

From Online Perceived Value to e-Loyalty: A Study of Malaysian Low Cost Carriers

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ABSTRACT

Emergence of Malaysia-based low cost carriers (LCCs) has changed the travelling trends and air ticket purchasing behaviors in the country lately. With the advancement of information technology, consumers now can purchase online air ticket 24/7/365. Besides, consumers are more aware of the online offerings through massive advertising and promotional efforts implemented by LCCs. Price-sensitive consumers are now well-informed and aware of the benefits of buying air tickets online. Therefore, establishing a web site that provides good online service becomes the priority of LCCs marketers.

This research was conducted with the objective of studying Malaysian consumers' perception towards the online perceived value and its impacts on customer e-Loyalty. This study focuses on the online ticketing service provided by Malaysia LCCs specifically known as AirAsia and Firefly. Hence, it is important that the LCCs marketers must understand online service quality which will help them to improve passenger retention rate.

In this study, a self-administered questionnaire was used for data collection purpose. 230 samples were collected from Pavilion KL and Suria KLCC shopping malls which located at the Kuala Lumpur city centre. Multiple regression, linear regression and Sobel test were used to conduct testing on the relationships of different variables.

The results indicate that some of the antecedents of online perceived value in this study were contradictory to previous findings. This study also explained the relationships between online perceived value, customer satisfaction, customer trust and customer loyalty in Malaysian based LCCs industry.

The author wishes to highlight some important service quality dimensions that influence online ticketing behavior of customers to LCC marketers. From this study, LCC marketers can determine the exact needs and expectations of customers and from there they can craft suitable strategies and sustainable solutions to leverage its online competitiveness.

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List of Abbreviations

Abbreviation	Description
B2C	Business-to-Customer
FAQ	Frequently Asked Question
LCC	Low Cost Carrier
SME	Small and Medium Enterprise