

UNIVERSITI TEKNOLOGI MARA

**THE INFLUENCE OF VALUE CO-
CREATION BEHAVIOUR ON
CUSTOMER SATISFACTION FOR
INTERNATIONAL IN-FLIGHT
SERVICE OF MALAYSIA AIRLINES**

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Dissertation submitted in partial fulfillment of the
requirements for the degree of
Doctor of Business Administration
(Marketing)

Arshad Ayub Graduate Business School

April 2019

ABSTRACT

Malaysia Airlines has faced numerous adversities in the last few decades, including financial difficulties, catastrophic incidents and intense competition, which have led to loss of customer confidence and increased customer complaints. The airline has been observed to juggle their business model and optimizing their services to offer hybrid solutions to cater for the modern-day customers' demands and needs within their cost cutting strategies. This study explored the key factor that may have been discounted from Malaysia Airlines' business plan to ease the airline's complex situation. The study was based on Vargo and Lusch's (2008) service-dominant logic, which focuses on the roles of customers in co-creation of value during service delivery. Customers are different and in view of this quandary, the need to amplify customer value co-creation behaviour should be first underlined and critically looked at, in order to incur the key marketing outcome, particularly customer satisfaction. Working from that perspective, this study accordingly measured the co-creation activity from the customer stand point to determine the magnitude, if any, of the relationship between customer value co-creation behavior and customer satisfaction within the service delivery. This study was based on national full-service carrier Malaysia Airlines direct long-haul in-flight service. Sample selection was completed through non-probability purposive sampling type, due to unavailability of Malaysia Airlines' data. Respondents comprised Malaysia Airlines customers aged 18 years and above who had travelled at least once in the last 12 months between December 2015 to December 2016 to any direct long-haul routes of more than four hours to/from KLIA. Data was collected and analyzed from a total of 314 valid respondents. Multiple regression statistical tool was used to test the hypotheses and to examine the variables in the customer value co-creation behaviour that gave the most influence on the variance of customer satisfaction. The findings of this study were positive and favourable, especially for Malaysia Airlines frequent flyers who flew multiple times with the airline in a year. Specifically, the study showed that the respondents were likely to participate in extra-role behaviour, compared to in-role behaviour, to obtain higher customer satisfaction. Furthermore, advocacy was found to be the most influential variable with the most impact on the variance of customer satisfaction. The outcomes from the study could be used to propose new ideas to improve the situation for Malaysia Airlines as a high-contact service industry, which would benefit the business results in the long run.

ACKNOWLEDGMENTS

In the name of Allah, the Most Beneficent, the Most Merciful. All praise and deepest thanks are due to Allah, Lord of the Worlds who has showered me with His countless blessings through health, strength and perseverance to successfully complete my DBA, for truly one will never achieve this without His help and guidance.

First, I would like to thank my parents Minhada Salleh & [REDACTED] who have always loved me unconditionally and whose good examples have taught me to work hard for the things that I aspire to achieve; my siblings, Leya Minhada and Ridhwan Minhada, who offered invaluable support and humor over the years. Words can't express how much I love you all and how grateful I am for your support. Without you four, I most certainly would not be where I am today.

I owe thanks to a very special person, my husband, Benjamin Hussein, for his continued and unfailing love, support and understanding during my pursuit of DBA that made the completion of thesis possible. You were always around at times I thought that it is impossible to continue, you helped me to keep things in perspective.

My gratitude and thanks go to my supervisor Professor Dr Norlida Abdul Hamid for her guidance, great support and kind advice throughout my DBA journey. It was a real privilege and honor for me to share of her exceptional knowledge but also her extraordinary human qualities. Thank you for the support, patience and ideas in assisting me with this journey. I also would like to thank my co-supervisor, Dr Siti Zaleha Sahak for her constant support, availability and constructive suggestion, which were determinants for the accomplishment of the work presented in this thesis.

My appreciation goes to the staff of the Malaysia Airlines Berhad and Malaysia Airport Holdings Berhad especially to AeroDarat Services Sdn. Bhd., for providing the facilities, knowledge sharing and assistance during sampling.

Many thanks to the staff at UiTM, Shah Alam, especially Professor Dr Rosmimah, Mohd. Roslin who was involved in my Defense Research Proposal. In addition, I am also grateful to Postgraduate and General Office administrators, for providing administrative related support. I extend special thanks to the people who participated in this study, directly and indirectly, during both the pre-test stage, pilot study stage and the main survey, especially Adzrai Aziz Ibrahim and Nor Azman Aziz.

Last but not least, I am thankful and indebted to these wonderful people who have continuously given me moral support, motivation and strength to complete this extremely challenging pursuit, including my dear family and friends Simon Hall, Ellie Hall, John Hall, and Karen Dobson, and my fellow doctoral friends at UiTM, Shah Alam and others whom I may have missed.

“When you learn, teach, when you get, give.” ~ Maya Angelou

TABLE OF CONTENTS

	Page
CONFIRMATION BY PANEL OF EXAMINERS	ii
AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGMENTS	v
LIST OF TABLES	xi
LIST OF FIGURES	xiv
LIST OF ABBREVIATION	xvi
CHAPTER ONE: INTRODUCTION	1
1.1 Preamble	1
1.2 Background of The Study	1
1.3 Chronology of Events: Malaysia Airlines	3
1.3.1 The Revolution	4
1.3.2 The Turbulence	5
1.3.3 Ensuing Predicaments	6
1.3.4 Chance of Survival: Market Share	11
1.4 Problem Statement	14
1.5 Gaps in This Study	17
1.6 Research Questions	19
1.7 Research Objectives	19
1.8 Scope of Study	20
1.9 Significance of Study	20
1.9.1 Researcher	20
1.9.2 Organization	21
1.9.3 Body of Knowledge	21
1.10 Summary	22

CHAPTER TWO: LITERATURE REVIEW	23
2.1 Preamble	23
2.2 Customer Satisfaction	23
2.2.1 Customer Satisfaction Benefits	24
2.2.2 Customer Satisfaction in Airline Industry	26
2.3 Value Concept Evolution	28
2.3.1 Value Creation	29
2.3.2 Value Co-Creation	30
2.3.3 Value Co-Creation Benefits	33
2.3.4 Customer and The Behaviour Outcome	34
2.3.5 Value Co-Creation in Transportation Industry	36
2.4 Value Co-Creation and Customer Satisfaction: Intertwine Connection	37
2.4.1 Customer Participation Behaviour and The Hypotheses	38
2.4.1.1 <i>Information Seeking</i>	39
2.4.1.2 <i>Information Sharing</i>	40
2.4.1.3 <i>Responsible Behaviour</i>	41
2.4.1.4 <i>Personal Interaction</i>	42
2.4.2 Customer Citizenship Behaviour and The Hypotheses	43
2.4.2.1 <i>Feedback</i>	43
2.4.2.2 <i>Advocacy</i>	44
2.4.2.3 <i>Helping</i>	45
2.4.2.4 <i>Tolerance</i>	46
2.5 Customer Profile and Diversity	48
2.6 Conceptual Framework	49
2.7 Operational Definitions	50
2.8 Summary	51
CHAPTER THREE: RESEARCH METHODOLOGY	53
3.1 Preamble	53
3.2 Research Design	53
3.3 Sampling Design	55
3.3.1 Population	56
3.3.2 Sampling Technique	56