the purchase probability will be. Thus, purchase intention is the subjective probability of buying a particular product or brand (Schiffman & Kanuk, 2007).

2. Relationships among variables

Past studies have suggested that service quality directly and significantly influences satisfaction (Caruana et al., 2000; Baker & Crompton, 2000; Bharati & Berg, 2005; Yoo & Park, 2007; Sureshchander et al., 2001). Several empirical studies revealed that service quality is a prerequisite of customer satisfaction (Rust & Oliver, 1994; Cronin & Taylor, 1992; Spreng & Mackoy, 1996; Ranaweera & Neely, 2003), which means that if a business provides high service quality, it makes customer feel a high degree of satisfaction (Brady & Robertson, 2001; Cronin et al., 2000; Dabholkar, & Bagozzi, 2002). With regard to airline context, a study by Baker (2013) examined the relationship between service quality and customer satisfaction in U.S. airline industry. This study

analyzed data from 14 U.S. airlines in the period (2007 – 2011) by using data from Department of Transportation Air Travel Reports. Findings revealed that passenger will be satisfy or dissatisfy depend on the evaluation about gap between expected and perceived service. Say other words, the higher perceived service beyond expected service, the higher passenger's satisfaction will be and vice versa. Therefore, service quality has direct positive effect on satisfaction.

In addition, service quality has been proven to influence the customer's purchase intention (Sullivan & Walstrom, 2001; Ostrowski et al., 1993; Sultan & Simpson, 2000) and is used to help companies seek a foothold in the market (Brown & Swartz, 1989). For example, Weerawit & Vinai (2014) conducted the study to determine five dimensions of service quality as well as the relationship between components of service quality and passenger's post purchase behavioral intentions in low cost airlines context. Findings revealed that three out of five dimensions of service quality (assurance, reliability, empathy) have a significant influence on passenger's behavioral intention. This means that passengers could have intention to use the same airline service of company as well as recommend positively their experiences about the airline with other people. From that, two hypotheses are formulated:

H1: Service quality has a positive direct effect on customer satisfaction.

H2: Service quality has a positive direct effect on a customer's purchase intention.

Previous studies (e.g., Dodd et al., 1991; Mattila & O'Neill, 2003) have shown that price is often used as an indicator of a customer's expectations for product-service. Moreover, customers also tend to use price as a criteria to evaluate the quality of product-service and to show their attitude towards suppliers (Bolton & Lemon, 1999; Varki & Colgate, 2001). If the price is high, customers can expect high quality. For example, if customers decide to pay a high level of price to use product-service, they think they will receive the higher level of service quality. However, if business provide a lower level of service quality than they expects, they feel that they have wasted paying a high price for using that service as well as they feel ripped off. In some cases, even though companies give a reasonable level of price with good service quality, customers sometimes have doubts about the possibility of being provided high service quality. Besides, customers tend to compare the prices of enterprises with the prices offered by competitors providing similar services (Grewal et al., 1998).

As documented in empirical studies (e.g., Hirschman, 1970; Gunmmesson, 2002), the perception of price fairness held by a consumer influences his/her perceived value, and satisfaction. This produces a variety of emotions and behavioral responses by the customer. Furthermore, in a study where satisfaction and perceived price fairness were conceptually linked, Hermann et al. (2007) concluded that its findings proved that price fairness affects customer satisfaction. Correspondingly, the study by Martin-Consuegra et al. (2007) revealed that perceived price fairness is positively associated with customer satisfaction.

Chiang and Jang (2006) studied the effect of perceived price on customer purchase intention by looking at leisure travelers' attitudes toward online hotel booking. They concluded that perceived price was found to directly affect purchase intention. It can, therefore, be concluded that perceived price is an important factor to examine because consumers often tend to compare price and quality in their purchase decision-making. Consumer attitude of value could be positive even when the relative evaluation of price is high. Also, if a price is perceived as reasonable, consumers may tend to have a greater intention to purchase (Chiang & Jang, 2006). From that, the following hypotheses are proposed:

H3: Perceived price fairness has a positive direct effect on service quality.

H4: Perceived price fairness has a positive direct effect on customer satisfaction.

H5: Perceived price fairness has a positive direct effect on customer purchase intention.

It should be noted that a mediator (intervening variable) has been identified as “a third variable that is a pathway for the effect of the focal independent variable on the dependent variable of interest” (Mohammad et al., 2016). The mediation model indicates a proposed causal effect from predictor to mediator, in which the mediator causes an outcome variable.

With regard to the relationships among service quality, customer satisfaction and purchase intention, previous studies have established the antecedent, mediating, and consequent relationships among service quality, customer satisfaction, and purchase intention (Rust & Oliver, 1994; Athanassopoulos, 2000; Baker & Crompton, 2000; Cronin et al., 2000; Petrick & Backman, 2002; Zeithaml et al., 1996; Ahmed et al., 2010; Saleem et al., 2015). In particular, an empirical study by Ahmed et al. (2010) in the context of the telecom sector in Pakistan confirmed the mediating effect of customer satisfaction in the relationship between service quality and purchase intention. Findings indicated that customer satisfaction is defined as predictor variable for the impact of service quality on repurchase intention which mean that if company provide the good quality of service, then customer feel satisfied and they would have intention to repurchase in the future. Another study by Shu-Tian & Steven (2006) investigates the mediating role of festival visitors' satisfaction in the relationship between service quality and behavioral intentions. The findings revealed that service quality has an indirect positive effect on behavioral intention through visitor satisfaction. With regard to the airline sector, Chen (2008) conducted study on investigating structural relationships among service quality, perceived value, satisfaction, and behavioral intentions for air passenger in Taiwan. The findings confirm that service quality has an indirect effect on behavioral intention via customer satisfaction. Findings from a number of studies have found that satisfaction is a mediating variable in the relationship between service quality and purchase intention (service quality → satisfaction → purchase intention). This means that service quality has an indirect effect on purchase intention through the effect of service quality on satisfaction. In order to consider satisfaction as an intervening variable, customer satisfaction must have a direct effect on purchase intention (Baron & Kenny, 1986). In addition, this study also assumes that customer satisfaction is defined as a mediator in the relationship between perceived price fairness and purchase intention. Hence, this establishes the following hypotheses:

H6: Customer satisfaction has a positive direct effect on customer purchase intention.

H7: Customer satisfaction mediates the relationship between service quality and customer purchase intention.

H8: Customer satisfaction mediates the relationship between perceived price fairness and customer purchase intention.

Based on the relationships among service quality, perceived price fairness, customer satisfaction and purchase intention, the study proposes the conceptual model as shown in Figure 1.

III. Methodology

1. Study context

The empirical study is being conducted to collect data from passengers who have been flying with Vietnam Airlines. Over the past 20 years, Vietnam Airlines has been constantly growing and is quickly becoming one of the more reputable airlines in the region with its modern fleet, extensive route network and favorable flight schedule, especially in Southeast Asia. The questionnaires were distributed over the course of one month (February, 2016) and were designed online with a brief description of the research. The link to the questionnaire was copied and sent to respondents via social networks such as Facebook and Google Plus. When questionnaire is shared, having a description's paragraph as caption in order to introduce purpose of research and the research

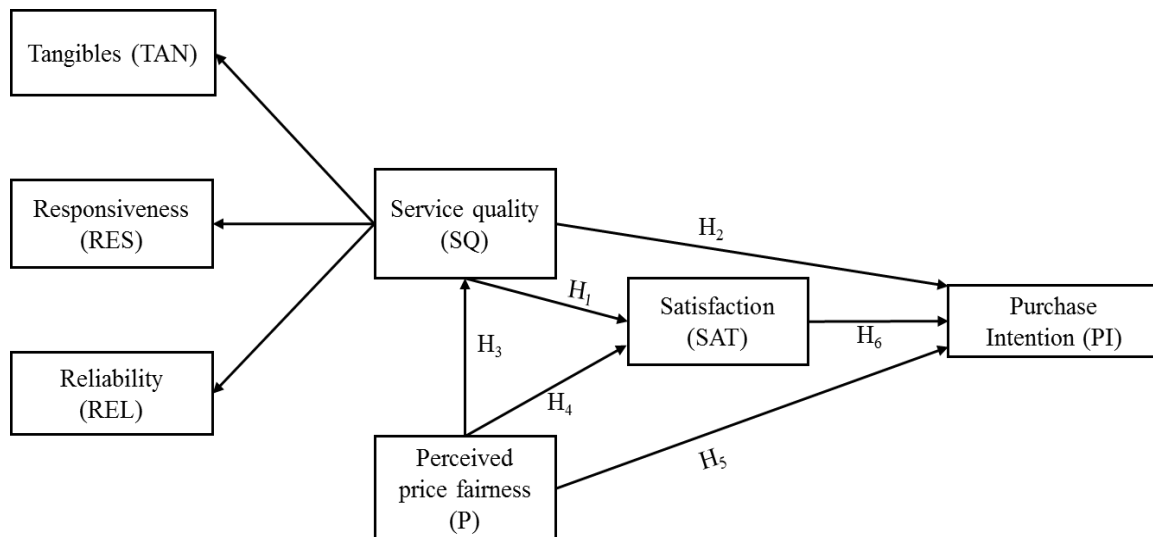


Fig. 1 Conceptual framework

object as well as emphasize respondents are who have used service airline of Vietnam Airlines. Thus, it is easily for Facebook or Google Plus users know whether they are eligible to answer or not. At the end of the period, after eliminating the questionnaires that contained insufficient information, a total of 205 usable questionnaires were obtained. The data gathered from the questionnaires revealed the following:

Respondents using the aviation service of Vietnam Airlines did so with many different purposes: travel (37.6%), business (32.2%), visiting friends or relatives (23.4%) and other purposes (6.8%). Their flight frequency was usually once or twice per year (49.3% and 24.9%). Among the 205 valid respondents, females accounted for 57% of passengers and the focus was mainly on two age groups: 21 - 30 (62.9%) and 31- 40 (23.9%). The majority of respondents were single (56.6%), graduates from universities/college (49.3%) and had a monthly income which fluctuated from 4 – 7 million VND to 7 – 10 million VND (31.2% and 27.3%, respectively).

2. Research instrument

The survey instruments were put into the questionnaire to adequately assure all constructs in the proposed model. This study proposes three dimensions of service quality, including: tangibles, responsiveness, and reliability, in which, these three dimensions are termed first-order factors which operated as independent variables and considered to be one level. Service quality is termed the second-order factor which does not have its own set of measured indicators and is linked indirectly to those measuring the first-order factors (Byrne, 2010). The questionnaire was designed with 28 scales regarding service quality, perceived price fairness, customer satisfaction and purchase intention variables. As shown in Table 1, seven measuring items of tangibles, six scales of responsiveness and four measuring items of reliability were adapted from previous studies (e.g., Chang & Yeh, 2002; Chen, 2008; James et al., 2011, Fareena & Merlin, 2000). Three measuring items which measured customer satisfaction are referred from Wu & Liang (2009); and four scales of perceived price fairness and four scales of purchase intention were taken from Chiang & Jang (2006).

The resulting questionnaire was originally drafted in English, translated into Vietnamese, and then translated back into English to ensure that the items were original. There were four parts included in the content of the questionnaire, in particular: Part 1 asks for respondents' demographic information such as sex, age, occupation, annual income, marital status, flight purpose, number of flights taken. Part 2 evaluates service quality and perceived price fairness. Part 3 and Part 4 deal with the measurement of customer satisfaction and purchase intention. The Likert scale has five levels from 1 to 5 to find out the extent evaluation of respondents. In this, 1

represents complete disagreement and 5 represents strong agreement. Or, 1 represents complete discontent, 5 represents total satisfaction.

The measuring items of the factors need to ensure reliability (Allen & Yen, 1979) and internal consistency (Nunnally, 1978). Additionally, the content validity should be verified before testing or measuring the theory (Hair et al., 2010). Therefore, a preliminary study was conducted with a small sample size (20 respondents) to gather ideas in order to check and adjust the scales. The results of the reliability test using Cronbach's α value of six dimensions greater than 0.7, indicated that it had good scale reliability (Nunnally & Bernstein, 1994). Thus, all the measuring items of the six dimensions were put into the online questionnaire.

Table 1 Items of Variables

Variables	Measuring items	References
Tangibles (TAN)	1. The aircraft has low level of noise when it takes off	1- 4. Chang & Yeh (2002) 5 - 7. Chen (2008)
	2. The seat is comfortable and spacious	
	3. There are variety of food and beverages to serve customers	
	4. Newspapers, magazines, books and radios are available	
	5. The booking and buying ticket are convenient and prompt	
	6. The seat option preference is provided	
	7. Neat and well-dress employees	
responsiveness (RES)	1. The check-in employees are helpful and courteous	1-4. Fareena & Merlin (2000) 5-6. James et al. (2011)
	2. Employees pay good attention on customers in person	
	3. Employees are always willing to help customers	
	4. Employees handle customers' complaint and request promptly	
	5. Check-in and luggage handling is sufficient and prompt	
	6. The airline handles loss or damage baggage efficiently	
Reliability (REL)	1. The flight departs and arrives on time	Chen (2008)
	2. The flight schedule is convenient and frequent	
	3. The staff is knowledgeable and confident	
	4. The airlines provides its service right at the first time	
Perceived price fairness (P)	1. VN Airlines offers the best possible price that meets my needs	Chiang & Jang (2006)
	2. VN Airlines provides a variety of pricing plans	
	3. The price charged by VN Airlines is reasonable	
	4. Overall, VN Airlines provides superior price compared to others	
Satisfaction (SAT)	1. Overall, you are satisfied with your flight experience	Wu & Liang (2009)
	2. The customers feel great affection for the airline	
	3. Your impression toward Vietnam Airlines has improved	
Purchase intention (PI)	1. The likelihood of booking this airline is very high	Chiang & Jang (2006)
	2. If I am going to book this hotel, I would consider booking this airline at the price shown	
	3. The probability that I would consider booking this airline is very high	
	4. My willingness to book this airline is very high	

V. Results

1. Exploratory factor analysis and Cronbach's Alpha analysis

The exploratory factor analysis (EFA) was employed to extract the dimensions of factors. Using the method of principal component extraction with VARIMAX rotation, four research concepts: perceived price fairness, customer satisfaction, purchase intention and service quality (including: tangibles, responsiveness, reliability) explained 73.178 % of total variance (> 50%), KMO = 0.854 (> 0.5) and Sig = 0.000 (< 0.05). Thus, four factors

were retained. According to Hair et al. (1998), twenty-five items with a factor loading greater than 0.5 were kept, the other three items (TAN06, P01, PI03) with a factor loading less than 0.5 were excluded.

A reliability test based on Cronbach's alpha statistic was used to test whether these factors were consistent and reliable. The results show that Cronbach's Alpha of tangible was 0.87, responsiveness was 0.883, reliability was 0.909, perceived price fairness was 0.928, satisfaction was 0.932 and purchase intention was 0.921. Moreover, the item-to-total correlations were all higher the threshold of 0.30 for each component. As the alpha values for all constructs were higher than 0.7 (Nunnally & Burnstein, 1994), considered adequate for a satisfactory level of reliability in basic research (Hair et al., 1998).

2. Confirmatory factor analysis

Confirmatory factor analysis (CFA) is used to check the quality of all measurement models of an SEM. It includes convergent validity and discriminant validity. The study was conducted to analyze the service quality first-order & second-order CFA of three measurement models (tangibles, responsiveness, reliability) and model CFA (service quality, perceived price fairness, satisfaction, purchase intention).

The results of checking the measurement model of service quality through service quality first & second order CFA showed that $\chi^2 = 181.527$ ($p = 0.00$), $df = 101$, $\chi^2/df = 1.797$ (< 3), $NFI = 0.903$ (> 0.9); $IFI = 0.954$ (> 0.9); $TLI = 0.945$ (> 0.9); $CFI = 0.952$ (> 0.9); $PNFI = 0.760$ (> 0.5); $PCFI = 0.803$ (> 0.5); $RMSEA = 0.063$ (< 0.08). All criteria met the recommended values in the measurement model (model fit criteria suggested by Hu and Bentler (1999)).

Overall, the fit statistics of the measurement model through model CFA (χ^2 (266) = 436.439) were as follows: $\chi^2/df = 1.641$ (< 3), $p < 0.01$; $IFI = 0.950$ & $TLI = 0.943$ (> 0.9); $AGFI = 0.826$ (> 0.5); $RMSEA = 0.056$ (< 0.08). Thus, all criteria met the recommended values in the measurement model.

According to Hair et al. (1998), convergent validity of the measurement model should be supported by item reliability, construct (composite) reliability, and average variance extracted. The result of item reliability (Table 2) was expressed by standardized loadings equal to or greater than 0.7 but standardized loadings greater than 0.5 were acceptable (Bagozzi and Yi, 1988); square multiple correlations (SMC) equal to or greater than 0.5 and t-values associated with each of the standardized loadings that were found significant ($p < 0.01$), assuring item reliability (Hair et al., 1998). Hair et al. (1998) proposed construct reliability estimates as being equal to or greater than 0.7 and the average variance extracted which measures the amount of variance explained by the construct should be above 0.5. In this research, the construct reliability (CR) and the average variance extracted (AVE) of all constructs exceeds the recommended level except AVE of service quality construct (0.419) is less than 0.5, indicate that the measurement items have reliability and validity.

After checking convergent validity to see if the items within each construct converged, discriminant validity was checked to make sure there was enough discrimination between constructs. The most common method to examine discriminant validity is the AVE method by Fornell and Larcker (1981). AVE method indicated that when the square of the inter-correlations is smaller than the AVE from each constructs, discriminant validity between these constructs were achieved. This study performed two checks on the discriminant validity:

The first one was related to the distinction among three dimensions of service quality, including: tangibles, responsiveness and reliability. The square of the inter-correlation between tangibles and responsiveness (0.109); tangibles and reliability (0.245); responsiveness and reliability (0.162) are smaller than the AVE from tangibles (0.527); responsiveness (0.559) and reliability (0.715). Therefore, discriminant validity between these constructs was achieved.

The second one checked discriminant validity among three research concepts (perceived price fairness, satisfaction, purchase intention). As shown in Table 3, the numbers along the diagonal indicate the AVE of a

variable. The number in one cell is the square of the inter-correlation between the variable labeled in the row and the variable labeled in the column. AVE method indicated that when the square of the inter-correlations is smaller than the AVE from each constructs, discriminant validity between these constructs were achieved. The result of discriminant validity indicates that all correlations among factors are significant and discriminant.

Table 2 Convergent Validity of the measurement model

Construct	Items	Item reliability			CR	AVE	
		Standardized Loading	SMC	t-value			
First-order constructs	Tangibles (TAN)	TAN01	0.713	0.508	9.345***	0.870	0.527
		TAN02	0.739	0.546	9.669***		
		TAN03	0.715	0.511	9.372***		
		TAN04	0.748	0.559	9.773***		
		TAN05	0.730	0.533	9.651***		
		TAN07	0.711	0.506	-		
	Responsiveness (RES)	RES01	0.760	0.577	9.370***	0.884	0.559
		RES02	0.805	0.647	9.807***		
		RES03	0.664	0.441	-		
		RES04	0.792	0.628	9.691***		
		RES05	0.739	0.546	9.157***		
		RES06	0.719	0.518	8.955***		
Reliability (REL)	REL01	0.820	0.673	14.474***	0.909	0.715	
	REL02	0.827	0.684	14.664***			
	REL03	0.871	0.759	15.931***			
	REL04	0.863	0.745	-			
Second -order construct	Service quality (SQ)	TAN	0.678	0.460	-	0.682	0.419
		RES	0.572	0.328	4.344***		
		REL	0.685	0.470	4.604***		
Perceived price fairness (P)	P02	0.891	0.794	-	0.928	0.810	
	P03	0.915	0.838	19.142***			
	P04	0.894	0.800	18.407***			
Satisfaction (SAT)	SAT01	0.910	0.828	20.469***	0.932	0.820	
	SAT02	0.891	0.795	19.598***			
	SAT03	0.916	0.839	-			
Purchase intention (PI)	PI01	0.885	0.784	17.424***	0.921	0.795	
	PI02	0.908	0.824	18.111***			
	PI04	0.881	0.776	-			

Note: *** denotes $p < 0.001$

Table 3 Discriminant validity among research concepts

AVE/ R ²	Perceived price fairness	Satisfaction	Purchase intention
Perceived price fairness	0.810		
Satisfaction	0.241	0.820	
Purchase intention	0.135	0.339	0.795

3. An assessment of the structural model

The proposed model and hypothesized paths were tested on the survey data collected. Overall fit of the structural model was checked initially by examining the χ^2 statistics. A significant χ^2 statistic indicates an inadequate fit, but this statistic is sensitive to sample size and model complexity. Therefore, rejection of a model on the basis of this evidence alone is inappropriate. Other measures of fit compensating for sample size are also applied. The postulated structural model in Fig. 2 is tested by using the seven constructs of interest. By using a correlation matrix among 25 measurement items, SEM analysis is performed against the proposed conceptual model of Fig. 2. SEM results depicted in Fig. 2 are $\chi^2 = 437.739$ ($p = 0.00$), $df = 268$, $\chi^2/df = 1.633$ (< 3), $IFI = 0.950$ & $TLI = 0.944$ (> 0.9), $PNFI = 0.820$ & $PCFI = 0.849$ (> 0.8), $RMSEA = 0.056$ (< 0.08). The results indicate a good fit for the proposed structural model.

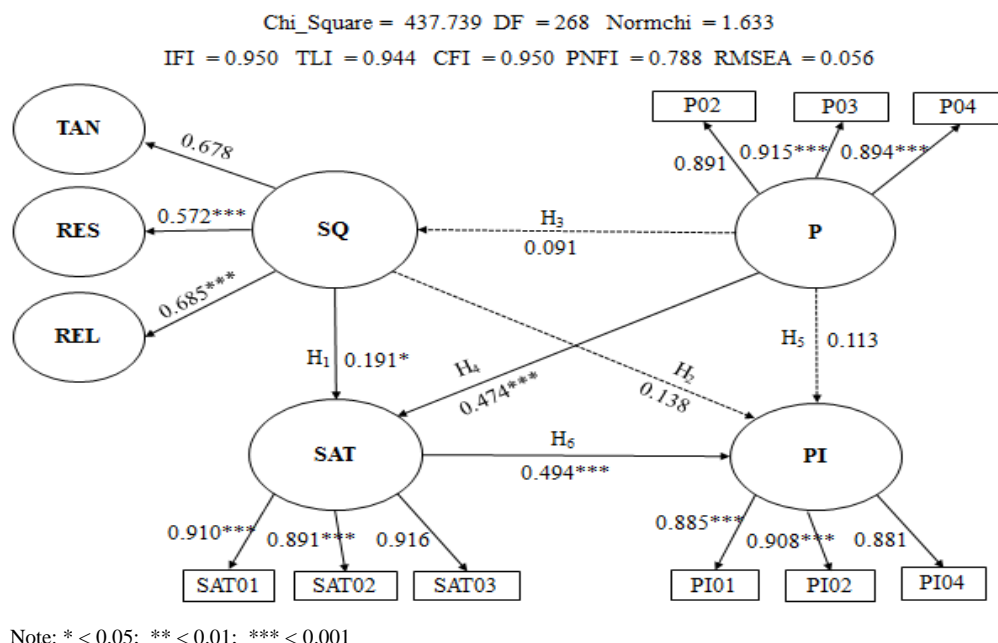


Fig. 2 The SEM finalized model and results

Table 5 shows the results of the direct relationships and was used to test the proposed hypotheses. Three hypotheses including H1, H4 and H6 were found significantly at $p < 0.05$, the remaining hypotheses were rejected because $p > 0.05$. As hypothesized, service quality ($SEs = 0.191$; $p = 0.000$) and perceived price fairness ($SEs = 0.474$; $p = 0.000$) have a positive direct effect on customer satisfaction as identified by previous studies (e.g., Caruana et al., 2000; Baker & Crompton, 2000; Bharati & Berg, 2005; Yoo & Park, 2007; Sureshchander et al., 2001; Hirschman, 1970). In addition, customer satisfaction directly impacted customer purchase intention ($SEs = 0.494$; $p = 0.000$). This result was consistent with other studies (e.g., Baker & Crompton, 2000; Cronin et al., 2000; Petrick & Backman, 2002; Zeithaml et al., 1996). Even though several past studies reported significant direct relationships between perceived price fairness and service quality (e.g., Bolton & Lemon, 1999; Varki & Colgate, 2001); between service quality and customer’s purchase intention (e.g., Sullivan & Walstrom, 2001; Ostrowski et al., 1993; Sultan & Simpson, 2000); between perceived price fairness and purchase intention (e.g., Chiang & Jang, 2006), those findings were not found in this study (H2; H3; H5), and were not supported as the p-value was greater than 0.05.

The mediation test was used to examine the impact of satisfaction as a mediator in the relationships among service quality, perceived price fairness and purchase intention (Byrne, 2010). As shown in Table 5, service quality has an indirect effect on purchase intention ($SEs = 0.138$) via the effect of service quality on satisfaction (full

mediation). In addition, perceived price fairness impacts indirectly on purchase intention (SEs = 0.275) via the impact of perceived price fairness on satisfaction (full mediation). To estimate the size of the indirect effect, the variance accounted for (VAF) was calculated by dividing the indirect effect by the total effect (Shrout and Bolger, 2002). Given that service quality and perceived price fairness have no direct effect on purchase intention, the relationship between these three factors is fully mediated by satisfaction (VAF = 100%).

Table 4 Hypothesis Testing (Direct Relationships)

Hypothesis	Causal Path	Standardized Estimates (SEs)	Standard error	CR	p-value	Test results
H1	SQ → SAT	0.191	0.172	2.294	0.022	Supported
H2	SQ → PI	0.138	0.165	1.731	0.083	Not supported
H3	P → SQ	0.091	0.046	1.013	0.311	Not supported
H4	P → SAT	0.474	0.073	6.805	***	Supported
H5	P → PI	0.113	0.078	1.530	0.126	Not supported
H6	SAT → PI	0.494	0.080	6.214	***	Supported

Note *** denotes $p < 0.001$

Table 5 Hypothesis Testing (Indirect Relationships)

Hypothesis	Relationship	Mediation		Standardized Estimates(SEs)	Test results
H7	SQ → SAT → PI	Full mediation	Indirect effect	0.138	Supported
H8	P → SAT → PI	Full mediation	Indirect effect	0.275	Supported

V. Conclusion

Examining the interrelationships among service quality, perceived price fairness, customer satisfaction and purchase intention is one of the interesting academic topics in recent decades, and can also be applied to aviation sector. Therefore, this study aims to acquire a better understanding of the interrelationships among four factors for Vietnam Airlines, which is the airlines having the highest market share in Vietnam. Based on synthetic literature reviews of prior research in the field of services, particularly aviation, this study proposed conceptual models and tested hypotheses with 205 respondents who have been flying with Vietnam Airlines. The results revealed that the model was a suitable fit with the sample, and have important implications for marketers and managers of Vietnam Airlines in particular and airline managers in general.

1. Managerial implications

Findings reveal that both service quality (SEs = 0.191) and perceived price fairness (SEs = 0.474) have positive direct influence on customer satisfaction. These findings are in line with previous destination studies (Bharati & Berg, 2005; Yoo & Park, 2007; Hermann et al., 2007; Martin-Consuegra et al., 2007). This implies that, when Vietnam Airlines offers good quality product-service, it is a prerequisite to satisfy their target customers. It can be said that, the effort to improve service quality will influence customer expectations as well as their evaluation of the service quality of Vietnam Airlines, which is the basis for shaping customer satisfaction. In addition, customers will also compare the prices, which Vietnam Airlines charged and the quality of service, which Vietnam Airline provided to customers; or between its prices and the prices of other airlines. If prices, which customers perceived and evaluated are reasonable, customers will be happy and willing to use the service of Vietnam Airlines instead of choosing another airlines.

The results also revealed that customer satisfaction has a positive direct effect on customer purchase intention (SEs = 0.494). This result was consistent with findings from Chen (2008) in the relationship between satisfaction

and behavioral intention of passenger in Taiwanese airline. This indicates that satisfaction play important role in increase intention to use service of Vietnam Airline. In particular, if Vietnam Airline satisfies their customer, then customer will choose Vietnam Airline for using next time as well as comment positively about Vietnam Airline to their relatives which impact the choices of others. In contrast, if passengers feel dissatisfied, they will reject service from Vietnam Airline and say negative things about it to others.

Although the results did not support the direct impact of service quality on purchase intention, they did reveal that satisfaction fully mediates this relationship. This result is consistent with that of Chen (2008), which identified the mediating role of passenger satisfaction in the relationship between service quality and behavioral intentions. In addition, passenger satisfaction plays mediating role in the indirect effect of perceived price fairness on purchase intention. This confirms the important role of satisfaction in retaining customers and building customer loyalty, thereby contributing to the long-term success of an organization. This research and its findings will help managers of Vietnam Airlines identify important factors affecting customer satisfaction, thus, contributing to the development of marketing strategies as well as policies to help the business in gaining competitive advantages, increasing profits and building customer loyalty in the future.

Findings from this study can make a valuable contribution to provide managers in develop brand image as well as increase the quality of the airline. Business should study customer behaviors in order to be able to compete with others. In addition, marketers and managers should pay close attention to examining factors of service to improve service quality because these factors are the basis of satisfaction and behavioral intention. Moreover, in harsh competitive environment today, managers should not only focus on quality of service but also carefully evaluate the level of customer perception about the price policy gave by business in comparison that with competitors. In fact, perceived price fairness also reflects the level of customer satisfaction as well as the intention to use services in the future. Furthermore, marketers should carefully study the styles, personalities, needs, as seen in marketing efforts and providing products (services) to suit the specific characteristics of target customer.

2. Limitations

The research provides positive contributions to Vietnam Airlines in understanding customers and identifying their position. However, this study also has some limitations: The subjects of this study are customers who have been using the aviation service of Vietnam Airlines. They have the specific characteristics, demands, and diverse expectations. Therefore, findings cannot be applied simultaneously to all customers. The study only considered the internal factors of the business without considering the relationship between demographic characteristics (e.g., age, occupation, financial, nationality) and customer satisfaction. In addition, the sample of the study is quite small and not representative enough.

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