

ABSTRACT

This study examined the relationship between service performance and customer loyalty of One-Two-GO Airline customers. It was conducted after the accident of the One-Two-GO Airline flight crash in Phuket on 16 September 2007 which claimed 89 lives. The assessment of customers' perception of service performance was predicted to be affected by this uncontrollable factor – the accident, in terms of customers' experiences, attitudes, and recommendations.

This research was conducted under the following three objectives (1) to examine the relationship between customers' perception of service performance and customer loyalty of the One-Two-GO Airline customer; (2) to study the relationship between relative attitude, recommendation, and customer loyalty of the One-Two-GO Airline customers; (3) to provide suggestions for improvement of quality of service of the One-Two-GO Airline.

The relative importance of five different service dimensions of service performance, namely tangibles, reliability, responsiveness, assurance and empathy, was investigated. The survey was conducted using questionnaires as the data collection tool. The sample group of 362 was composed of people who had experienced flying with One-Two-GO Airline. The data analysis using descriptive statistics and Pearson correlation coefficient was employed to identify the relationship between variables. Customer loyalty was the dependent variable whereas service performance, relative attitude and recommendation were independent variables. Relative attitude and recommendation were found to have a high significant relationship with customer loyalty, whereas, the service dimensions had moderate relationships with customer loyalty.

The research findings will be beneficial to the One-Two-GO Airline to better understand consumers' attitude. This understanding will guide the airline policy makers to design an appropriate strategy in response to customers' needs and satisfaction in order to gain back customers' confidence and consequently, establish loyalty among the customers.