

The carrier's flight plan

How an airline's customer value proposition affects the customer journey from departure to destination

Master's thesis



Radboud Universiteit Nijmegen

Author:	Kimberley Kroon
Student number:	4849051
Supervisor:	Dr. ir. Gerrit Willem Ziggers
Co-reader:	Prof. dr. Ayse Saka-Helmhout

Nijmegen, August 13th

The carrier's flight plan

How an airline's customer value proposition affects the customer journey from departure to destination

Master's thesis

Author: Kimberley Kroon
Student number: 4849051
Email address: k.kroon@student.ru.nl

Program: Business Administration
Specialization: International Management

Supervisor: Dr. ir. Gerrit Willem Ziggers
Co-reader: Prof. dr. Ayse Saka-Helmhout

Nijmegen, August 13th

Abstract

This study examines the relationship between the customer value proposition, customer orientation and customer satisfaction in the context of the airline industry. The research question is tested by means of two quantitative studies: an experiment among Dutch people who fly and a survey among Dutch and non-Dutch passengers. The findings indicate that the airline's customer value proposition and customer orientation are positively related to customer satisfaction. This study has also shown that customer orientation strengthens the relationship between customer value proposition and customer satisfaction.

Keywords: Airline industry; customer value proposition; customer orientation; customer satisfaction; full-service carrier; hybrid carrier; low-cost carrier.

Paper type: Master's thesis.

Table of contents

1. Introduction	7
2. Theoretical Framework	12
2.1. Competitive advantage	12
2.1.1. <i>Industrial organization theory</i>	12
2.1.2. <i>Critique on Porter's work</i>	13
2.2. Customer value proposition	14
2.3. Customer satisfaction	15
2.4. Customer orientation	18
3. Methodology	21
3.1. Context	21
3.1.1. <i>Developments in the airline industry</i>	21
3.1.2. <i>Business models in the airline industry</i>	21
3.1.3. <i>The emergence of the hybrid model</i>	22
3.1.4. <i>Airline choice</i>	23
3.2. Studies	24
3.2.1. <i>Experiment</i>	24
3.2.2. <i>Questionnaire</i>	25
3.2.3. <i>Variables</i>	26
3.2.4. <i>Reliability and validity</i>	29
3.3. Research ethics	30
4. Results	32
4.1. Experiment	32
4.1.1. <i>Pre-test</i>	32
4.1.2. <i>Sample description</i>	32
4.1.3. <i>Reliability and factor analysis</i>	33
4.1.4. <i>Control variable: real-life passenger</i>	34

4.1.5.	<i>Univariate analysis</i>	34
4.1.6.	<i>Bivariate analysis</i>	34
4.1.7.	<i>ANOVA and ANCOVA</i>	35
4.2.	Questionnaire.....	39
4.2.1.	<i>Sample description</i>	39
4.2.2.	<i>Reliability and factor analysis</i>	39
4.2.3.	<i>Univariate analysis</i>	40
4.2.4.	<i>Bivariate analysis</i>	41
4.2.5.	<i>ANOVA and ANCOVA</i>	41
4.3.	Additional analyses.....	43
4.3.1.	<i>Customer orientation scale comparison</i>	43
4.3.2.	<i>Effect of nationality</i>	43
5.	Discussion and conclusion	45
5.1.	Discussion.....	45
5.2.	Conclusion.....	48
5.3.	Theoretical implications	49
5.4.	Managerial implications	49
5.5.	Limitations and suggestions for future research.....	50
	References	52
	Appendix A: Questionnaire of the experiment	59
	Appendix B: Cases of the experiment	62
	Low-cost carrier.....	62
	Low-cost carrier with CO	63
	Hybrid carrier	64
	Hybrid carrier with CO.....	65
	Full-service carrier.....	66
	Full-service carrier with CO	67

Appendix C: Questionnaire of the survey	70
Appendix D: Factor analysis of the experiment	73
Appendix E: Assumptions ANOVA of the experiment.....	74
Appendix F: Factor analysis of the survey.....	77
Appendix G: Results of the Dutch survey	78
Univariate analysis	78
Factor analysis	79
Appendix H: Results of the English survey	81
Univariate analysis	81
Factor analysis	82
Appendix I: Assumptions of the ANOVA of the survey	83
Appendix J: Comparison of factor analyses	85
Appendix K: Effect of nationality	86
Customer orientation	86
Customer satisfaction	86
Repurchase intention	86

1. Introduction

In the 1990s, deregulation of the aviation market reformed the competitive environment and the nature of airline rivalry. Before the liberalization of the industry, bilateral agreements determined the traffic rights for each airline, the number of airports, the number of airlines, the type of aircraft, and the frequency of flights between predetermined airports. As a result, competing on price or network was not possible (Cento, 2008; Domanico, 2007). The liberalization in the 1990s had three effects on the airline industry (Cento, 2008). First, international airlines' alliances, such as Sky Team, One World, and Star Alliance, were established (Cento, 2008; Domanico, 2007; Pels & Brueckner, 2003). Second, existing airlines expanded their hub-and-spoke strategy. In a hub-and-spoke strategy, an airline flies from one central airport (the hub) to the destination cities (the spokes), but this airline does not operate direct flights between the spokes (Cento, 2008; Pels & Brueckner, 2003). Finally, a new type of competitor with a different business model emerged and expanded: the low-cost carrier, operating on the same routes as the established carriers (Cento, 2008; Domanico, 2007; Pels & Brueckner, 2003).

Hunter (2006) distinguishes two main types of business models in the airline industry: the full-service carrier (FSC) model, and the low-cost carrier (LCC) model. The FSC follows a differentiation strategy (Hunter, 2006), which is a strategy meant to distinguish oneself from the competition by offering something unique (Porter, 1985). The LCC focuses on cost leadership (Hunter, 2006). According to Porter (1985), cost leadership is a strategy with a broad target group, aiming at becoming the low-cost player of the industry. This black-and-white distinction, however, has begun to blur due to the fierce competition and the continuous adaption of the business models (Lawton & Solomko, 2005; Cento, 2008). Taneja (2010) argues that a single LCC model does not exist. He proposes that the LCC model is a continuum ranging from the traditional LCC (e.g. RyanAir) to an airline with a hybrid model (e.g. Air Berlin). According to Fageda, Suau-Sanchez & Mason (2015), LCCs are facing a slowdown in organic growth, forcing them to adapt to other business growth strategies. Ferrer-Rosell & Coenders (2017) argue that the business models are converging: LCCs are turning less low-cost, while FSCs are becoming less full-service.

In the last three decades, a lot of research – both theoretical and practice-oriented – has been done on business models. Zott, Amit & Massa (2011) analyzed over 1,200 articles and conclude

that academics do not have a clear definition of what a business model is, or consists of. A recurring component in the various definitions is the customer value proposition (CVP) (Zott et al., 2011): “*a statement of how the firm proposes to deliver superior value to customers and to differentiate itself from competitors*” (Webster, 1994, p. 60). Johnson, Christensen & Kagermann (2008), and Teece (2010), for example, argue that the customer value proposition is the essence of the business model. In order to deal with the changes in the global business environment, Teece (2010) proposes that businesses should focus more on customer needs by being customer-oriented and should rethink their customer value proposition.

Customer satisfaction is a frequently researched concept in marketing literature (Dalla Pozza, 2014), and academics have shown its importance: higher customer satisfaction leads to fewer complaints, higher repurchase intention, and willingness to pay more, among other things (Baker, 2013; Clemes et al., 2008). Customer satisfaction is the “*overall customer attitude towards the service provider*” (Levesque & McDougall, 1996, p. 14), and is determined by overall quality, price, and expectations (Anderson et al., 1994). Furthermore, customer satisfaction in the airline industry has gained a lot of attention (e.g. Baker (2013), Chiou & Chen (2010), Clemes et al. (2008), Forgas, Moliner, Sánchez & Palau (2010)). Academics have looked into the differences in customer satisfaction of low-cost carriers and full-service carriers (e.g. Koklic, Kukar-Kinney & Vegelj, 2017), and the antecedents of customer satisfaction per business model (e.g. Suhartanto & Noor, 2012; O’Connell & Williams, 2005; Forgas et al., 2010).

Furthermore, academics who have investigated the relationship between airline’s customer value proposition and customer satisfaction have found mixed results: some studies find that the airlines are perceived similarly, while others have found evidence that the strength of the relationship varies depending on the customer value proposition (Koklic et al., 2017). One resemblance between the researches is that they only look at the customer value propositions of both the LCC and the FSC. The group who did not uncover significant differences argue that the convergence of the two carrier types is a possible explanation. For that reason, it is important to add the hybrid carrier to the two previously researched carrier types. Surprisingly, to the best knowledge of the researcher, little attention has been given to date to the hybrid carrier and the link between its customer value proposition and customer satisfaction. This research looks at the relationship between the three customer value propositions and customer satisfaction. This

does not only give insights into the hybrid carrier but also into the mutual relations with the LCC and the FSC.

As noted by Teece (2010), the customer value proposition is the essence of a firm's business model, and should be increasingly focused on customer needs. Customer orientation enables a company to construct a superior customer value proposition as a result of a deeper understanding of customer needs and leads to greater customer satisfaction (Daniel & Darby, 1996; Brady & Cronin Jr., 2001). Customer orientation is defined as *"the ability of the service provider to adjust to his/her service to take account of the circumstances of the customer"* (Daniel & Darby, 1996, p. 134) and has been researched for salespeople (Saxe & Weitz, 1982; Michaels & Day, 1985) and service providers (Daniel & Darby, 1996; Kelley, 1992).

Customer orientation has also been measured from the customers' perspective in various service industries, such as amusement parks & video rental stores (Brady & Cronin Jr., 2001), retail (Brown, Widing & Coulter, 1991), financial services (Wray, Palmer & Bejou, 1994), travel agencies (Hennig-Thurau, 2004), and health care (Daniel & Darby, 1996). According to Baker (2013) and Clemes, Gan, Kao & Choong (2008), the airline industry has been classified as a highly intangible service industry. The researcher argues, in line with Baker (2013) and Clemes et al. (2008), that the passenger airline industry is a service industry and proposes that the customer orientation of airlines can be measured from the passenger's perspective.

The aim of this research is to find out how the airline's customer value proposition and customer satisfaction are related, how customer orientation (analyzed from the customer's perspective) influences this relationship and how customer orientation influences customer satisfaction. This leads to the following research question:

What is the effect of customer orientation on customer satisfaction and on the relationship between the customer value proposition of an airline and customer satisfaction?

This research contributes to the academic literature in a few ways. First of all, this research is framed within the work of Michael Porter (1985). Despite his widely recognized theories, scholars have also criticized the work of the 'management guru' (Datta, 2010; Mekic & Mekic, 2014). According to Datta (2010), one criticism on Porter's work, shared by, amongst others, Ghoshal & Bartlett (1997), Hamel & Prahalad (1994), and Mintzberg (1990), is that Porter's

frameworks are static and only applicable in stable environments. This research adds to the body of knowledge by using Porter's theory in a dynamic industry, such as the airline industry (Kangis & O'Reilly, 2003). In addition to this, another major critique is on the notion of only being able to follow one generic competitive strategy (Datta, 2010). Porter (1985) argues that the simultaneous pursuit of cost leadership and differentiation leads to a situation called 'stuck in the middle'. Critics of this notion argue that these two generic strategies are part of a continuum and can co-exist (Datta, 2010). To summarize, this research gives insight into the applicability of Porter's theory in a changing and converging environment.

Second, this thesis also adds to the existing knowledge of customer orientation and, in particular, to the current knowledge on measuring customer orientation from the customer's perspective in a service industry. To date, the airline industry has not been used as a service industry to measure customer orientation from the customer's perspective. Moreover, Daniel & Darby (1996) called for a future study in another service industry to test their customer orientation scale. By means of this study, their customer orientation scale is not only tested for reliability, but also applied in another, yet not researched, service industry.

This research also contributes to the body of academic knowledge of the airline industry. First, this research contributes by taking into account the finding that the airline industry is converging (Taneja, 2010; Fageda et al., 2015; Ferrer-Rosell & Coenders, 2017; Klopheus et al., 2012). Despite this, academics have not yet included the hybrid carrier in their researches: they focus either on the customer value proposition of the LCC or the customer value proposition of the FSC, or they compare the LCC and the FSC. This research takes into account that the airline industry is converging by including the customer value proposition of the hybrid carrier, instead of only looking at the customer value proposition of the LCC and/or the FSC. This gives a better and more complete understanding of the carriers in the airline industry.

This research also contributes practically. It helps readers understand how airlines could deal with the dilemma of profitability and competitiveness. This insight is created by showing the relative importance of the customer value proposition. In addition, this research gives insight into the effect of a higher degree of customer orientation on customer satisfaction. As stated before, according to Teece (2010), customer orientation in the customer value proposition is a way to deal with the changing environment, like the airline industry. This research shows

readers the relevance of focusing on customer orientation and what effects it can have on the customer satisfaction.

This thesis is structured as follows. The next chapter reviews Porter's theory on competitive advantage and examines existing literature on the customer value proposition, customer satisfaction, and customer orientation. Chapter 3 first addresses the passenger air travel industry with its developments and the various carriers. Then, the methodology is established and discussed, and the research ethics are addressed. Chapter 4 presents the results of the researches. In chapter 5, the uncovered results are discussed. Further, this chapter covers the conclusion with both theoretical and managerial implications, limitations, and suggestions for future research.

2. Theoretical Framework

2.1. Competitive advantage

Firms operate in a business environment with rivals and need to gain a competitive advantage over their competitors to be successful (De Wit & Meyer, 2014). The advent of globalization resulted in increased rivalry, stressing the importance of having a (sustainable) competitive advantage. Competitive advantage is at the core of a business' performance and develops gradually from the value a business is able to create for its customers (Porter, 1985). Different, contrasting theories in the literature exist regarding the way (sustainable) competitive advantage is created. This study focuses on Porter's industrial organization theory.

2.1.1. *Industrial organization theory*

Porter's perspective on the creation of (sustainable) competitive advantage is an outside-in perspective. In an outside-in view, "markets are leading, resources are following" (De Wit & Meyer, 2014, p. 188). In his book *Competitive Advantage: Creating and sustaining superior performance*, Porter (1985) argues that firms should utilize their strengths to address external opportunities while nullifying threats and weaknesses. The opportunities and threats of the environment can be identified by looking at five competitive forces within an industry: (1) threat of new entrants, (2) bargaining power of suppliers, (3) rivalry among competitors, (4) bargaining power of buyers and (5) threat of substitute products or services. Together, these forces determine the attractiveness and profitability of an industry (Porter, 1985).

According to Porter & Kramer (2011), "the firm gains competitive advantage from how it configures the value chain, or the set of activities involved in creating, producing, selling, delivering, and supporting its products or services" (p. 6). Porter's value chain shows how value is created by the configuration of two types of value activities: (1) primary activities – i.e. activities related to the creation of the product or service – and (2) support activities, such as procurement and HRM (Porter, 1985). The configuration of a firm's value chain is closely linked to the firm's customer value proposition (De Wit & Meyer, 2014) and the pursuit of a generic competitive strategy (Porter, 1985).

Porter distinguishes three generic competitive strategies to achieve and sustain competitive advantage. The first generic strategy is 'cost leadership' and is a strategy with a broad target group, aiming at becoming the low-cost player of the industry (Porter, 1985). This generic strategy requires an endless examination of the value chain to reduce costs (Tanwar, 2013). The

second generic strategy ‘differentiation’ is a strategy to distinguish yourself from the competition by offering something unique (Porter, 1985). Firms can distinguish themselves from rivals by means of their design, brand image, features, network, or customer service, among other things, and are able to ask a premium price (Tanwar, 2013). The final generic competitive strategy, ‘focus’, comes in two variants: cost focus and differentiation focus, both aimed at a narrow target group (Porter, 1985). This generic strategy is best used to meet customers’ needs of small segments (Tanwar, 2013). Taken together, this outlines a critical role of the customer value proposition in the pursuit of competitive advantage by means of following one of Porter’s generic strategies (1985): differentiation, cost leadership, or focus.

2.1.2. Critique on Porter’s work

Despite his widely recognized theories, scholars have also criticized the work of the ‘management guru’ (Datta, 2010; Mekic & Mekic, 2014). According to Datta and Mekic & Mekic, one criticism on Porter’s work shared by, amongst others, Ghoshal & Bartlett (1997), Hamel & Prahalad (1994), and Mintzberg (1990) is that Porter’s frameworks are static and only applicable in stable environments. In addition, Salavou (2015) points out that firms following a single generic competitive strategy may be less responsive to changes in the environment and less flexible in their product offerings, which can lead to missing important customer needs. This suggests that Porter’s (1985) theories are not well suited to dynamic industries.

Another major critique relates to the generic competitive strategies (Datta, 2010). Porter (1985) argues that firms should follow one generic competitive strategy (either cost leadership or differentiation) and that the simultaneous pursuit of cost leadership and differentiation leads to a situation called ‘stuck in the middle’: it leads to below-average performance or even competitive disadvantage. Critics, however, argue that these two generic strategies are part of a continuum and can co-exist (Datta, 2010). Besides, Salavou (2015) argues that rivals can easily imitate purely competitive strategies, leading to a competitive disadvantage. Salavou, therefore, advocates for the pursuit of a hybrid competitive strategy – a combination of more than one generic strategy – which allows firms to better respond to changing customer needs.

To summarize, Porter’s generic competitive strategies describe how firms can achieve competitive advantage by addressing the opportunities in the environment. Nevertheless, Porter’s theories have also been challenged by strategic management scholars. Critics question the applicability of Porter’s theories in dynamic industries. Another criticism concerns the

generic competitive strategies. Critics have also argued that cost leadership and differentiation are part of a continuum and can co-exist, whereas Porter argues that the simultaneous pursuit of cost leadership and differentiation is unsustainable.

2.2. Customer value proposition

During the last decades, the concepts “customer value” and the “customer value proposition” (CVP) have become a major focus among strategic management and marketing scholars and strategists as a fundamental element of a business’ competitive strategy (DeSarbo, Jedidi & Sinha, 2001; Anderson, Narus & Van Rossum, 2006). Johnson, Christensen & Kagermann (2008) and Teece (2010) have gone so far as to call the customer value proposition the essence of the business model. As noted by Vargo & Lusch (2004), value is perceived by the customer and it is the customer who determines what is valuable and what is not. Businesses, on the other hand, can assist the customer by means of their customer value propositions (Vargo & Lusch, 2004), but firms need to be acquainted with their rivals to understand whether and how they can provide superior solutions to meet customers’ needs (Payne, Frow & Eggert, 2017).

One of the most frequently used definitions of customer value is Woodruff’s (1997). He defined customer value as “*a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations*” (p. 142). According to Smith & Colgate (2007), customer value is perceived differently per customer, is conditional or circumstantial, is relative (in comparison to familiar or imagined substitutes), and is dynamic. This implies that firms should occasionally rethink their CVP. Besides, Woodruff (1997) argues that in the future competitive advantage will emerge from discovering new ways to meet a customer’s desired value.

To date, the term ‘customer value proposition’ remains a buzzword: scholars do not agree on what it constitutes nor what makes it persuasive (Anderson et al., 2006). However, academics do agree on two points: (1) the CVP should be defined from the customer’s perspective, and (2) the CVP is a strategic tool for a firm striving for competitive advantage (Rintamäki, Kuusela & Mitronen, 2007). As a result, several definitions of CVP have been proposed. DeSarbo et al. (2001) define CVP as “*the communication of the unique benefits and utility obtainable only from the focal product in contrast to those from its competitors*” (p. 845). Johnson et al. (2008) define the customer value proposition as “*a way to help customers get an important job done*”

(p. 52) and encompasses the target customer, job to be done, and the offering. Webster (1994) defines the customer value proposition as “*a statement of how the firm proposes to deliver superior value to customers and to differentiate itself from competitors*” (p. 60). All three definitions focus on providing a superior solution relative to known substitutes to meet customers’ needs. The third definition goes a step further by combining value for the customer (customer value) and value of the customer (value for the firm) (Smith & Colgate, 2007). For that reason, the definition of Webster (1994) is used in this thesis.

Anderson et al. (2006) distinguish three types of value propositions: all benefits, favorable points of difference, and resonating focus. The first type of CVP communicates all perks related to the use of the product or service. In comparison to the ‘all benefits’, the second type of CVP deliberately acknowledges that the customer has an alternative. The benefits the firm communicates, in this case, are relative to the alternative. Obviously, this type of CVP requires being acquainted with competitors. The last type of CVP, resonating focus, communicates only the most relevant benefits for the customer. Consequently, knowledge of the customer value is a requirement. In addition, this type of CVP allows containing a point of parity: an element the firm’s product or service has in common with the alternative (Anderson et al., 2006). Businesses should strive to develop a ‘resonating focus’ CVP as it shows customers that firms understand the customer’s needs and allows firms to deliver superior customer value and gain a competitive advantage (Payne et al., 2017).

To summarize, a customer value proposition is a firm’s statement of how superior value is delivered to customers and how it differentiates from its rivals (Webster, 1994). It should be formulated from the customer’s perspective and is a strategic tool in the pursuit of competitive advantage (Rintamäki et al., 2007). The CVP can be subdivided into three types: all benefits, favorable points of difference and resonating focus (Anderson et al., 2006).

2.3. Customer satisfaction

To date, customer satisfaction has been one of the most frequently researched concepts in the marketing literature (Dalla Pozza, 2014). According to Dalla Pozza, the studies on customer satisfaction can be subdivided into three categories: 1) researches focusing on conceptualizing and measuring customer satisfaction, 2) studies on the drivers and antecedents of customer satisfaction, and 3) researches on the consequences of customer satisfaction.

Over the years, marketing scholars have used various definitions for customer satisfaction. This is the result of how customer satisfaction is measured. Two types of customer satisfaction can be distinguished: transactional satisfaction and overall or cumulative satisfaction (Anderson, Fornell & Lehmann, 1994; Dalla Pozza, 2014). The first type of customer satisfaction – transactional satisfaction – is the attitude of the customer regarding the last purchase or service encounter with the firm (Dalla Pozza, 2014). The overall customer satisfaction, however, is built up over time by repeated interactions (Gustafsson, Johnson & Roos, 2005) and experiences (Anderson et al., 1994). This type of customer satisfaction can be defined as the “*overall customer attitude towards the service provider*” (Levesque & McDougall, 1996, p. 14).

The second group of customer satisfaction studies has researched the drivers and antecedents. Anderson et al. (1994) find that customer satisfaction is determined by overall quality, price, and expectations. Additionally, they find that customer value (i.e. price-to-quality ratio) directly influences customer satisfaction (Anderson et al., 1994). This is in line with Johnson et al. (2008) and Payne et al. (2017), who argue that the CVP has a positive impact on customer satisfaction. Assessing the quality of a physical product differs from the assessment of a service’s quality because of the nature of services: services are intangible and heterogeneous, and production and consumption of the service are simultaneous (Athanasopoulos, Gounaris & Stathakopoulos, 2001). Zeithaml (1988) found that customers of services observe and evaluate when they experience the service they receive. Moreover, employees play a key role in a service industry: Baker (2013) finds that customer satisfaction is also firmly affected by the interaction between customer and employees. According to Hennig-Thurau (2004), customers also have expectations regarding the behavior of service employees in interaction situations, and that, when these expectations are exceeded, the extent of customer satisfaction with the service provider is positively affected.

The final group of scholars has researched the consequences of customer satisfaction. Their researches have shown the importance of customer satisfaction: higher customer satisfaction leads to fewer complaints, higher repurchase intention, willingness to pay more (Baker, 2013; Clemes et al, 2008), positive word-of-mouth and customer loyalty (Anderson et al., 1994; Söderlund, 1998). Furthermore, Kumar (2016) notes that customer satisfaction is indirectly linked to profitability and shareholder value. To sum up, customer satisfaction is highly relevant for businesses as a higher extent of customer satisfaction comes with various positive benefits

for firms and is therefore frequently used as a key performance indicator (KPI) (Bhatti, Awan & Raqaz, 2014).

Academics have also studied customer satisfaction in the airlines industry. Section 3.1 provides more insight into the airline industry and the various carriers. Specifically, scholars looked into the differences in customer satisfaction between low-cost carriers and full-service carriers. According to Koklic, Kukar-Kinney & Vegelj (2017), mixed results were found: some researchers find differences, while others do not. In addition, studies have been done on the antecedents of customer satisfaction per business model. According to research by Suhartanto & Noor (2012), satisfaction with LCCs is firmly influenced by the service accuracy, employee behavior, and price. The importance of price is highlighted by O'Connell & Williams (2005), who found that LCC passengers would switch to FSCs if FSCs had cheaper fares. For the FSCs, customer satisfaction is also affected by the physical appearance of the aircraft (Suhartanto & Noor, 2012). This is supported by Forgas et al. (2010), who say that professionalism is an important antecedent for customer satisfaction with FSCs.

These antecedents can be linked back directly to the customer value propositions of both the LCC and the FSC: the LCC's customer value proposition relies on competing on price (cost leadership), while the FSC aims to distinguish itself by providing a more extensive service (differentiation) (Suhartanto & Noor, 2012). For this thesis, the researcher follows the findings of the research by Suhartanto & Noor: FSCs are better able to satisfy passengers than LCCs. Put differently, by focusing on providing a more extensive service, FSCs are able to deliver superior value, leading to a higher degree of customer satisfaction. As the hybrid carrier lays between the LCCs and the FSCS on the continuum (see figure 3 on page 23), the researcher argues that the hybrid carrier, following a combination of cost leadership and differentiation, is also better able to satisfy passengers in comparison to the LCC, but less so than the FSC.

To summarize, academics have dedicated a lot of research to understanding customer satisfaction. Research shows that overall quality, price, and expectations are driving customer satisfaction (Anderson et al., 1994) and in a service industry, employees also play a critical role (Baker, 2013). Moreover, research has shown that customer satisfaction is highly relevant for businesses as it comes with various positive benefits for firms. As a result, firms use customer satisfaction as one of the KPIs. However, the literature on customer satisfaction is not conclusive with regards to the generic strategy a company pursues and customer satisfaction.

This leads to the first hypotheses:

***H1a:** The customer value proposition of the low-cost carrier positively influences customer satisfaction.*

***H1b:** The customer value proposition of the hybrid carrier positively influences customer satisfaction.*

***H1c:** The customer value proposition of the full-service carrier positively influences customer satisfaction.*

***H1d:** The full-service carrier has the highest satisfaction, followed by the hybrid carrier, and the low-cost carrier.*

2.4. Customer orientation

As stated by Teece (2010), businesses should focus more on customer needs by being customer-oriented. Daniel & Darby (1996) define customer orientation as “*the ability of the service provider to adjust to his/her service to take account of the circumstances of the customer*” (p. 134) and stress the importance of customer orientation as it enables a company to construct a superior customer value proposition as a result of a deeper understanding of customer needs. According to Brady & Cronin Jr. (2001), customer orientation is the backbone of organizational learning, resulting in superior customer value proposition and greater customer satisfaction. In a service industry, such as the airline industry (Baker, 2013; Clemes et al., 2008), customer orientation is important because service employees are the ‘face’ of the company (Daniel & Darby, 1996; Kim, 2009). Moreover, in the study of Mathe, Scott-Halsell, and Roseman (2013), a highly significant positive relationship between customer orientation and customer satisfaction was found. Taken together, this suggests that customer-oriented employees are able to deliver superior customer value, which leads to a higher degree of customer satisfaction.

Two leading scholars in the field of customer orientation are Saxe & Weitz. They developed the Sales Orientation Customer Orientation (SOCO) scale (1982) to measure the customer orientation of salesmen, which is a self-assessment measure of salesmen’s customer orientation with 24 items (Daniel & Darby, 1996). Over the years, various studies have replicated and tested the SOCO scale for reliability and validity. However, questions were raised by Michaels & Day (1985) if salesmen should be assessing themselves, which could lead to upward biased answers. Michaels & Day argued that the SOCO scale – after rephrasing of the items – is also appropriate, if not more suitable, to be filled in by the customers. This would lead to a more

objective assessment in comparison to a self-assessment (Michaels & Day, 1985). In their research, Michaels & Day rephrased the items of the SOCO scale to make it suitable for customers. Their research showed that the revised SOCO scale can be filled in by customers. These findings were supported by Brown et al. (1991), who replicated the study of Michaels & Day in the retail environment.

Kelley (1992) was one of the first authors to study customer orientation in a service industry. In his research, Kelley studied customer orientation within a conceptual framework, in which customer orientation is influenced by organizational climate for service, motivational effort, motivational direction, and organizational commitment. To measure customer orientation, Kelley used the SOCO scale of Saxe & Weitz (1982), which he slightly modified to measure the customer orientation of financial institution employees. Although his study found strong support for his conceptual model, Kelley (1992) states as a limitation that customers might give a more accurate assessment of customer orientation than employees.

Daniel & Darby (1996) studied the customer orientation of nurses by assessing it from both the nurses' and patients' perspective. They argue that the first part of the SOCO scale – sales orientation – is not applicable in a variety of service industries. Therefore, they propose the customer orientation scale (COS), which is a modification of the SOCO scale, existing of 13 items. In their research, they uncover three factors within the construct customer orientation, but only label two dimensions, namely information exchange and professional relationship (Daniel & Darby, 1996).

Another scale to measure customer orientation in a service industry was proposed by Hennig-Thurau (2004). In his scale, customer orientation of service employees (COSE) is conceptualized with four dimensions: technical skills, social skills, motivation and employees' self-perceived decision-making authority. The first dimension is the knowledge and skills an employee should possess to meet customer needs (Kim, 2009). Social skills – the second dimension of COSE – is *“the service employee's ability to take the customer's perspective”* (Hennig-Thurau, 2004, p. 463). The conceptualization of Hennig-Thurau is tested with customer satisfaction, commitment, and customer retention. His research – with customers as the unit of analysis – finds support for this conceptualization (Hennig-Thurau, 2004).

To summarize, customer orientation is becoming more and more important for businesses to survive the increased rivalry (Teece, 2010). Besides, a higher degree of customer orientation enables to construct a superior customer value proposition (Daniel & Darby, 1996) and leads to greater customer satisfaction (Brady & Cronin Jr., 2001). Academics have devoted a lot of attention to customer orientation since the development of the SOCO scale in 1982. Despite the fact that the original SOCO scale has been tested, replicated and revised multiple times in multiple industries, the question remains who should be judging customer orientation: the employees or the customers. The researcher takes the customer's perspective in measuring customer orientation, which gives a more objective assessment (Michaels & Day, 1985). Research has shown that customers perceive value and they determine what is valuable and what is not (Vargo & Lusch, 2004). In other words, this means that companies cannot determine if their service is customer-oriented, the customer should decide this for themselves.

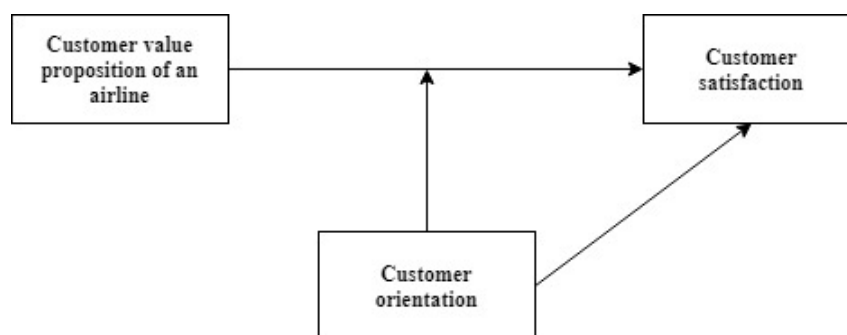
This leads to the following hypotheses:

H2: *Customer orientation positively influences customer satisfaction.*

H3: *Customer orientation positively moderates the relationship between customer value proposition and customer satisfaction.*

To conclude, the study tests the following conceptual model:

Figure 1: Conceptual model



3. Methodology

3.1. Context

3.1.1. *Developments in the airline industry*

Until the 1990s, the airline industry was highly regulated: bilateral agreements determined the traffic rights for each airline, the number of airports, the number of airlines, the type of aircrafts, and the frequency of flights between predetermined airports. Competition on price or routes was not possible. In the 1990s, deregulation of the aviation market reformed the competitive environment and the nature of airline rivalry. The liberalization had three major effects on the airline industry (Cento, 2008; Pels & Brueckner, 2003). First, international airlines' alliances, such as Sky Team, One World, and Star Alliance, were established. Second, existing airlines expanded their hub-and-spoke strategy. Finally, a new type of competitor with a different business model emerged and expanded: the low-cost carrier, operating on the same routes (Cento, 2008; Domanico, 2007; Pels & Brueckner, 2003).

3.1.2. *Business models in the airline industry*

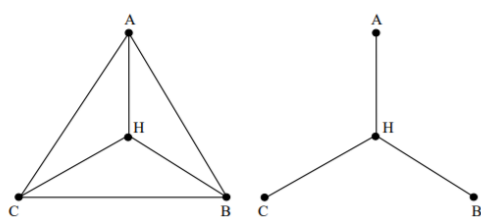
After the liberalization, two types of business models were present in the aviation market: the full-service carriers (FSCs) and the low-cost carriers (LCCs). The former consists of the existing airlines, such as KLM and Lufthansa, that transformed thanks to the deregulation (Cento, 2008). FSCs utilize a business model focusing on differentiation (Hunter, 2006), which is a strategy to distinguish yourself from the competition by offering something unique (Porter, 1985). The FSC business model is characterized by a number of elements. For the sake of brevity, only four key characteristics are highlighted. First, FSCs have a hub-and-spoke strategy (see figure 2). In a hub-and-spoke strategy, an airline flies from one central airport (the hub) to the destination cities (the spokes), but this airline does not operate direct flights between the spokes (Cento, 2008; Pels & Brueckner, 2003). KLM, for example, operates its flights from its hub at Schiphol Airport (Cento, 2008). Second, FSCs fly to primary airports. Third, FSCs operate both short-haul and long-haul flights. Fourth, FSCs employ fare bundling: the practice of offering a full service for a set price, rather than adding fees for increased comfort (Cento, 2008; Fageda et al., 2015; O'Connell & Williams, 2005). A more extensive list can be found in table 1 on page 23.

The low-cost carrier business model originated in the USA with Southwest Airlines (Cento, 2008). Southwest Airlines used to focus on flights within Texas; later, they expanded to other American states. The airline executed short-haul flights, flying to smaller cities, with a point-

to-point strategy (Dresner, Lin & Windle, 1996). In a point-to-point strategy, the airline flies between one or more connected airports (the bases) (Centro, 2008). Besides, they had a fleet with only one type of airplane and a short turnaround time. As a result of these characteristics, Southwest Airlines had lower costs and could offer low-cost tickets to passengers (Dresner, Lin & Windle, 1996).

In 1995, full-service carrier RyanAir copied the business model of Southwest Airlines and became a low-cost carrier. Low-cost carrier EasyJet was established in the same year (Cento, 2008; Dobruszkes, 2013; Pels & Brueckner, 2003). The LCC business model can be recognized through a number of distinctions. To keep things concise, the focus is on the top three differences. First, LCCs have a point-to-point strategy (see figure 2). Second, they only fly to short-haul destinations, mainly flying to secondary and regional airports. RyanAir, for instance, flies from airports like Eindhoven Airport, Weeze (Düsseldorf) Airport, and Maastricht Aachen Airport (RyanAir, 2018). Third, they have a single fleet, which is a fleet consisting of only one type of airplane (Cento, 2008; Fageda et al., 2015; O’Connell & Williams, 2005). More characteristics can be found in table 1 on page 23.

Figure 2: Point-to-point strategy (left) vs. hub-and-spoke strategy (right)



Source: Cento (2008)

3.1.3. The emergence of the hybrid model

The aviation market is still changing. Research shows that the two traditional business models have begun to blur (Taneja, 2010; Klopheus, Conrady & Fichert, 2012) and converge (Ferrer-Rosell & Coenders, 2017). Taneja (2010) argues that the LCC model is not a single business model but rather a continuum with the traditional LCC and hybrid model at the extremes. A hybrid model is the mutation of the low-cost and full-service model (Ferrer-Rosell & Coenders, 2017). In the research of Klopheus et al. (2012), the 20 largest European LCCs are assessed on characteristics of the LCC model. Their research divides the LCCs into four types of business models: the pure LCC, the hybrid carrier with dominating LCC characteristics, the hybrid

airline choice, while for business travelers, the availability of non-stop flights and time of arrival are the main factors (Dolnicar, Grabler, Grün & Kulnig, 2011). In conclusion, insight into these drivers allow segmenting passengers into FSC and LCC passengers and distinguish business travelers from leisure travelers (Lu, 2017).

3.2. Studies

This research is done within the context of the airline industry and tests the effect of customer orientation on customer satisfaction and the degree of customer orientation of the three carrier types. This is done by means of two quantitative studies; the first study is in the form of an experiment among people who fly, and the second study is a questionnaire among passengers. A quantitative research was chosen as it can deal with numerical data, give insight into attitudinal and behavioral information and is able to include a large sample size (Babbie, 2013; Brewerton & Millward, 2001). The latter is an important aspect of this research method since the research population – i.e. airline passengers – consists of millions of people. In addition to this, a quantitative research allows for generalization of the research findings, which means that one can draw conclusions in regard to the population based upon the data of the sample size (Babbie, 2013).

3.2.1. *Experiment*

The first quantitative study is an experiment. In an experiment, the researcher manipulates the independent variable and measures the effect of the manipulation on the dependent variable (Brewerton & Millward, 2001). This allows the researcher to look into the effect of a higher degree of customer orientation in the customer value proposition of each carrier compared to a regular degree of customer orientation. In other words, the researcher compares two situations per carrier – one situation with a regular level of customer orientation (control group) in comparison to a situation with an increased level of customer orientation (experiment group) – and measures the effect of each situation on the dependent variable. The effect of the manipulation can be assessed by means of an analysis of variance (ANOVA) (Hair, Black, Babin, Anderson, 2013). ANOVA is a statistical dependence technique that compares the means of two or more groups. In an ANOVA, the independent variable – also known as factor, grouping variable or treatment – should be non-metric (nominal or ordinal), while the dependent variable must be metric (Hair et al., 2013; Field, 2013).

The experiment was conducted among people (who fly) by means of an online questionnaire, which was sent to relatives, friends, and acquaintances, some of whom took the liberty of sharing the study with their networks. Furthermore, the questionnaire was placed on various online platforms with varying audiences in order to have a representative sample of the research population. In other words, the respondents should closely match the characteristics of airline passengers (Babbie, 2013). Therefore, the researcher aimed to have an approximately equal amount of men and women, and respondents of all ages. Furthermore, the researcher aimed to include passengers from LCCs, hybrid carriers, and FSCs to have all types of passengers included.

The experiment exists of two parts. The first part contains questions to gather some background information, such as gender, age, travel purpose (business/leisure/both) and airline(s) of the last flights, and statements concerning the customers' choice for a certain airline. The selection criteria are taken from existing literature, such as the research by O'Connell & Williams (2005), Gilbert & Wong (2003) and Nako (1992). The result of this part is to determine the type of passenger the respondent is in real-life. This is relevant because the questionnaire version is randomly assigned to the respondent, which can mean that a person who usually flies with a full-service airline gets a situation with a low-cost carrier. This might lead to biased answers in the second part. Therefore, the control variable real-life passenger is included in the analysis.

The second part is the experiment itself, in which the effect of customer orientation is tested. For each carrier (low-cost carrier, hybrid carrier, and full-service carrier), there is one version with the manipulation and one version without the manipulation (see appendix B). This means that there are six questionnaire versions: three types of carrier and for each an experimental group and a control group (Babbie, 2013). The full questionnaire can be found in appendix A. Regarding the sample size, Hair et al. (2013) argue for (approximately) equal sample sizes per group and propose a minimum of 20 observations per group. This means that at least 120 valid responses are needed since this experiment deals with six groups.

3.2.2. Questionnaire

In the second quantitative study, a questionnaire (in Dutch and English) was conducted among real passengers, i.e. those who actually purchased a ticket. To ease the gathering process, the researcher went to Schiphol Airport and Eindhoven Airport. The former is important to find full-service carrier passengers, while low-cost carrier passengers are easier found at a regional

airport such as Eindhoven Airport. Moreover, the survey was also spread online to reach (international) respondents.

The questionnaire started with some questions to gather background information: gender, age, nationality. These questions are approximately identical to the background questions of the experiment: in this survey, nationality is asked instead of monthly income. In addition to this, a question was asked about the airline the respondent flew with. In the data analysis phase, these are categorized into LCC, hybrid and FSC. For the final two parts, the respondents were asked to base their answers for the second and third part on their last flight. The second part of the questionnaire consisted of various statements about fare, service, personnel, which were taken from the research of Forgas et al. (2010). Consequently, the items of customer orientation and customer satisfaction were given to the respondent. The survey can be found in appendix C.

An ANOVA test is also applicable for this data as the independent variable is the customer value proposition, i.e. low-cost, hybrid or full-service, which is an ordinal variable in this survey. This questionnaire has one metric dependent variable: customer satisfaction and one metric moderator: customer orientation. As a result, an ANCOVA is done for this survey. In the survey, a sample size of at least 60 respondents is necessary to comply with the minimum group size requirement of 20 respondents (Hair et al., 2013).

3.2.3. Variables

3.2.3.1. Independent variable: Customer value proposition

Experiment

In the experiment, ‘customer value proposition’ is the independent variable. Customer value proposition is a nominal variable, which exists of six groups – two for the low-cost carrier, two for the hybrid carrier and two for the full-service carrier. A case is written for each of these carriers based on existing airlines. The case did not provide the respondent with the name of the airline, nor with terms like low-cost airline or budget airline. Rather, the characteristics of the various airlines (see table 1 on page 23) are implicitly described in the cases, so these are left up to the interpretation of the reader. In each case, the respondent ‘books’ a flight, receives information about the check-in procedure and flies virtually to Lisbon. In the manipulated version, the airline provides more information about their services and provides the passenger more service. This is based on the two dimensions found in Daniel & Darby’s (1996) research: information exchange and professional relationship.

The researcher has chosen Eurowings for the low-cost carrier, Air Berlin for the hybrid carrier and Lufthansa for the full-service carrier as existing airlines to base the cases on. The choice for these airlines as being representative of a certain carrier is based upon the work of Klophaus et al. (2012). Furthermore, all three airlines are established in Germany, allowing to control for country-of-origin effects. In order to control for biases or previous experiences with one of these airlines, the cases were made fictional after the case text is written. This has the advantage of being able to draw conclusions for multiple airlines instead of only one airline.

Survey

The independent variable in this survey is the airline's customer value proposition. The low-cost and hybrid airlines were categorized according to the research by Klophaus et al. (2012): the airlines that scored between 10 and 13 were classified as LCC and those that scored between 3 and 9 were classified as a hybrid carrier. As the full-service carrier was not included in their research, the FSC was classified according to being a member of a global alliance (for instance Sky Team, One World or Star Alliance), having a hub-and-spoke strategy and multiple classes. As a result, the independent variable is an ordinal variable with three groups.

3.2.3.2. Independent variable and moderator: Customer orientation

Experiment

As stated previously, the purpose is to examine the effect of the manipulation. In this experiment, the manipulation is done by the extent of customer orientation in the case text. The customer orientation scale of Daniel & Darby (1996) is used but was slightly modified since their scale was used in another industry (see table 2). The customer orientation scale is used to examine if the experimental group gives higher values, meaning higher extent on customer orientation, in comparison to the control group and to examine if the manipulation results in a higher likelihood to purchase a ticket. Customer orientation was measured on a seven-point Likert scale, ranging from 1: strongly disagree to 7: strongly agree.

Survey

To assess the customer orientation of the airline, the survey also used the customer orientation scale of Daniel & Darby (1996) (see table 2). This way, the answers of the control group on these statements can be compared to the answers of real passengers and the reliability of the experiment can be assessed by means of test-retest (Babbie, 2013). This gives a metric variable.

Table 2: Measurement of customer orientation

Customer orientation
1. The airline gave clear information about what their services could do for me.
2. The airline implied that some things were beyond their control (when I felt they really were not).
3. The airline tried to influence me by sharing relevant information.
4. The airline tried to help me by making my journey as pleasant as possible.
5. The airline answered my questions about their services as accurately as they could.
6. The airline tried to figure out what my needs were.
7. The airline tried to get me to discuss my needs with them.
8. The airline had my best interest as a passenger in mind.
9. The airline offered the service that was best suited to my needs.
10. The airline painted too rosy a picture of their services to make them sound as good as possible.
11. The airline tried to satisfy my travel needs.
12. The airline tried to find out which of their services would be most helpful to me as a passenger.
13. The airline agreed with me only to please me.

Source: Daniel & Darby (1996)

3.2.3.3. *Dependent variable: Customer satisfaction*

Experiment

In the experiment, purchase intention (see table 3) is used as a proxy to measure customer satisfaction since it is impossible to express satisfaction with a fictional company in a fictional situation. However, satisfaction with the fictional situation can be expressed by measuring purchase intention. This is based on the notion that repurchase behavior is driven by satisfaction or dissatisfaction (Hennig-Thurau & Klee, 1997). In other words, purchase intention measures how satisfied respondents are with the ‘service’ offered to book a similar flight in real life. Purchase intention was measured on a five-point scale, ranging from 1: definitely not to 5: definitely yes.

Table 3: Measurement of purchase intention

Purchase intention
1. I would purchase this flight in real life.

Survey

In the survey, the respondents were asked to rate their satisfaction with the airline. To measure customer satisfaction, the three items of the research by Forgas et al. (2010) were used (see table 4). Customer satisfaction was measured on a seven-point Likert scale, ranging from 1:

strongly disagree to 7: strongly agree. For further analysis, the three results are averaged, giving a metric variable.

Table 4: Measurement of customer satisfaction

Customer satisfaction
1. This company always fulfills my expectations
2. All the contacts made with the company are satisfactory
3. In general, I am satisfied with the company

Source: Forgas et al. (2010)

3.2.3.4. Control variable: Real-life passenger

As described earlier, the cases are randomly assigned to the respondents, which could lead to biased answers. To control for this, ten statements are included in the experiment to find out what type of passenger the respondent is in real-life. These statements were formulated taking into account the aforementioned drivers of airline choice. The statements were measured on a seven-point Likert scale, ranging from 1: strongly disagree to 7: strongly agree.

Table 5: Measurement of real-life passenger

1. When I fly, price is the most important criterion when choosing an airline.
2. I prefer to fly from a smaller, regional airport (like Eindhoven Airport, Weeze Airport or Rotterdam/The Hague Airport).
3. I am willing to pay more for more favorable flight times.
4. I always fly the same airline.
5. I am willing to pay more to land closer to my final destination.
6. I am willing to fly early or late for a lower price
7. When I fly, I look at the number of flights to my destination.
8. I am willing to pay more for a more extensive service.
9. I do not mind traveling longer if it means being cheaper.
10. When I fly, I look more at other criteria than price.

Source: O'Connell & Williams (2005), Gilbert & Wong (2003) and Nako (1992)

Note: The statements were translated from Dutch to English after the data collection.

3.2.4. Reliability and validity

To increase reliability and validity, the researcher has done multiple things. First, the scale of the main construct of this research, customer orientation, was taken from the research of Daniel & Darby (1996), who have based their scale on the SOCO scale, whose reliability and validity is regularly demonstrated (Brown et al., 1991). For this research, the scale was minorly adjusted

to fit the industry and then carefully translated into Dutch. The survey was also conducted in English, which has the advantage that the researcher can compare the adjusted Daniel & Darby (1996)'s scale with the original scale and allows the researcher to compare the results of the Dutch customer orientation scale with the English version. Additionally, customer satisfaction was measured using an existing scale (Forgas et al., 2010). In other words, the reliability of the two constructs is ensured by using established measures (Babbie, 2013).

Second, the research instruments were pre-tested to ensure reliability and validity. The researcher tested the experiment multiple times within Qualtrics to check for typos, correct question order, correct case texts and to test the randomization. Then, a couple of family members and friends filled out the experiment on various devices, like a smartphone, tablet, and computer, to test the user-friendliness of the experiment, the length of the study, and check for language. A few minor linguistic adjustments were made afterward. Consequently, their answers were exported to SPSS to test if the random assignment of the versions worked. To ensure validity of the independent variable, the final case texts were proposed to the same group of respondents asking them to name the airline in the three cases.

Third, for the question about the respondents' monthly income, respondents were able to choose the option 'prefer not to say' as income can be a sensitive subject and a reason to quit the survey when they are forced to answer. Lastly, for the statements for choosing an airline and the items of the customer orientation scale, a seven-point Likert scale was used and the option 'I do not know' was included to increase validity. Additionally, the researcher has activated a notification for the statements and items. When one of the statements was not answered, the respondents got a 'response requested pop-up'. The respondent got, subsequently, two options: continue without answer or answer question. This option was activated as a statement or item might be overlooked by accident.

3.3. Research ethics

To ensure an ethical research, the researcher follows the guidelines of ethical research as described by Babbie (2013). First, respondents participate voluntarily, meaning they are not forced to participate and are able to stop the experiment or survey at any time without consequences. Furthermore, respondents are able to leave a question unanswered if they do not wish to answer it. Second, the researcher will inform the respondents that the data is gathered for writing this master's thesis and will not be used for other purposes. In addition to this, the

respondents will be informed that all data is treated confidentially by the researcher and the Radboud University. Third, the researcher will inform the respondents of both the experiment and survey that they are participating anonymously: they are not asked for their names, email addresses or any other contact details. Moreover, the background questions of the experiment and survey do not have the purpose of revealing the identity of the respondent and can, as mentioned before, be left unanswered if the respondent does not want to provide this information.

4. Results

4.1. Experiment

4.1.1. Pre-test

As described in section 3.2.4., the respondents of the pre-test were asked to name the airline in the three cases. According to them, the LCC version represented RyanAir and/or EasyJet, the hybrid version represented Transavia and/or Air Berlin and the FSC version represented KLM and/or Emirates. Although only one of the airlines is identical to the one used to create the case texts, the mentioned airlines could also be used as representative for the corresponding customer value proposition. This indicates face validity of the independent variable.

4.1.2. Sample description

The sample consists of 288 respondents, of which 137 men and 151 women. Their ages vary between 14 and 81 and the average age is 40. 7% of the respondents never flies or has never flown, 35.3% flies on average less than once per year, 39% flies 1 to 2 times per year, 11% flies 3 to 4 times per year and 7.7% flies more than 4 times per year. The group of respondents who never flies and has never flown did not match the research population – i.e. passengers – and was therefore not given the experiment.

As a result of the six experiment versions, six groups were formed: (1) the group who got the LCC case, (2) the group who got the manipulated LCC case, (3) the group who got the hybrid carrier case, (4) the group who got the manipulated hybrid carrier case, (5) the group who got the FSC case, and (6) the group who got the manipulated FSC case. The experiment contains 237 respondents, of which 125 men and 112 women. Table 6 provides more detailed information about each of the experiment groups. The difference in total number of respondents in comparison to the whole sample is partly the result of a routing: the 19 respondents who never fly or have never flown were not given the experiment. Furthermore, a missing value analysis was performed. Little's MCAR test shows that the missing values are completely at random ($\chi^2(21) = 24.328, p = .277$).

Table 6: Descriptive statistics of experiment groups

	N	Men	Women	Average age
Group 1: LCC	38	20	18	38.49
Group 2: LCC-CO	40	22	18	40.08
Group 3: Hybrid	40	18	22	35.83
Group 4: Hybrid-CO	39	21	18	41.56

Group 5: FSC	42	23	19	36.50
Group 6: FSC-CO	38	21	17	41.58

4.1.3. Reliability and factor analysis

To assess the reliability of the construct Customer Orientation, Cronbach's alpha is used. According to Hair et al. (2013), Cronbach's alpha should be at least .70. With 13 items, the Cronbach's alpha of Customer Orientation is .776, exceeding the lower limit of .70. Surprisingly, the data shows that Cronbach's alpha would increase for each of the negatively formulated items, i.e. items 2, 10 and 13. Deleting item 2, for instance, would increase the Cronbach's alpha to .816. Consequently, a factor analysis was performed. A factor solution with three underlying dimensions (see table 7) was found after two iterations. With 11 items, the Cronbach's alpha is .798.

Table 7: Factors of Customer orientation

	Factor 1	Factor 2	Factor 3
1. The airline gave clear information about what their services could do for me.		.752	
3. The airline tried to influence me by sharing relevant information.		.783	
4. The airline tried to help me by making my journey as pleasant as possible.		.754	
5. The airline answered my questions about their services as accurately as they could.		.698	
6. The airline tried to figure out what my needs were.	.714		
7. The airline tried to get me to discuss my needs with them.	.805		
8. The airline had my best interest as a passenger in mind.	.717		
9. The airline offered the service that was best suited to my needs.	.731		
10. The airline painted too rosy a picture of their services to make them sound as good as possible.			.788
12. The airline tried to find out which of their services would be most helpful to me as a passenger.	.661		
13. The airline agreed with me only to please me.			.701

Note: items 10 and 13 were reverse-coded before the analysis

To be able to use the construct in further analyses, customer orientation was computed by adding the scores of the eleven items and then taking the average.

4.1.4. Control variable: real-life passenger

The questionnaire contained 10 statements to be able to identify what type of passenger the respondents in real-life are (see table 5 on page 29). For the analysis, statements 1, 2, 6 and 8 were reverse-coded as these were LCC-related. This way, all answers have the same meaning: the lower the value, the more likely to choose an LCC carrier and the higher the value, the more likely to choose an FSC carrier. Consequently, a variable was created by calculating the mean of all 10 statements. By default, SPSS does not calculate the mean for respondents who have missing values. To increase the number of means, the researcher used the formula MEAN.8, which allows 2 missing values. The means of the newly created variable range between 1 and 7: 1 indicating LCC; 7 indicating FSC.

4.1.5. Univariate analysis

Before doing an AN(C)OVA, a univariate analysis was done for the variables. The items of real-life passenger and customer orientation were measured on a seven-point Likert scale, ranging from 1: strongly disagree to 7: strongly agree. Purchase intention was measured on a five-point scale, ranging from 1: definitely not to 5: definitely yes.

Table 8: Univariate analysis of real-life passenger, customer orientation, and purchase intention

	Mean	SD	Skewness	Kurtosis
Real-life passenger	3.79	.755	-.132	.693
Customer orientation	4.67	.684	-.093	-.258
Purchase intention	3.63	.840	-.727	.493

For all variables, the skewness and kurtosis lay within the range of -2 and 2, indicating normally distributed variables.

4.1.6. Bivariate analysis

4.1.6.1. Correlations

To gain a more in-depth insight into the relationships between the variables, correlations between real life passenger, customer orientation, and purchase intention were examined. The researcher also included the variables gender and age. Table 9 shows the correlations, in which two strong correlations are found: (1) between customer orientation and purchase intention and (2) between gender and age. The first correlation shows that the higher the customer orientation, the higher the purchase intention. The second correlation shows that the sample includes slightly more young men and more elderly women.

Table 9: Bivariate analysis

	1	2	3	4	5
Real life passenger	1				
Customer orientation	.106	1			
Purchase intention	-.064	.363**	1		
Gender	.023	-.061	.015	1	
Age	.106	-.094	-.051	.389**	1

* = significant at a .05 level; ** = significant at a .01 level.

4.1.6.2. *Independent samples t-test*

An independent samples t-test was performed to test the manipulation in the cases. In this test, the degree of customer orientation of the control group was compared to the degree of customer orientation of the experiment group. The test shows that respondents of the experiment group perceive a higher degree of customer orientation ($M = 4.7591$, $SE = 0.07088$) than those of the control group ($M = 4.5766$, $SE = 0.06352$). The difference between the two groups is significant, $t(203) = -1.921$, $p = 0.056$. This means that the manipulated customer-oriented cases are also found to be more customer-oriented than the regular cases.

Another independent samples t-test was performed to test the effect of the manipulation on purchase intention. The test shows that the control group ($M = 3.66$, $SE = 0.078$) is almost as likely to purchase the flight in real-life as the experiment group ($M = 3.59$, $SE = 0.081$). This difference is not significant, $t(220) = .558$, $p = .577$.

4.1.7. *ANOVA and ANCOVA*

To test the hypotheses, ANOVA was used. Before an ANOVA can be performed, the data should meet various assumptions. As all assumptions related to ANOVA are tested and met (see Appendix E), the researcher may proceed to ANOVA.

First, a one-way ANOVA was performed to test the relationship between an airline's customer value proposition and customer satisfaction, which was proxied by purchase intention (hypothesis 1). The one-way ANOVA (table 10) showed an insignificant effect of airline's CVP on customer satisfaction, $F(5, 216) = .624$, $p = 0.681$. Post-hoc analysis Tukey's HSD (table 11) showed no significant differences between the various customer value propositions of airlines.

Table 10: One-way ANOVA

Source	SS	df	MS	F	p
Between groups	2.222	5	.444	.624	.681
Within groups	153.746	216			
Total	155.968	221			

Table 11: Post-hoc analysis

(I) Group	(J) Group	Mean Difference (I-J)	Std. Error	p
LCC	LCC-CO	.110	.196	.993
	Hybrid	-.070	.196	.999
	Hybrid-CO	-.158	.199	.968
	FSC	-.185	.199	.938
	FSC-CO	-.029	.202	1.000
LCC-CO	LCC	-.110	.196	.993
	Hybrid	-.179	.191	.936
	Hybrid-CO	-.268	.194	.736
	FSC	-.295	.194	.649
	FSC-CO	-.138	.196	.981
Hybrid	LCC	.070	.196	.999
	LCC-CO	.179	.191	.936
	Hybrid-CO	-.089	.194	.997
	FSC	-.116	.194	.991
	FSC-CO	.041	.196	1.000
Hybrid-CO	LCC	.158	.199	.968
	LCC-CO	.268	.194	.736
	Hybrid	.089	.194	.997
	FSC	-.027	.196	1.000
	FSC-CO	.130	.199	.987
FSC	LCC	.185	.199	.938
	LCC-CO	.295	.194	.649
	Hybrid	.116	.194	.991
	Hybrid-CO	.027	.196	1.000
	FSC-CO	.157	.199	.969
FSC-CO	LCC	.029	.202	1.000
	LCC-CO	.138	.196	.981
	Hybrid	-.041	.196	1.000
	Hybrid-CO	-.130	.199	.987
	FSC	-.157	.199	.969

Second, an ANCOVA (see table 12) was performed to control for the effect of the real-life passenger. Now, there is a significant main effect of airline's CVP on customer satisfaction, $F(5, 209) = 2.395$, $p = 0.039$. In addition, this effect of airline's CVP on customer satisfaction is stronger when it interacts with the variable real-life passenger, $F(5, 209) = 2.455$, $p = 0.035$. To conclude, the researcher finds support for hypotheses 1a, 1b, and 1c, but not for hypothesis 1d.

Table 12: ANCOVA

Source	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Airline's CVP	8.136	5	1.627	2.395	.039
Real-life passenger (RLP)	.675	1	.675	.993	.320
Airline's CVP * RLP	8.338	5	1.668	2.455	.035
Error	141.999	209	.679		
Total	3071.00	221			

Then, an ANCOVA (see table 13) was performed to test the direct effect of customer orientation on customer satisfaction (hypothesis 2) and the interaction effect of airline's CVP and customer orientation on customer satisfaction (hypothesis 3). In this ANCOVA, the researcher has not yet controlled for type of passenger. The model is specified adding the nominal variable and customer orientation as main effects and the interaction effect of customer value proposition and customer orientation.

There was a significant effect of customer value proposition on customer satisfaction, $F(5, 191) = 2.021$, $p = 0.077$. The covariate, customer orientation, is significantly related to customer satisfaction, $F(1, 191) = 26.480$, $p < 0.001$. However, the interaction effect is not significant, $F(5, 191) = 1.830$, $p = .109$. In other words, customer orientation does not strengthen the relationship between customer value proposition on customer satisfaction.

Table 13: ANCOVA

Source	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Airline's CVP	5.694	5	1.139	2.021	.077
Customer orientation (CO)	14.919	1	14.919	26.480	.000
Airline's CVP * CO	5.156	5	1.031	1.830	.109
Error	107.610	191	.563		
Total	2846.00	203			

Finally, an ANCOVA (see table 14) was performed, including the variables real-life passenger and customer orientation. Customer value proposition has a significant effect on customer satisfaction, $F(5, 189) = 2.242$, $p = 0.052$. There was not a significant effect for real-life passenger, $F(1, 189) = 2.708$, $p = 0.101$. Customer orientation is significantly related to customer satisfaction, $F(1, 189) = 29.081$, $p < 0.001$. Moreover, the interaction effect of CVP and customer orientation is significant $F(5, 189) = 2.060$, $p = .072$. In other words, customer orientation strengthens the relationship between customer value proposition on customer satisfaction, when controlled for the effects of the real-life passenger. The researcher finds support for hypotheses 2 and 3.

Table 14: ANCOVA

Source	SS	df	MS	F	p	η_p^2
Airline's CVP	6.075	5	1.215	2.242	.052	.056
Real-life passenger	1.468	1	1.468	2.708	.101	.014
Customer orientation (CO)	15.760	1	15.760	29.081	.000	.133
Airline's CVP * CO	5.583	5	1.117	2.060	.072	.052
Error	102.424	189				
Total	2842.00	202				

Table 15 provides an overview of the hypotheses.

Table 15: Testing of hypotheses of the experiment

Hypotheses	Conclusion
H1a: The customer value proposition of the low-cost carrier positively influences customer satisfaction.	Supported
H1b: The customer value proposition of the hybrid carrier positively influences customer satisfaction.	Supported
H1c: The customer value proposition of the full-service carrier positively influences customer satisfaction.	Supported
H1d: The full-service carrier has the highest satisfaction, followed by the hybrid carrier, and the low-cost carrier.	Not supported
H2: Customer orientation positively influences customer satisfaction.	Supported
H3: Customer orientation positively moderates the relationship between customer value proposition and customer satisfaction.	Supported

4.2. Questionnaire

4.2.1. Sample description

The sample consists of 221 respondents, of which 123 Dutch and 98 non-Dutch. Their ages vary between 14 and 63 and the average age is 28. 1.8% of the respondents never flies or has never flown, 8.6% flies on average less than once per year, 43.9% flies 1 to 2 times per year, 20.8% flies 3 to 4 times per year and 24.9% flies more than 4 times per year. The respondents who never fly or have flown were excluded from the survey as the following questions were flight-related.

The second part of the questionnaire was based on the most recent flight of the respondent. The various airlines were categorized into low-cost carrier, hybrid carrier or full-service carrier (see section 3.2.3.). The sample included 88 low-cost carriers, 57 hybrid carriers and 72 full-service carriers (see table 16).

Table 16: Customer value propositions

	Examples of airlines	N
Low-cost carrier	RyanAir, EasyJet, Wizz Air	88
Hybrid carrier	Transavia, Air Berlin, Iberia	57
Full-service carrier	British Airways, KLM, Lufthansa	72

4.2.2. Reliability and factor analysis

4.2.2.1. Customer orientation

The reliability of the construct customer orientation is assessed by means of Cronbach's alpha. With 13 items, the Cronbach's alpha of Customer Orientation is .848, exceeding the lower limit of .70. The data shows that Cronbach's alpha would increase for each of the negatively formulated items, i.e. items 2, 10 and 13. In addition, Cronbach's alpha would slightly increase if item 3 was deleted. Consequently, the researcher performed a factor analysis. The final factor solution with three underlying dimensions (see table 17) was found after three iterations.

Table 17: Factors of Customer orientation

	Factor 1	Factor 2	Factor 3
1. The airline gave clear information about what their services could do for me.		.812	
2. The airline implied that some things were beyond their control (when I felt they really were not).			.698

3. The airline tried to influence me by sharing relevant information.	.779
5. The airline answered my questions about their services as accurately as they could.	.661
8. The airline had my best interest as a passenger in mind.	.832
9. The airline offered the service that was best suited to my needs.	.890
10. The airline painted too rosy a picture of their services to make them sound as good as possible.	.620
11. The airline tried to satisfy my travel needs.	.874
12. The airline tried to find out which of their services would be most helpful to me as a passenger.	.780
13. The airline agreed with me only to please me.	.766

Note: items 2, 10 and 13 were reverse coded before the analysis

To be able to use the construct in further analyses, customer orientation was computed by adding the scores of the ten items and then taking the average.

4.2.2.2. *Customer satisfaction*

The dependent variable customer satisfaction was measured with three items. The reliability of Customer Satisfaction is assessed by means of Cronbach's alpha. The Cronbach's alpha of Customer Orientation is .879, exceeding the lower limit of .70. The mean of the three items is used for the construct in further analyses.

4.2.3. *Univariate analysis*

Before doing analyses, a univariate analysis was done for the constructs. The items of customer orientation and customer satisfaction were measured on a seven-point Likert scale, ranging from 1: strongly disagree to 7: strongly agree. Repurchase intention was measured on a five-point scale, ranging from 1: definitely not to 5: definitely yes. Appendix G and H show the analyses per language.

Table 18: Univariate analysis of customer orientation, customer satisfaction, and repurchase intention

	Mean	SD	Skewness	Kurtosis
Customer orientation	4.85	.850	-.269	-.003
Customer satisfaction	5.25	1.28	-.934	.402
Repurchase intention	4.20	.853	-1.414	2.830

4.2.4. Bivariate analysis

To gain a more in-depth insight into the relationship between the variables, correlations between customer orientation, customer satisfaction, and repurchase intention were examined. The researcher also included the variables gender and age. Table 19 shows the correlations between the variables. Strong correlations are found between (1) customer orientation and customer satisfaction, (2) customer orientation and repurchase intention and (3) customer satisfaction and repurchase intention. These correlations show that the higher the customer orientation, the higher the customer satisfaction and repurchase intention and the higher the customer satisfaction, the higher the repurchase intention.

Table 19: Bivariate analysis

	1	2	3	4	5
Customer orientation	1				
Customer satisfaction	.651**	1			
Repurchase intention	.409**	.629**	1		
Gender	-.062	.009	.065	1	
Age	.061	-.076	-.033	-.191**	1

* = significant at a .05 level; ** = significant at a .01 level.

4.2.5. ANOVA and ANCOVA

First, a one-way ANOVA was performed to test the relationship between an airline's customer value proposition and customer satisfaction (hypothesis 1). The one-way ANOVA (table 20) showed a significant effect of airline's CVP on customer satisfaction, $F(2, 199) = 21.031$, $p < 0.001$. As Levene's test indicated unequal variances, Welch's and Brown-Forsythe's statistics are used to interpret the results. Both statistics show a highly significant effect of the airline's CVP on customer satisfaction (table 21). To gain more insight into the differences, a post-hoc test was done. Post-hoc analysis Games-Howell (table 22) showed significant differences between the various customer value propositions of airlines: the full-service carrier has the highest customer satisfaction, followed by the hybrid carrier and the low-cost carrier. To conclude, the researcher finds support for hypotheses 1a, 1b, 1c, and 1d.

Table 20: One-way ANOVA

Source	SS	df	MS	F	p
Between groups	57.457	2	28.728	21.031	.000
Within groups	271.830	199	1.366		
Total	329.287	201			

Table 21: Welch's and Brown-Forsythe's statistic

	<i>Statistic</i>	<i>Df1</i>	<i>Df2</i>	<i>p</i>
Welch	25.854	2	114.988	.000
Brown-Forsythe	21.208	2	156.378	.000

Table 22: Post-hoc analysis

(I) Experiment group	(J) Experiment group	Mean Difference (I-J)	Std. Error	p
LCC	Hybrid	-.64744	.23237	.017
	FSC	-1.24129	.17430	.000
Hybrid	LCC	.64744	.23237	.017
	FSC	-.59386	.20418	.013
FSC	LCC	1.24129	.17430	.000
	Hybrid	.59386	.20418	.013

Then, an ANCOVA (see table 23) was performed to test the direct effect of customer orientation on customer satisfaction (hypothesis 2) and the interaction effect of an airline's CVP and customer orientation on customer satisfaction (hypothesis 3). The model is specified adding the customer value proposition and customer orientation as main effects and the interaction effect of customer value proposition and customer orientation.

There was a significant effect of customer value proposition on customer satisfaction, $F(2, 176) = 3.778$, $p = 0.025$. The covariate, customer orientation, is significantly related to customer satisfaction, $F(1, 176) = 85.543$, $p < 0.001$. Moreover, the interaction effect is significant $F(2, 176) = 3.162$, $p = .045$. In other words, customer orientation strengthens the relationship between customer value proposition on customer satisfaction. The researcher finds support for hypothesis 2 and 3.

Table 23: ANCOVA

Source	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>	η_p^2
Airline's CVP	6.487	2	25.753	3.778	.025	.041
Customer orientation (CO)	73.441	1	4.078	85.543	.000	.327
Airline's CVP * CO	5.429	2	3.243	3.162	.045	.035
Error	151.102	176	73.441			
Total	5345.361	182				

Table 24 provides an overview of the hypotheses.

Table 24: Testing of hypotheses of the survey

Hypotheses	Conclusion
<i>H1a: The customer value proposition of the low-cost carrier positively influences customer satisfaction.</i>	Supported
<i>H1b: The customer value proposition of the hybrid carrier positively influences customer satisfaction.</i>	Supported
<i>H1c: The customer value proposition of the full-service carrier positively influences customer satisfaction.</i>	Supported
<i>H1d: The full-service carrier has the highest satisfaction, followed by the hybrid carrier, and the low-cost carrier.</i>	Supported
<i>H2: Customer orientation positively influences customer satisfaction.</i>	Supported
<i>H3: Customer orientation positively moderates the relationship between customer value proposition and customer satisfaction.</i>	Supported

4.3. Additional analyses

4.3.1. Customer orientation scale comparison

A final series of analyses was done to compare the factor analysis results of this research to the customer orientation scale of Daniel & Darby (1996). To do so, the researcher looked at Cronbach's alpha, the percentage of explained variance and the factors. The original study of Daniel & Darby among patients has a Cronbach's alpha of 0.88. Their factor solution consists of 13 items and three factors, explaining 66.4% of the variance. Interestingly, Daniel & Darby's thirteen-item factor solution contains four cross loaders, which they did not delete. The final factor solution of customer orientation in the experiment has a Cronbach's alpha of .798. It consists of 11 items and has three factors, which explain 60.6% of the variance. In the survey, consisting of both Dutch and non-Dutch respondents, a Cronbach's alpha of .777 was found. The final factor solution consists of 10 items and three factors, explaining 66% of the variance. The slightly higher Cronbach's alpha in the original study and the difference in the percentage of explained variance can be explained by the fact that Daniel & Darby assessed the Cronbach's alpha with 13 items: they did not delete the cross-loaders.

4.3.2. Effect of nationality

This research was done within the context of the airlines industry. The aviation industry is global by nature: airlines operate internationally and have to deal with both national and foreign competitors and customers. Whereas the experiment focused on Dutch respondents, the survey included people and airlines from various nations. Both studies used the customer orientation

scale of Daniel & Darby (1996), which was originally applied to an Australian hospital. In this research, the scale was tested among both Dutch and non-Dutch respondents.

To gain insight into the effect of a respondent's nationality on customer orientation, customer satisfaction, and repurchase intention, the researcher performed three one-way ANOVAs (see appendix K for the outputs). In these analyses, the four most represented nationalities Dutch, British, American, and German are included. The first one-way ANOVA shows that there are no differences between the four nationalities and their customer orientation score, $F(3, 141) = .042$, $p = 0.988$. This suggests that nationality does not have an impact on the customer orientation score. Moreover, the nationalities do score similarly to the overall mean of 4.85 (see table 18).

Another one-way ANOVA was done to find out if the nationalities differ on the degree of customer satisfaction. Again, the one-way ANOVA shows that the nationalities do not significantly differ, $F(3, 155) = 1.337$, $p = 0.265$. Americans are with a score of 5.8148 the most satisfied passengers, followed by the Germans ($M = 5.7564$, $SD = .91443$). Both are even more satisfied than the overall mean of 5.25.

The last one-way ANOVA shows that there is a difference between the four nationalities and their repurchase intention score, $F(3, 155) = 2.134$, $p = 0.098$. The post-hoc analysis Games-Howell was used to gain more insight. The post-hoc analysis shows that Germans ($M = 4.69$, $SD = .480$) are more likely to repurchase their last flight than Dutchmen ($M = 4.12$, $SD = .910$), $p = .007$ and also more likely than British ($M = 4.20$, $SD = .577$), $p = .043$.

5. Discussion and conclusion

5.1. Discussion

As formulated in the introduction, this research aimed to find out how the airline's customer value proposition and customer satisfaction are related and how customer orientation influences the relationship of customer value proposition and customer satisfaction. This was investigated by means of an experiment and a survey.

The first hypothesis examined the relationship between an airline's CVP and customer satisfaction. To date, academics have shown that the two traditional business models – the LCC and the FSC – are blurring (Taneja, 2010; Klophaus et al., 2012) owing to convergence (Ferrer-Rosell & Coenders, 2017). As a result, the business models should be seen as a continuum with the LCC model on the one extreme, the hybrid model in the middle and the FSC model on the other extreme (Taneja, 2010; Klophaus et al., 2012; Ferrer-Rosell & Coenders, 2017). This study followed these findings by looking at the CVP's of three types of airlines, i.e. the LCC, the hybrid carrier and the FSC. In addition, previous research on the two traditional types of airlines and customer satisfaction found mixed results: some studies find significant differences between the degree of customer satisfaction of an LCC and the degree of customer satisfaction of an FSC, while other researches do not (Koklic et al., 2017). The experiment found that each of three CVPs has a positive effect on customer satisfaction, but the researcher did not find significant differences between the carriers, nor between the experiment and control groups. This result must be interpreted with caution because customer satisfaction was proxied by purchase intention. However, a frequently found explanation for this finding in previous research is the convergence of the airline industry, in which the LCC is turning less low-cost, while FSCs are becoming less full-service (Koklic et al., 2017; Ferrer-Rosell & Coenders, 2017), which means that respondents would perceive the airlines similarly. Another possible explanation for this is that the respondents have some expectations. As the respondents fly occasionally, they might have some (unconscious) basic expectations regarding flying based on their previous experiences. Literature has found that expectations are one of the drivers of customer satisfaction and that customer satisfaction increases when these expectations are met and exceeded (Anderson et al., 1994; Hennig-Thurau, 2004). In other words, when the basic expectations are met or exceeded, respondents are satisfied with the virtual flight and, consequently, are willing to purchase the flight in real-life.

In the survey, all three CVPs have a positive effect on customer satisfaction. In addition, the three CVPs differ significantly on the degree of customer satisfaction: the FSC has the highest customer satisfaction, followed by the hybrid carrier and the LCC. This confirms that the business models can be placed on a continuum. Furthermore, this finding suggests that a more differentiation-focused strategy leads to a higher satisfaction in comparison to a more cost leadership-focused strategy. This finding is contrary to Porter's (1985) theory on generic competitive strategies: Porter argues that firms can only successfully pursue one generic competitive strategy. A hybrid form or – as Porter would call it – 'stuck in the middle' would lead to below-average performance or even competitive disadvantage (Porter, 1985). This notion has been criticized by academics. Critics of Porter's theory argue that cost leadership and differentiation should be placed on the extremes of a continuum and that these strategies can co-exist (Datta, 2010). The confirmation of this hypothesis shows support for this critical view: a hybrid CVP does not have a poorer performance (measured in terms of customer satisfaction) in comparison to the cost-leadership CVP or the differentiation CVP. Moreover, the survey shows that the hybrid CVP performs better than the pure, single cost-leadership CVP.

Owing to the advent of globalization, having a (sustainable) competitive advantage has become increasingly important. Woodruff (1997) argues that competitive advantage will emerge from discovering new ways to meet a customer's desired value. This view is supported by Teece (2010), who proposes that businesses should focus more on customer needs by being customer-oriented. In other words, academics point out the crucial role the customer plays in gaining a competitive advantage. This research was done with the aim of assessing the importance of (the degree of) customer orientation. The researcher hypothesized, on the one hand, that customer orientation is positively related to customer satisfaction (hypothesis 2) and, on the other hand, that customer orientation strengthens the relationship between customer value proposition and customer satisfaction (hypothesis 3). The experiment was set up to look into the effect of a higher degree of customer orientation in the customer value proposition in comparison to a regular degree. When comparing the two degrees of customer orientation, the researcher finds that respondents of the experiment group perceive a higher degree of customer orientation than those of the control group, but both groups are equally likely to purchase the flight in real-life. As stated previously, this can be the result of meeting the basic expectations. The results of the ANCOVA of both studies reveal that customer orientation has a highly significant direct effect on customer satisfaction. This effect is in agreement with the research by Mathe et al. (2013),

who found a highly significant positive relationship between customer orientation and customer satisfaction. This finding means that a higher degree of customer orientation leads to a higher degree of customer satisfaction. Moreover, both studies show that customer orientation strengthens the relationship between customer value proposition and customer satisfaction. This can be explained by the fact that customer value drives customer satisfaction (Anderson et al., 1994) and customer-oriented employees are able to deliver superior customer value as they have a deeper understanding of customer needs, leading to a higher degree of customer satisfaction (Daniel & Darby, 1996).

Another objective of this research was to test Daniel & Darby (1996)'s customer orientation scale for reliability and within a different service industry. The original study by Daniel & Darby studied the customer orientation of nurses by assessing it from a dual perspective. They used a modified SOCO scale existing of 13 items, as the sales orientation part of the SOCO scale is not applicable to a variety of service industries (Daniel & Darby, 1996). For this research, the thirteen items of the patients' survey were slightly modified to match the airline industry. For instance, the item 'nurses had my best interest as a patient in mind' was changed to 'the airline had my best interest as a passenger in mind'. In addition, in both the experiment and the Dutch survey, the customer orientation scale was translated to Dutch and an English version was used in the English survey. For visual aid, the factor solutions of the three studies are put together in one table (see table 1 in appendix J), in which factors 1 (information exchange) and 2 (professional relationship) of Daniel & Darby's study are reversed. When comparing the factor solutions of three studies, the researcher finds a very similar pattern. The only two items that differ from the pattern are items 6 and 7. In the original research, they load on information exchange, while in the experiment they load both on professional relationship and in the survey, they were deleted as a result of cross loading. This odd pattern may be caused by language difference or modification to the airline industry, despite careful translation and modification. Another meaningful difference between the three studies is the importance of the dimensions of customer orientation. In the experiment, professional relationship explains 36.3% of the variance, information exchange 15.3% and misleading impression 9%. In the survey, professional relationship explains 37.7% of the variance, information exchange 15.5% and misleading impression 12.9%. In Daniel & Darby's study, information exchange explains 44% of the variance, professional relationship 13% and factor 3, which they did not name, 8%. This suggests that professional relationship, i.e. meeting customers' needs and providing (the desired) service, is more important in the airline industry than in hospitals.

Additionally, by including respondents from various countries in the survey, the researcher was able to look at the effect of a respondent's nationality on customer orientation, customer satisfaction, and repurchase intention. Three variance analyses were performed to compare the four most populous nationalities, Dutch, German, British, and American. The first two ANOVA tests yield no significant results, suggesting that the scores on customer orientation and customer satisfaction are not dependent on the respondents' nationality. These findings must be interpreted with caution, because, on the one hand, the analysis includes only respondents from four Western countries and can, therefore, not be extrapolated to other nationalities, and, on the other hand, the sample size of each non-Dutch nationality is relatively small in comparison to the number of Dutch respondents.

The final variance analysis compared the repurchase intention of the four nationalities. The researcher found a significant difference between the repurchase intention of Germans and Dutchmen, and between Germans and British. This finding suggests that the degree of repurchase intention could possibly be linked to the passenger's nationality. An explanation for the higher degree of repurchase intention of German passengers in the survey might be the result of the price of the flight and its service-to-price ratio. For the German respondents, the researcher finds a highly significant correlation between the flight's price and the respondents' repurchase intention, and between the service-to-price ratio and the passengers' repurchase intention. These correlations are also found for Dutchmen, but they are less strong. Surprisingly, no significant correlations are found between price or service-price ratio and repurchase intention for British respondents. For Americans, the service-to-price ratio is a relevant indicator for repurchase intention, but the fare price in itself is not. This could suggest that Anglo-Saxon respondents are less price-sensitive when it concerns flying than Germans and Dutchmen, and for Germans, a good price and service-to-price ratio might drive their higher willingness to repurchase.

5.2. Conclusion

This research aimed to answer the research question: *What is the effect of customer orientation on the relationship between the customer value proposition of an airline and customer satisfaction?*

The research has identified that the airline's customer value proposition is positively related to customer satisfaction. The first study did not find a significant difference between the customer

value propositions of the low-cost carrier, the hybrid carrier and the full-service carrier on customer satisfaction. The second study found significant differences, in which the full-service carrier has the highest customer satisfaction, followed by the hybrid carrier and the low-cost carrier. This study has also shown that customer orientation is directly related to customer satisfaction and strengthens the relationship between customer value proposition and customer satisfaction.

5.3. Theoretical implications

Despite Porter's widely recognized theories, academics have also criticized the work of the 'management guru' (Datta, 2010; Mekic & Mekic, 2014). This thesis addressed the critiques by testing Porter's (1985) theory on generic competitive strategies in the airline industry, a dynamic and converging industry. Both studies show that the hybrid carrier does not underperform in terms of customer satisfaction in comparison to the low-cost carrier and the full-service carrier. Moreover, the survey shows that the hybrid carrier has a higher degree of customer satisfaction than the low-cost carrier, following a cost leadership strategy. These findings add to the growing body of research indicating that cost leadership and differentiation should be placed on a continuum, in which co-existence is possible (Datta, 2010).

This study also contributed to the body of knowledge on customer orientation. As stated before, to date, the question remains who should be judging customer orientation: the employees or the customers. In this study, customer orientation was assessed from the passenger's perspective by means of a modified SOCO scale. The results of this study support the idea that customer orientation can be measured from the customers' perspective. Moreover, this study tested the reliability and applicability of the customer orientation scale of Daniel & Darby (1996). The results of the two studies demonstrate the reliability of this scale and its applicability to a different service industry.

5.4. Managerial implications

This research aimed to gain insight into the importance of the customer value proposition and the effect of a higher degree of customer orientation on customer satisfaction. This study finds that each customer value proposition positively influences the customer satisfaction. There are some indications that a more differentiation-focused customer value proposition leads to a higher satisfaction than a cost leadership-focused customer value proposition. Moreover, the findings show the importance of being customer-oriented as an airline, despite the type of

customer value proposition: the higher the degree of customer orientation in the customer value proposition, the higher the customer satisfaction.

For airlines, this means that meeting customers' needs, providing (the desired) service and information are points worth focusing on. This could, for instance, be done by continuously improving and updating the 'questions and answers' (Q&A) page on the website. This way, passengers can easily find answers to their questions. Needless to say, this Q&A page should be easily findable on the website. Besides, the answers to the most frequently asked questions could be included in the email passengers receive prior to their flight. Another possible way to increase customer orientation is to provide training to customer-facing employees teaching them how to interact with customers with their best interest in mind and how to uncover subconscious customer needs.

5.5. Limitations and suggestions for future research

Despite these promising results, a few limitations are linked to this study, which might be addressed in future research. First, this study is designed as a cross-sectional study, meaning that the population is studied at only one point in time (Babbie, 2013). A longitudinal study, however, would give more insight since the population can be studied for a longer period of time (Babbie, 2013). The disadvantages include more time and more resources. For those reasons, it was not feasible to do a longitudinal study. Therefore, the researcher calls for a longitudinal study, in which customer orientation is assessed after each of the contact moments with the service provider. In the airline industry, this will give more insight into whether the customer orientation of a service provider is constant over the various contact moments; for example, after booking and after flying, and at which contact moment customer orientation has the biggest impact on customer satisfaction.

Second, the experiment is only carried out in The Netherlands, which limits the study in making recommendations. If the study would be carried out in multiple countries, culture could be better taken into account. However, due to time and resource restrictions, and language barriers, this is not feasible. The survey included both Dutch and non-Dutch passengers but owing to the highly unequal number of respondents per nationality, it was not possible to make conclusions at nationality level. Future research could look at the influence of nationality on customer orientation by comparing two nationalities, for instance.

Third, the choice for three German airlines as the basis for the case texts of the experiment comes with some limitations. The German hybrid airline Air Berlin went bankrupt in Autumn 2017, meaning that information was based upon third parties rather than on the website of the airline itself. Another related limitation is the choice for the low-cost airline: Klophaus et al. (2012) gave Germanwings (part of Eurowings) a score of 0.43, which is less low-cost than RyanAir with a score of 1, indicating a pure LCC. Also, Eurowings is part of the Lufthansa Group and is not an independent airline.

Fourth, the study by Klophaus et al. (2012) was conducted six years ago. Therefore, one should take into account that it is possible that airlines now score differently, especially due to the dynamicity and convergence of the airline industry. When replicating this study, it is important to reassess the airlines by using Klophaus et al.'s criteria, since they were used to classify the airlines into low-cost and the hybrid carrier. Furthermore, the researcher recommends broadening their research: Klophaus et al. focused on the 20 largest low-cost carriers in Europe. In other words, American, Asian, Australian and African airlines were outside their scope.

This research found that a higher degree of customer orientation is positively related to customer satisfaction. The question remains if it is possible to be too customer-oriented. Future research should test the effect of various degrees of customer orientation on customer satisfaction to see how these two concepts are related. In other words, further research should test if the relationship between customer orientation and customer satisfaction is inverted U-shaped. In addition, it would be interesting to uncover what the effect of the customer value proposition is on this relationship.

Finally, this study assessed the customer orientation of airlines from the customer's perspective. When comparing the factor solutions of the experiment, the survey, and Daniel & Darby's (1996) study, the researcher uncovers a difference in importance of the dimensions of customer orientation: professional relationship is more relevant in the airline industry whereas information exchange is of higher importance in hospitals. Future research is needed to find out whether the difference in importance is industry-related. Therefore, the researcher advises testing Daniel & Darby's customer orientation scale among customers in other service industries, such as the financial services industry, the consultancy industry, the hospitality industry, and the entertainment industry.

References

- Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden. *The Journal of Marketing*, 53-66.
- Anderson, J. C., Narus, J. A., & Van Rossum, W. (2006). Customer value propositions in business markets. *Harvard Business Review*, 84, 1-4.
- Athanassopoulos, A., Gounaris, S., & Stathakopoulos, V. (2001). Behavioural responses to customer satisfaction: an empirical study. *European Journal of Marketing*, 35(5/6), 687-707.
- Babbie, E. R. (2013). *The Practice of Social Research*. Cengage Learning.
- Baker, D. (2013). Service quality and customer satisfaction in the airline industry: A comparison between legacy airlines and low-cost airlines. *American Journal of Tourism Research*, 2(1), 67-77.
- Bhatti, M. I., Awan, H. M., & Razaq, Z. (2014). The key performance indicators (KPIs) and their impact on overall organizational performance. *Quality & Quantity*, 48(6), 3127-3143.
- Brady, M. K., & Cronin Jr, J. J. (2001). Customer orientation: Effects on customer service perceptions and outcome behaviors. *Journal of Service Research*, 3(3), 241-251.
- Brewerton, P. M., & Millward, L. J. (2001). *Organizational research methods: A guide for students and researchers*. Sage.
- Brown, G., Widing, R. E., & Coulter, R. L. (1991). Customer evaluation of retail salespeople utilizing the SOCO scale: A replication, extension, and application. *Journal of the Academy of Marketing Science*, 19(4), 347-351.
- Cento, A. (2008). *The airline industry: challenges in the 21st century*. Springer Science & Business Media.

- Chiou, Y. C., & Chen, Y. H. (2010). Factors influencing the intentions of passengers regarding full service and low cost carriers: A note. *Journal of Air Transport Management*, 16(4), 226-228.
- Clemes, M. D., Gan, C., Kao, T. H., & Choong, M. (2008). An empirical analysis of customer satisfaction in international air travel. *Innovative Marketing*, 4(2), 50-62.
- Dalla Pozza, I. (2014). Customer experiences as drivers of customer satisfaction. *Gestion* 2000, 31(3), 115-138.
- Daniel, K., & Darby, D. N. (1996). A dual perspective of customer orientation: a modification, extension and application of the SOCO scale. *International Journal of Service Industry Management*, 8(2), 131-147.
- Datta, Y. (2010). A critique of Porter's cost leadership and differentiation strategies. *Chinese Business Review*, 9(4), 37.
- DeSarbo, W. S., Jedidi, K., & Sinha, I. (2001). Customer value analysis in a heterogeneous market. *Strategic Management Journal*, 22(9), 845-857.
- Dobruszkes, F. (2013). The geography of European low-cost airline networks: a contemporary analysis. *Journal of Transport Geography*, 28, 75-88.
- Dolnicar, S., Grabler, K., Grün, B., & Kulnig, A. (2011). Key drivers of airline loyalty. *Tourism Management*, 32(5), 1020-1026.
- Domanico, F. (2007). The European airline industry: law and economics of low cost carriers. *European Journal of Law and Economics*, 23(3), 199-221.
<http://dx.doi.org/10.1007/s10657-007-9016-8>
- Dresner, M., Lin, J. S. C., & Windle, R. (1996). The impact of low-cost carriers on airport and route competition. *Journal of Transport Economics and Policy*, 309-328.

- Fageda, X., Suau-Sanchez, P. & Mason, K.J. (2015). The evolving low-cost business model: Network implications of face bundling and connecting flights in Europe. *Journal of Air Transport Management* 42, 289-296.
<http://dx.doi.org/10.1016/j.jairtraman.2014.12.002>
- Ferrer-Rosell, B. & Coenders, G. (2017). Airline type and tourist expenditure: Are full service and low cost carriers converging or diverging?. *Journal of Air Transport* 63, 119-125.
<http://dx.doi.org/10.1016/j.jairtraman.2017.06.014>
- Field, A. (2013). *Discovering Statistics using IBM SPSS Statistics*. Sage.
- Forgas, S., Moliner, M. A., Sánchez, J., & Palau, R. (2010). Antecedents of airline passenger loyalty: Low-cost versus traditional airlines. *Journal of Air Transport Management*, 16(4), 229-233.
- Ghoshal, S., & Bartlett, C. A. (1997). The individualized corporation: *A fundamentally new approach to management*. New York: Harper Business.
- Gilbert, D., & Wong, R. K. (2003). Passenger expectations and airline services: a Hong Kong based study. *Tourism Management*, 24(5), 519-532.
- Gustafsson, A., Johnson, M. D., & Roos, I. (2005). The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. *Journal of marketing*, 69(4), 210-218.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate Data Analysis*. Harlow: Pearson Education Limited.
- Hamel, G., & Prahalad, C. K. (1994). *Competing for the future: Breakthrough strategies for seizing control of your industry and creating the markets of tomorrow*. Boston: Harvard Business School Press.
- Hennig-Thurau, T. (2004). Customer orientation of service employees: Its impact on customer satisfaction, commitment, and retention. *International Journal of Service Industry*

Management, 15(5), 460-478.

- Hennig-Thurau, T., & Klee, A. (1997). The impact of customer satisfaction and relationship quality on customer retention: A critical reassessment and model development. *Psychology & marketing*, 14(8), 737-764.
- Hunter, L. (2006). Low Cost Airlines: Business Model and Employment Relations. *European Management Journal*, Vol. 24, 315-321. <http://dx.doi.org/10.1016/j.emj.2006.08.001>
- Johnson, M.W., Christensen, C.M. & Kagermann, H. (2008). Reinventing Your Business Model. *Harvard Business Review*, 86(12), 59-67
- Kangis, P., & O'Reilly, M. D. (2003). Strategies in a dynamic marketplace: A case study in the airline industry. *Journal of Business Research*, 56(2), 105-111.
- Kelley, S. W. (1992). Developing customer orientation among service employees. *Journal of the Academy of Marketing Science*, 20(1), 27-36.
- Kim, W. (2009). Customers' Responses to Customer Orientation of Service Employees in Full-Service Restaurants: A Relational Benefits Perspective. *Journal of Quality Assurance in Hospitality & Tourism*, 10(3), 153-174.
- Klophaus, R., Conrady, R., & Fichert, F. (2012). Low cost carriers going hybrid: Evidence from Europe. *Journal of Air Transport Management*, 23, 54-58.
- Koklic, M. K., Kukar-Kinney, M., & Vegelj, S. (2017). An investigation of customer satisfaction with low-cost and full-service airline companies. *Journal of Business Research*, 80, 188-196.
- Kumar, V. (2016). Introduction: Is customer satisfaction (ir)relevant as a metric?. *Journal of Marketing*, 80(5), 108-109.
- Lawton, T.C. & Solomko, S. (2005). When being the lowest cost is not enough: Building a successful low-fare airline business model in Asia. *Journal of Air Transport*

Management, 11, 355-362. <http://dx.doi.org/10.1016/j.jairtraman.2005.03.001>

- Levesque, T., & McDougall, G. H. (1996). Determinants of customer satisfaction in retail banking. *International Journal of Bank Marketing*, 14(7), 12-20.
- Lu, J. L. (2017). Segmentation of passengers using full-service and low-cost carriers – Evidence from Taiwan. *Journal of air transport management*, 62, 204-216.
- Mathe, K., Scott-Halsell, S., & Roseman, M. (2016). The role of customer orientation in the relationship between manager communications and customer satisfaction. *Journal of Hospitality & Tourism Research*, 40(2), 198-209.
- Mekic, E., & Mekic, E. (2014). Supports and Critiques on Porter's Competitive Strategy and Competitive Advantage.
- Michaels, R. E., & Day, R. L. (1985). Measuring customer orientation of salespeople: a replication with industrial buyers. *Journal of Marketing Research*, 443-446.
- Mintzberg, H. (1990). Strategy formation: Schools of thought. In J. W. Frederickson (Ed.), *Perspectives on strategic management* (pp. 105-235). New York: Harper Business.
- Nako, S. M. (1992). Frequent flyer programs and business travellers: an empirical investigation. *Logistics and Transportation Review*, 28, 395-414
- Payne, A., Frow, P., & Eggert, A. (2017). The customer value proposition: evolution, development, and application in marketing. *Journal of the Academy of Marketing Science*, 45(4), 467-489.
- Pels, E., & Brueckner, J. K. (2003). Institutions, regulation and the evolution of European air transport. Retrieved from: <https://research.vu.nl/ws/files/1922498/20030010.pdf>
- Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. Simon and Schuster.

- Porter, M. E., & Kramer, M. R. (2011). Creating Shared Value. *Harvard Business Review*, 11, 30.
- Rintamäki, T., Kuusela, H., & Mitronen, L. (2007). Identifying competitive customer value propositions in retailing. *Managing Service Quality: An International Journal*, 17(6), 621-634.
- RyanAir. (2018). *Routekaart*. Retrieved March 12, 2018, from:
<https://www.ryanair.com/nl/nl/bestemmingen-goedkope-vluchten>
- Salavou, H. E. (2015). Competitive strategies and their shift to the future. *European Business Review*, 27(1), 80-99.
- Saxe, R., & Weitz, B. A. (1982). The SOCO scale: A measure of the customer orientation of salespeople. *Journal of Marketing Research*, 343-351.
- Smith, J. B., & Colgate, M. (2007). Customer value creation: a practical framework. *Journal of Marketing Theory and Practice*, 15(1), 7-23.
- Söderlund, M. (1998). Customer satisfaction and its consequences on customer behaviour revisited: The impact of different levels of satisfaction on word-of-mouth, feedback to the supplier and loyalty. *International journal of service industry management*, 9(2), 169-188.
- Suhartanto, D., & Noor, A. A. (2012). Customer satisfaction in the airline industry: The role of service quality and price. *Asia Tourism Forum Conference*. 1–9. Bandung: Bandung Institute of Tourism.
- Taneja, N.K. (2010). *Looking beyond the Runway: Airlines Innovating with Best Practices while Facing Realities*. Ashgate, Farnham.
- Tanwar, R. (2013). Porter's generic competitive strategies. *Journal of business and management*, 15(1), 11-17.

- Teece, D.J. (2010). Business Models, Business Strategy and Innovation. *Long Range Planning*, 43, 172-194. <http://dx.doi.org/10.1016/j.lrp.2009.07.003>
- Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1), 1-17.
- Webster, F. E. (1994). *Market-driven management: How to define, develop and deliver customer value*. Hoboken: John Wiley & Sons.
- Wit, de, B., & Meyer, R. (2014). *Strategy: An International Perspective, 5th Edition*, Cengage Learning, EMEA.
- Woodruff, R. B. (1997). Customer value: the next source for competitive advantage. *Journal of the Academy of Marketing Science*, 25(2), 139.
- Wray, B., Palmer, A., & Bejou, D. (1994). Using neural network analysis to evaluate buyer-seller relationships. *European Journal of Marketing*, 28(10), 32-48.
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *The Journal of marketing*, 2-22.
- Zott, C., Amit, R. & Massa, L. (2011). The Business Model: Recent Developments and Future Research. *Journal of Management*, 37(4), 1019-1042.
<http://dx.doi.org/10.1177/0149206311406265>

Appendix A: Questionnaire of the experiment

Beste deelnemer,

Allereerst wil ik u hartelijk danken voor uw deelname aan dit onderzoek. Mijn naam is Kimberley Kroon en ik ben een masterstudente International Management aan de Radboud Universiteit.

Voor mijn masterscriptie doe ik onderzoek naar verschillende soorten vliegtuigmaatschappijen en wil u daarvoor vragen mijn enquête in te vullen. Het onderzoek zal ongeveer 10 minuten van uw tijd in beslag nemen en u kunt op ieder moment stoppen. Uw antwoorden zijn volledig anoniem en zullen enkel voor mijn masteronderzoek gebruikt worden.

Mocht u nog vragen of opmerkingen hebben over het onderzoek, neem dan contact met mij op via k.kroon@student.ru.nl.

Nogmaals hartelijk dank voor uw deelname aan dit onderzoek.

Met vriendelijke groet,
Kimberley Kroon

Q1: Wat is uw geslacht?

1. Man
2. Vrouw

Q2: Wat is uw leeftijd?

Q3: Wat is uw maandelijkse inkomen?

1. Minder dan €1.000
2. €1.000 - €1.999
3. €2.000 - €2.999
4. €3.000 - €3.999
5. €4.000 - €4.999
6. €5.000 - €5.999
7. €6.000 - €6.999
8. Meer dan €7.000
9. Zeg ik liever niet

Q4: Hoe vaak vliegt u gemiddeld per jaar?

1. 0 keer (ik vlieg nooit/ik heb nog nooit gevlogen)
2. Minder dan 1 keer per jaar
3. 1-2 keer per jaar
4. 3-4 keer per jaar

5. Vaker dan 4 keer per jaar

Q5: Met welk doel vliegt u?

1. 100% zakelijk
2. .
3. .
4. .
5. 100% privé

Q6: Met welke vliegtuigmaatschappijen heeft u in de afgelopen drie jaar gevlogen?

- | | | |
|--------------------|-----------------|-----------------------|
| 1. KLM | 8. Air France | 15. Aer Lingus |
| 2. Transavia | 9. Iberia | 16. Corendon |
| 3. EasyJet | 10. Vueling | 17. Austrian Airlines |
| 4. RyanAir | 11. Lufthansa | 18. Brussels Airlines |
| 5. TUI | 12. Eurowings | 19. Anders, namelijk: |
| 6. WizzAir | 13. Germanwings | ... |
| 7. British Airways | 14. Air Berlin | |

Q7: 7-point Likert scale

1. Als ik vlieg, is prijs het belangrijkste criterium voor het kiezen van een vliegtuigmaatschappij.
2. Ik reis liever vanaf een kleiner, regionaal vliegveld (zoals Eindhoven Airport, Weeze Airport of Rotterdam/The Hague Airport).
3. Ik ben bereid meer te betalen voor gunstigere vliegtijden.
4. Ik vlieg altijd met dezelfde vliegtuigmaatschappij.
5. Ik ben bereid meer te betalen om dicht bij mijn eindbestemming te landen.
6. Ik ben bereid vroeg of laat te vliegen voor een lagere prijs.
7. Als ik vlieg, kijk ik naar het aantal vluchten naar mijn bestemming.
8. Ik ben bereid meer te betalen voor een uitgebreidere service.
9. Ik vind het niet erg om langer te doen over de reis, als ik daarmee goedkoper uit ben.
10. Als ik vlieg, let ik meer op andere criteria dan prijs.

➔ 1 case text (see appendix B)

Q8: 7-point Likert scale

1. De vliegtuigmaatschappij gaf duidelijke informatie over hun diensten.
2. De vliegtuigmaatschappij liet doorschemen dat bepaalde dingen buiten hun macht waren (ook al vond ik van niet).
3. De vliegtuigmaatschappij dacht met mij mee door relevante informatie te delen.
4. De vliegtuigmaatschappij hielp mij om mijn reis zo aangenaam mogelijk te maken.
5. De vliegtuigmaatschappij beantwoordde mijn vragen over hun diensten zo eerlijk/nauwkeurig als mogelijk.
6. De vliegtuigmaatschappij probeerde erachter te komen wat mijn behoeften waren.
7. De vliegtuigmaatschappij heeft geprobeerd mijn wensen met mij te bespreken.
8. De vliegtuigmaatschappij handelde vanuit het belang van de passagier.

9. De vliegtuigmaatschappij bood de service aan die het beste bij mij en mijn wensen pasten.
10. De vliegtuigmaatschappij gaf een rooskleuriger beeld van hun diensten dan in realiteit geboden werd.
11. De vliegtuigmaatschappij probeerde mijn reisbehoeften te vervullen.
12. De vliegtuigmaatschappij probeerde te bedenken welke diensten het beste bij mij als reiziger pasten.
13. De vliegtuigmaatschappij stemde enkel met mij in om mij een plezier te doen.

Q9: Ik zou deze vlucht in het echt boeken

1. Zeker niet
2. Waarschijnlijk niet
3. Misschien
4. Waarschijnlijk wel
5. Zeker wel

Nogmaals hartelijk dank voor uw deelname aan dit onderzoek. Mocht u nog vragen of opmerkingen hebben naar aanleiding van het onderzoek, neem dan contact met mij op via k.kroon@student.ru.nl.





Met vriendelijke groet,
Kimberley Kroon

Appendix B: Cases of the experiment

Low-cost carrier

Nadat je een inspirerende aflevering van 3 op Reis hebt gezien over Portugal, weet je het zeker: je volgende reis gaat naar Lissabon. Je kijkt op de website van luchtvaartmaatschappij X voor een vlucht naar Lissabon. X is een luchtvaartmaatschappij gespecialiseerd in voordelige rechtstreekse vluchten binnen Europa en vliegt op kleinere regionale luchthavens om kosten te besparen.

Op de website van X vind je twee tarieven: het BASIC-tarief en het SMART-tarief.

BASIC	SMART
 Handbagage (8 kg)	 Handbagage (8 kg)
	 Bagage (23kg)
	 Stoel naar keuze

In eerste instantie lijkt het BASIC-tarief het best bij je te passen. Omdat je wat langer op reis gaat, heb je meer spullen nodig dan er in je handbagage passen. Je besluit een koffer in te checken. Omdat het prijsverschil tussen de twee tarieven nu een stuk kleiner is, kies je uiteindelijk het SMART-tarief. Dit heeft als bijkomend voordeel dat je een stoel kan kiezen met wat extra beenruimte.

Er resteren nog maar een paar dagen tot aan je vakantie naar Lissabon. Je ontvangt van X een e-mail over het inchecken. Voor het inchecken biedt X je een aantal opties: Inchecken bij de check-in-balie op het vliegveld of zelf inchecken via de website of de mobiele app.

Vandaag vlieg je met X naar Lissabon. Na het inchecken van je koffer en het passeren van de douane, ontvang je een mail van X met de laatste informatie over je vlucht: er is een vertraging van 30 minuten. Je kijkt wat rond in de winkels en besluit vervolgens alvast richting de gate te gaan. Bij het boarden word je welkom geheten door het personeel en ga je op zoek naar je stoel en een plaats voor je handbagage.





Omdat je trek hebt gekregen, kijk je in het in-flight-tijdschrift voor het aanbod aan broodjes. Helaas laat de stewardess je weten dat het broodje waar jij je oog op had, niet meer op voorraad is. Door de vertraging was er geen tijd om de broodjes bij te vullen. Je besluit een ander broodje te kiezen en rekent af.

Onderweg houdt de piloot je op de hoogte over de vlucht en waar jullie ongeveer vliegen. Vlak voordat de piloot de daling inzet, neemt hij het weerbericht voor Lissabon kort door. Ondanks de vertraging, heb je een voorspoedige vlucht gehad en kun je beginnen aan je reis!

Low-cost carrier with CO

Nadat je een inspirerende aflevering van 3 op Reis hebt gezien over Portugal, weet je het zeker: je volgende reis gaat naar Lissabon. Je kijkt op de website van luchtvaartmaatschappij X voor een vlucht naar Lissabon. X is een luchtvaartmaatschappij gespecialiseerd in voordelige rechtstreekse vluchten binnen Europa en vliegt op kleinere regionale luchthavens om kosten te besparen.

Op de website van X vind je twee tarieven: het BASIC-tarief en het SMART-tarief.

BASIC	SMART
 Handbagage (8 kg)	 Handbagage (8 kg)
	 Bagage (23kg)
	 Stoel naar keuze

Neemt u bagage mee?

Nu voor slechts 24 € meer per persoon en traject bij SMART-tarief inbegrepen.

 Bagage |  Favoriete zitplaats

In eerste instantie lijkt het BASIC-tarief het best bij je te passen. Omdat je wat langer op reis gaat, heb je meer spullen nodig dan er in je handbagage passen. Je besluit een koffer in te checken. **X attendeert je erop dat het SMART-tarief mogelijk een betere keuze is.** Je kiest uiteindelijk het SMART-tarief. Dit heeft als bijkomend voordeel dat je een stoel kan kiezen met wat extra beenruimte.

Er resteren nog maar een paar dagen tot aan je vakantie naar Lissabon. Je ontvangt van X een e-mail over het inchecken. Voor het inchecken biedt X je een aantal opties: Inchecken bij de check-in-balie op het vliegveld of zelf inchecken via de website of de mobiele app. **X informeert je dat je je koffer ook zelf kan inchecken bij de bagage drop-off.**

Begin uw reis zorgeloos met de self check-in!

Check uzelf in via de website of onze app en loop meteen door naar de douane!

Reist u met ruimbagage?

Geen probleem! Met de bagage drop-off kunt u ook uw koffer zelf inchecken. Hiervoor heeft u alleen uw boarding pass nodig.

Checkt u liever in bij de balie? Dat kan natuurlijk ook!

-  72 uur voor vertrek mogelijk
-  Comfortabel vanuit thuis
-  Bespaar tijd op de luchthaven

Vandaag vlieg je met X naar Lissabon. Na het inchecken van je koffer en het passeren van de douane, ontvang je een mail van X met de laatste informatie over je vlucht: er is een vertraging van 30 minuten. Je kijkt wat rond in de winkels en besluit vervolgens alvast richting de gate te gaan. Bij het boarden word je welkom geheten door het personeel en **helpt het personeel je met het vinden van je stoel en een plaats voor je handbagage.**





Omdat je trek hebt gekregen, kijk je in het in-flight-tijdschrift voor het aanbod aan broodjes. Helaas laat de stewardess je weten dat het broodje waar jij je oog op had, niet meer op voorraad is. Door de vertraging was er geen tijd om de broodjes bij te vullen. Je besluit een ander broodje te kiezen en rekent af.

Onderweg houdt de piloot je op de hoogte over de vlucht en waar jullie ongeveer vliegen. Vlak voordat de piloot de daling inzet, neemt hij het weerbericht voor Lissabon kort door. Ondanks de vertraging, heb je een voorspoedige vlucht gehad en kun je beginnen aan je reis!

Hybrid carrier

Nadat je een inspirerende aflevering van 3 op Reis hebt gezien over Portugal, weet je het zeker: je volgende reis gaat naar Lissabon. Je kijkt op de website van luchtvaartmaatschappij X voor een vlucht naar Lissabon. X vliegt voordelig vanaf grotere vliegvelden naar bestemmingen in Europa, Noord-Amerika, Azië en Noord-Afrika. X is lid van Flight Alliance, een samenwerkingsverband tussen meerdere vliegtuigmaatschappijen, en heeft een Frequent Flyer Programma. Hiermee spaar je punten die je kunt verzilveren voor korting bij één van de deelnemende maatschappijen.

Op de website van X vind je twee tarieven: het BASIC-tarief en het SMART-tarief.

BASIC	SMART
 Handbagage (8 kg)	 Handbagage (8 kg)
	 Bagage (23kg)
	 Stoel naar keuze

In eerste instantie lijkt het BASIC-tarief het best bij je te passen. Omdat je wat langer op reis gaat, heb je meer spullen nodig dan er in je handbagage passen. Je besluit een koffer in te checken. Omdat het prijsverschil tussen de twee tarieven nu een stuk kleiner is, kies je uiteindelijk het SMART-tarief. Dit heeft als bijkomend voordeel dat je een stoel kan kiezen met wat extra beenruimte.

Er resteren nog maar een paar dagen tot aan je vakantie naar Lissabon. Je ontvangt van X een e-mail over het inchecken. Voor het inchecken biedt X je een aantal opties: Inchecken bij de check-in-balie op het vliegveld of zelf inchecken via de website of de mobiele app.

Vandaag vlieg je met X naar Lissabon. Na het inchecken van je koffer en het passeren van de douane, ontvang je een mail van X met de laatste informatie over je vlucht: er is een vertraging van 30 minuten. Je kijkt wat rond in de winkels en besluit vervolgens alvast richting de gate te gaan. Bij het boarden word je welkom geheten door het personeel en ga je op zoek naar je stoel en een plaats voor je handbagage.





Omdat je trek hebt gekregen, kijk je in het in-flight-tijdschrift voor het aanbod aan broodjes. Helaas laat de stewardess je weten dat het broodje waar jij je oog op had, niet meer op voorraad is. Door de vertraging was er geen tijd om de broodjes bij te vullen. Je besluit een ander broodje te kiezen en rekent af.

Onderweg houdt de piloot je op de hoogte over de vlucht en waar jullie ongeveer vliegen. Vlak voordat de piloot de daling inzet, neemt hij het weerbericht voor Lissabon kort door. Ondanks de vertraging, heb je een voorspoedige vlucht gehad en kun je beginnen aan je reis!

Hybrid carrier with CO

Nadat je een inspirerende aflevering van 3 op Reis hebt gezien over Portugal, weet je het zeker: je volgende reis gaat naar Lissabon. Je kijkt op de website van luchtvaartmaatschappij X voor een vlucht naar Lissabon. X vliegt voordelig vanaf grotere vliegvelden naar bestemmingen in Europa, Noord-Amerika, Azië en Noord-Afrika. X is lid van Flight Alliance, een samenwerkingsverband tussen meerdere vliegtuigmaatschappijen, en heeft een Frequent Flyer Programma. Hiermee spaar je punten die je kunt verzilveren voor korting bij één van de deelnemende maatschappijen.

Op de website van X vind je twee tarieven: het BASIC-tarief en het SMART-tarief.

BASIC	SMART
 Handbagage (8 kg)	 Handbagage (8 kg)
	 Bagage (23kg)
	 Stoel naar keuze

Neemt u bagage mee?

Nu voor slechts 24 € meer per persoon en traject bij SMART-tarief inbegrepen.

 Bagage |  Favoriete zitplaats

In eerste instantie lijkt het BASIC-tarief het best bij je te passen. Omdat je wat langer op reis gaat, heb je meer spullen nodig dan er in je handbagage passen. Je besluit een koffer in te checken. **X attendeert je erop dat het SMART-tarief mogelijk een betere keuze is.** Je kiest uiteindelijk het SMART-tarief. Dit heeft als bijkomend voordeel dat je een stoel kan kiezen met wat extra beenruimte.

Er resteren nog maar een paar dagen tot aan je vakantie naar Lissabon. Je ontvangt van X een e-mail over het inchecken. Voor het inchecken biedt X je een aantal opties: Inchecken bij de check-in-balie op het vliegveld of zelf inchecken via de website of de mobiele app. **X informeert je dat je je koffer ook zelf kan inchecken bij de bagage drop-off.**

Begin uw reis zorgeloos met de self check-in!

Check uzelf in via de website of onze app en loop meteen door naar de douane!

Reist u met ruimbagage?

Geen probleem! Met de bagage drop-off kunt u ook uw koffer zelf inchecken. Hiervoor heeft u alleen uw boarding pass nodig.

Checkt u liever in bij de balie? Dat kan natuurlijk ook!

-  72 uur voor vertrek mogelijk
-  Comfortabel vanuit thuis
-  Bespaar tijd op de luchthaven

Vandaag vlieg je met X naar Lissabon. Na het inchecken van je koffer en het passeren van de douane, ontvang je een mail van X met de laatste informatie over je vlucht: er is een vertraging van 30 minuten. Je kijkt wat rond in de winkels en besluit vervolgens alvast richting de gate te gaan. Bij het boarden word je welkom geheten door het personeel en **helpt het personeel je met het vinden van je stoel en een plaats voor je handbagage.**

Omdat je trek hebt gekregen, kijk je in het in-flight-tijdschrift voor het aanbod aan broodjes. Helaas laat de stewardess je weten dat het broodje waar jij je oog op had, niet meer op voorraad is. Door de vertraging was er geen tijd om de broodjes bij te vullen. Je besluit een ander broodje te kiezen en rekent af.

Onderweg houdt de piloot je op de hoogte over de vlucht en waar jullie ongeveer vliegen. Vlak voordat de piloot de daling inzet, neemt hij het weerbericht voor Lissabon kort door. Ondanks de vertraging, heb je een voorspoedige vlucht gehad en kun je beginnen aan je reis!

Full-service carrier

Nadat je een inspirerende aflevering van 3 op Reis hebt gezien over Portugal, weet je het zeker: je volgende reis gaat naar Lissabon. Je kijkt op de website van luchtvaartmaatschappij X voor een vlucht naar Lissabon. X is een luchtvaartmaatschappij die wereldwijd opereert en tevens een van de grootste luchtvaartmaatschappijen ter wereld is. X is lid van Flight Alliance, een samenwerkingsverband tussen meerdere vliegtuigmaatschappijen, en heeft een Frequent Flyer Programma. Hiermee spaar je punten die je kunt verzilveren voor korting bij één van de deelnemende maatschappijen.

Op de website van X vind je binnen de Economy class twee tarieven: het BASIC-tarief en het SMART-tarief.

BASIC	SMART
 Handbagage (8 kg)	 Handbagage (8 kg)
 Stoel naar keuze	 Bagage (23kg)
 Snack en drankje	 Stoel naar keuze
	 Snack en drankje
	 Eerdere vlucht op dezelfde dag (indien mogelijk)
	 Security fast lane (waar mogelijk)
	 Priority boarding (waar mogelijk)

In eerste instantie lijkt het BASIC-tarief het best bij je te passen. Omdat je wat langer op reis gaat, heb je meer spullen nodig dan er in je handbagage passen. Je besluit een koffer in te checken. Omdat het prijsverschil tussen de twee tarieven nu een stuk kleiner is, kies je uiteindelijk het SMART-tarief.

Er resteren nog maar een paar dagen tot aan je vakantie naar Lissabon. Je ontvangt van X een e-mail over het inchecken. Voor het inchecken biedt X je een aantal opties: Inchecken bij de check-in-balie op het vliegveld of zelf inchecken via de website of de mobiele app.

Vandaag vlieg je met X naar Lissabon. Na het inchecken van je koffer en het passeren van de douane, ontvang je een mail van X met de laatste informatie over je vlucht: er is een vertraging van 30 minuten. Je kijkt wat rond in de winkels en besluit vervolgens alvast richting de gate te gaan. Bij het boarden word je welkom geheten door het personeel en ga je op zoek naar je stoel en een plaats voor je handbagage.

Na je gratis snack en drankje, heb je toch nog zin in een broodje. Je kijkt voor het aanbod aan broodjes in het in-flight-tijdschrift. Helaas laat de stewardess je weten dat het broodje waar jij je oog op had, niet meer op voorraad is. Door de vertraging was er geen tijd om de broodjes bij te vullen. Je besluit een ander broodje te kiezen en rekent af.











Onderweg houdt de piloot je op de hoogte over de vlucht en waar jullie ongeveer vliegen. Vlak voordat de piloot de daling inzet, neemt hij het weerbericht voor Lissabon kort door. Ondanks de vertraging, heb je een voorspoedige vlucht gehad en kun je beginnen aan je reis!

Full-service carrier with CO

Nadat je een inspirerende aflevering van 3 op Reis hebt gezien over Portugal, weet je het zeker: je volgende reis gaat naar Lissabon. Je kijkt op de website van luchtvaartmaatschappij X voor een vlucht naar Lissabon. X is een luchtvaartmaatschappij die wereldwijd opereert en tevens een van de grootste luchtvaartmaatschappijen ter wereld is. X is lid van Flight Alliance, een

samenwerkingsverband tussen meerdere vliegtuigmaatschappijen, en heeft een Frequent Flyer Programma. Hiermee spaar je punten die je kunt verzilveren voor korting bij één van de deelnemende maatschappijen.

Op de website van X vind je binnen de Economy class twee tarieven: het BASIC-tarief en het SMART-tarief.

BASIC	SMART
 Handbagage (8 kg)	 Handbagage (8 kg)
 Stoel naar keuze	 Bagage (23kg)
 Snack en drankje	 Stoel naar keuze
	 Snack en drankje
	 Eerdere vlucht op dezelfde dag (indien mogelijk)
	 Security fast lane (waar mogelijk)
	 Priority boarding (waar mogelijk)

Neemt u bagage mee?

Nu voor slechts 24 € meer per persoon en traject bij SMART-tarief inbegrepen.

In eerste instantie lijkt het BASIC-tarief het best bij je te passen. Omdat je wat langer op reis gaat, heb je meer spullen nodig dan er in je handbagage passen. Je besluit een koffer in te checken. **X attendeert je erop dat het SMART-tarief mogelijk een betere keuze is.** Je kiest uiteindelijk het SMART-tarief.

Er resteren nog maar een paar dagen tot aan je vakantie naar Lissabon. Je ontvangt van X een e-mail over het inchecken. Voor het inchecken biedt X je een aantal opties: Inchecken bij de check-in-balie op het vliegveld of zelf inchecken via de website of de mobiele app. **X informeert je dat je je koffer ook zelf kan inchecken bij de bagage drop-off.**

Begin uw reis zorgeloos met de self check-in!

Check uzelf in via de website of onze app en loop meteen door naar de douane!

Reist u met ruimbagage?

Geen probleem! Met de bagage drop-off kunt u ook uw koffer zelf inchecken. Hiervoor heeft u alleen uw boarding pass nodig.

Checkt u liever in bij de balie? Dat kan natuurlijk ook!

-  72 uur voor vertrek mogelijk
-  Comfortabel vanuit thuis
-  Bespaar tijd op de luchthaven

Vandaag vlieg je met X naar Lissabon. Na het inchecken van je koffer en het passeren van de douane, ontvang je een mail van X met de laatste informatie over je vlucht: er is een vertraging van 30 minuten. Je kijkt wat rond in de winkels en besluit vervolgens alvast richting de gate te gaan. Bij het boarden word je welkom geheten door het personeel en **helpt het personeel je met het vinden van je stoel en een plaats voor je handbagage.**

Na je gratis snack en drankje, heb je toch nog zin in een broodje. Je kijkt voor het aanbod aan broodjes in het in-flight-tijdschrift. Helaas laat de stewardess je weten dat het broodje waar jij je oog op had, niet meer op voorraad is. Door de vertraging was er geen tijd om de broodjes bij te vullen. Je besluit een ander broodje te kiezen en rekent af.

Onderweg houdt de piloot je op de hoogte over de vlucht en waar jullie ongeveer vliegen. Vlak voordat de piloot de daling inzet, neemt hij het weerbericht voor Lissabon kort door. Ondanks de vertraging, heb je een voorspoedige vlucht gehad en kun je beginnen aan je reis!

Appendix C: Questionnaire of the survey

Beste deelnemer,

Allereerst wil ik u hartelijk danken voor uw deelname aan dit onderzoek. Mijn naam is Kimberley Kroon en ik ben een masterstudente International Management aan de Radboud Universiteit.

Voor mijn masterscriptie doe ik onderzoek naar uw tevredenheid met verschillende soorten vliegtuigmaatschappijen en wil u daarvoor vragen mijn enquête in te vullen. Het onderzoek zal ongeveer 5 minuten van uw tijd in beslag nemen en u kunt op ieder moment stoppen. Uw antwoorden zijn volledig anoniem en zullen enkel voor mijn masteronderzoek gebruikt worden.

Mocht u nog vragen of opmerkingen hebben over het onderzoek, neem dan contact met mij op via k.kroon@student.ru.nl.

Nogmaals hartelijk dank voor uw deelname aan dit onderzoek.

Met vriendelijke groet,
Kimberley Kroon

Q1: Wat is uw geslacht?

1. Man
2. Vrouw

Q2: Wat is uw leeftijd?

Q3: Wat is uw nationaliteit?

Q4: Hoe vaak vliegt u gemiddeld per jaar?

1. 0 keer (ik vlieg nooit/ik heb nog nooit gevlogen)
2. Minder dan 1 keer per jaar
3. 1-2 keer per jaar
4. 3-4 keer per jaar
5. Vaker dan 4 keer per jaar

Q5: Met welk doel vliegt u?

1. 100% zakelijk
2. .

3. .
4. .
5. 100% privé

Q6: Met welke vliegtuigmaatschappijen heeft u in de afgelopen drie jaar gevlogen?

- | | | |
|--------------------|-----------------|-----------------------|
| 1. KLM | 8. Air France | 15. Aer Lingus |
| 2. Transavia | 9. Iberia | 16. Corendon |
| 3. EasyJet | 10. Vueling | 17. Austrian Airlines |
| 4. RyanAir | 11. Lufthansa | 18. Brussels Airlines |
| 5. TUI | 12. Eurowings | 19. Anders, namelijk: |
| 6. WizzAir | 13. Germanwings | ... |
| 7. British Airways | 14. Air Berlin | |

Q7: Met welke vliegtuigmaatschappij heeft u gevlogen?

Q8: 7-point Likert scale

1. De vliegtuigmaatschappij gaf duidelijke informatie over hun diensten.
2. De vliegtuigmaatschappij liet doorschemen dat bepaalde dingen buiten hun macht waren (ook al vond ik van niet).
3. De vliegtuigmaatschappij dacht met mij mee door relevante informatie te delen.
4. De vliegtuigmaatschappij hielp mij om mijn reis zo aangenaam mogelijk te maken.
5. De vliegtuigmaatschappij beantwoordde mijn vragen over hun diensten zo eerlijk/nauwkeurig als mogelijk.
6. De vliegtuigmaatschappij probeerde erachter te komen wat mijn behoeften waren.
7. De vliegtuigmaatschappij heeft geprobeerd mijn wensen met mij te bespreken.
8. De vliegtuigmaatschappij handelde vanuit het belang van de passagier.
9. De vliegtuigmaatschappij bood de service aan die het beste bij mij en mijn wensen pasten.
10. De vliegtuigmaatschappij gaf een rooskleuriger beeld van hun diensten dan in realiteit geboden werd.
11. De vliegtuigmaatschappij probeerde mijn reisbehoeften te vervullen.
12. De vliegtuigmaatschappij probeerde te bedenken welke diensten het beste bij mij als reiziger pasten.
13. De vliegtuigmaatschappij stemde enkel met mij in om mij een plezier te doen.

Q9: 7-point Likert scale

1. Het personeel heeft verstand van zaken.
2. De kennis van het personeel is up-to-date.
3. Ik waardeer hun advies.
4. Ze zijn altijd bereid te helpen.
5. Ze zijn aardig.
6. Ze zien er slim uit.

Q10: 7-point Likert scale

1. De service is goed voor de betaalde prijs.
2. De prijs is zeer schappelijk.

Q11: 7-point Likert scale

1. De vliegtuigmaatschappij voldoet altijd aan mijn verwachtingen.
2. Elk contact met het bedrijf is tevredenstellend.
3. Ik ben tevreden met de vliegtuigmaatschappij.

Q12: Ik zou deze vlucht opnieuw boeken

1. Zeker niet
2. Waarschijnlijk niet
3. Misschien
4. Waarschijnlijk wel
5. Zeker wel

Nogmaals hartelijk dank voor uw deelname aan dit onderzoek. Mocht u nog vragen of opmerkingen hebben naar aanleiding van het onderzoek, neem dan contact met mij op via k.kroon@student.ru.nl.

Met vriendelijke groet,
Kimberley Kroon

Appendix D: Factor analysis of the experiment

According to Hair et al. (2013), factor analysis can be used as a data analysis technique with a sample of 50 people. However, they argue that the sample size should preferably be 100 or larger (Hair et al., 2013). The sample size of the experiment exceeds this lower limit. To test if factor analysis can be used, according to Hair et al. (2013), there must be a substantial number of correlations $\geq .30$, KMO should be $\geq .50$ and Bartlett's test of sphericity should be significant. The SPSS output shows that KMO = .848 and Bartlett's test is $< .001$.

For this exploratory factor analysis, the researcher has chosen for a principal component analysis with orthogonal rotation method VARIMAX. Factors are extracted based on the criterion eigenvalues should be greater than or equal to 1 (Hair et al., 2013). The extraction and rotation method were chosen as the purpose of this research is to replicate the study of Daniel & Darby (1996).

SPSS has extracted 3 factors, which together explain 57% of the variance, where the first factor accounts for 34.7%, the second factor for 13.1% and the third factor for 9.2%. The study of Daniel & Darby (1996) also found three factors, but their explained variance is relatively higher with 66.4% explained variance.

In the rotated component matrix, two cross loaders were found: item 2 as it loads on both factor 2 and 3, and item 11, loading on factor 1 and 2. Item 2 was deleted as the reliability test also raised a red flag for this item.

Iteration 1: without item 2

Without item 2, Cronbach's alpha becomes .823, which is a slight increase. KMO and Bartlett's test are examined again, finding a value of .827 for KMO and a significance of $< .001$ for Bartlett's test. SPSS has extracted three factors, which together explain 59.6% of the variance. Again, this is a minor increase in comparison to the first factor analysis. However, the rotated factor matrix shows that item 11 still cross loads. For that reason, item 11 is deleted.

Iteration 2: without items 2 and 11

Without items 2 and 11, Cronbach's alpha decreases to .798. For the 11 item-construct, the researcher finds a value of .827 for KMO and a significance of $< .001$ for Bartlett's test. Based on the criterion eigenvalues should be equal to or bigger than 1, SPSS extracts two factors, explaining 51.6% of the variance. In the rotated factor matrix, item 13 highly cross loads on factor 2 and 3. In the previous analyses, item 13 loaded on factor 3. Consequently, the researcher set SPSS to extract three factors. These three factors explain 60.6% of the variance, which exceeds the 60% variance criterion of Hair et al. (2013). Factor 1 explains 36.3%, factor 2 15.3% and factor 3.9%. Additionally, in the three-factor solution, no cross loaders were found.

Appendix E: Assumptions ANOVA of the experiment

Before an ANOVA can be done, eight assumptions should be met.

- Assumption 1: The independent variable should be categorical

The independent variable in this test is the customer value proposition of an airline. This variable consists of six groups and is, therefore, a nominal variable, meaning that assumption is met.

- Assumption 2: The dependent variable and covariate should be metric

Both variables are metric. This assumption is met.

- Assumption 3: Observations should be independent

Qualtrics randomly assigned each respondent to one group, which means that the groups are mutually exclusive. The assumption is fulfilled.

- Assumption 4: The dependent variable should be normally distributed for each category of the independent variable.

For all six groups, the skewness and kurtosis lay within the range of -2 and 2. This indicates a normal distribution, meaning that the assumption is fulfilled.

Table 1: Descriptive statistics experiment group x purchase intention

	Experiment group		Statistic
I would book this flight in real life.	LCC	Mean	3.57
		Skewness	-.541
		Kurtosis	-.295
	LCC-CO	Mean	3.46
		Skewness	-.170
		Kurtosis	-.442
	Hybrid	Mean	3.64
		Skewness	-.847
		Kurtosis	.694
	Hybrid-CO	Mean	3.73
		Skewness	.028
		Kurtosis	-.326
	FSC	Mean	3.76
		Skewness	-1.307
		Kurtosis	2.014
	FSC-CO	Mean	3.60
		Skewness	-1.118
		Kurtosis	1.094

- Assumption 5: Homogeneity of variance

Homogeneity of variance can be tested using Levene's test (Field, 2013). This test examines two hypotheses:

- H0: The variances of the dependent variable is the same for every group (homogeneity)
- H1: The variances of the dependent variable differ between groups (heterogeneity)

Levene's test is non-significant ($p = .139$). This means that the null hypothesis should be accepted, meaning that the variances are homogeneous.

Table 2: Levene's test

		Levene Statistic	df1	df2	Sig.
I would book this flight in real life.	Based on Mean	1,688	5	216	,139
	Based on Median	1,011	5	216	,412
	Based on Median and with adjusted df	1,011	5	200,099	,412
	Based on trimmed mean	1,571	5	216	,169

- Assumption 6: The covariate and the dependent variable should correlate

To test this assumption, a Pearson Correlation was done (Field, 2013). SPSS shows a correlation of .363 between customer orientation and the dependent, which is significant at 0.01 level. Therefore, this assumption is met.

Table 3: Correlation Customer orientation and Purchase intention

		Customer orientation	I would book this flight in real life.
Customer orientation	Pearson Correlation	1	,363**
	Sig. (1-tailed)		,000
	N	205	203
I would book this flight in real life.	Pearson Correlation	,363**	1
	Sig. (1-tailed)	,000	
	N	203	222

- Assumption 7: The covariate and the factors are independent

An ANOVA was conducted to see if the independent variable and the covariate are independent. ANOVA test the following hypotheses:

- H0: $\mu_1 = \mu_2 (= \mu_3)$
- H1: At least one μ differs

SPSS shows $p = .233$. This is not significant, meaning that we should accept H0. The assumption is fulfilled.

Table 4: One-way ANOVA

Source	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Between groups	3.204	5	.641	1.382	.233
Within groups	92.306	199	.464		
Total	95.510	204			

- Assumption 8: Homogeneity of regression lines

The interaction is not significant ($p = .109$), meaning that the regression lines are homogeneous (Field, 2013).

Table 5: ANCOVA

Source	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Airline's CVP	5.694	5	1.139	2.021	.077
Customer orientation (CO)	14.919	1	14.919	26.480	.000
Airline's CVP * CO	5.156	5	1.031	1.830	.109
Error	107.610	191	.563		
Total	2846.00	203			

Appendix F: Factor analysis of the survey

To assess if factor analysis can be used as a data analysis technique, KMO and Bartlett's test of sphericity are used. The SPSS output shows that KMO = .825 and Bartlett's test is $< .001$, indicating that factor analysis can be used.

For this exploratory factor analysis, the researcher has chosen for a principal component analysis with orthogonal rotation method VARIMAX. Factors are extracted based on the criterion eigenvalues should be greater than or equal to 1 (Hair et al., 2013). SPSS has extracted 3 factors, which together explain 63.1% of the variance, where the first factor accounts for 40%, the second factor for 12.6% and the third factor for 10.5%.

In the rotated component matrix, three cross loaders were found: items 4, 6 and 7. Item 7 was deleted as it had the highest loading on two items and the worst communality.

Iteration 1: without item 7

Without item 7, Cronbach's alpha becomes .836, which is a slight decrease. KMO and Bartlett's test are examined again, finding a value of .817 for KMO and a significance of $< .001$ for Bartlett's test. SPSS has extracted three factors, which together explain 64.6% of the variance. This is a minor increase in comparison to the first factor analysis. However, the rotated factor matrix shows that items 4 and 6 still cross load. For that reason, item 6 is deleted.

Iteration 2: without items 6 and 7

Without items 6 and 7, Cronbach's alpha decreases to .818. For the 11 item-construct, the researcher finds a value of .821 for KMO and a significance of $< .001$ for Bartlett's test. Based on the criterion eigenvalues should be equal to or bigger than 1, SPSS extracts three factors, explaining 66.2% of the variance. These three factors explain 66.2% of the variance. In the rotated factor matrix, however, item 4 still cross loads. This item is deleted.

Iteration 3: without item 4, 6 and 7

Without items 4, 6 and 7, Cronbach's alpha decreases to .777. The researcher finds a value of .787 for KMO and a significance of $< .001$ for Bartlett's test. Based on the criterion eigenvalues should be equal to or bigger than 1, SPSS extracts three factors, explaining 66% of the variance. This factor solution does not contain cross loaders. Table 23 shows the 10 items with the corresponding factor loadings.

Appendix G: Results of the Dutch survey

Univariate analysis

Table 1: Univariate analysis of customer orientation items (Dutch survey)

	Mean	SD	Skewness	Kurtosis
1. The airline gave clear information about what their services could do for me.	5.60	1.451	-1.337	.898
2. The airline implied that some things were beyond their control (when I felt they really were not).	3.70	1.580	.225	-.632
3. The airline tried to influence me by sharing relevant information.	5.15	1.452	-.808	.157
4. The airline tried to help me by making my journey as pleasant as possible.	5.29	1.590	-1.022	.251
5. The airline answered my questions about their services as accurately as they could.	5.20	1.349	-.743	.166
6. The airline tried to figure out what my needs were.	3.94	1.636	.171	-.600
7. The airline tried to get me to discuss my needs with them.	3.46	1.619	.280	-.738
8. The airline had my best interest as a passenger in mind.	4.75	1.562	-.391	-.636
9. The airline offered the service that was best suited to my needs.	4.63	1.629	-.463	-.886
10. The airline painted too rosy a picture of their services to make them sound as good as possible.	3.33	1.601	.504	-.813
11. The airline tried to satisfy my travel needs.	5.03	1.431	-.661	-.430
12. The airline tried to find out which of their services would be most helpful to me as a passenger.	4.65	1.602	-.597	-.589
13. The airline agreed with me only to please me.	3.16	1.302	.058	-.610

Notes: The statements were given to the respondents in Dutch. Items 2, 10 and 13 are not reversed coded for this analysis.

Table 2: Univariate analysis of personnel

	Mean	SD	Skewness	Kurtosis
The personnel know their job well.	5.71	1.168	-1.327	1.783
The personnel are up to date in knowledge.	5.61	1.194	-1.028	.614
I value their advice.	5.20	1.295	-.524	-.382
They are always ready to help.	5.58	1.1312	-1.169	1.180
They are kind.	5.75	1.241	-1.167	.913
They look smart.	4.65	1.242	.117	-.670

Table 3: Univariate analysis of price

	Mean	SD	Skewness	Kurtosis
The service is good for the price paid.	5.65	1.349	-1.084	.348

The fare is very reasonable.	5.43	1.298	-.718	-.417
------------------------------	------	-------	-------	-------

Table 4: Univariate analysis of customer satisfaction

	Mean	SD	Skewness	Kurtosis
This company always fulfills my expectations.	5.28	1.346	-.998	.198
All the contacts made with the company are satisfactory.	4.77	1.532	-.736	-.168
In general, I am satisfied with the company	5.59	1.286	-1.392	1.739

Table 5: Univariate analysis of repurchase intention

	Mean	SD	Skewness	Kurtosis
I would book this flight again.	4.15	.871	-1.359	2.509

For all statements and items, the skewness and kurtosis lay within the range of -2 and 2, indicating normally distributed statements and items. The only exception is for the statement of repurchase intention.

Factor analysis

The reliability of the construct is assessed by means of Cronbach's alpha. With 13 items, the Cronbach's alpha of Customer Orientation is .871, exceeding the lower limit of .70. Surprisingly, the data shows that Cronbach's alpha would increase for each of the negatively formulated items, i.e. items 2, 10 and 13. Deleting item 2, for instance, would increase the Cronbach's alpha to .888. This coincides with the findings in section 5.1.4.

To assess if factor analysis can be used as a data analysis technique, KMO and Bartlett's test of sphericity are used. The SPSS output shows that KMO = .821 and Bartlett's test is < .001, indicating that factor analysis can be used.

For this exploratory factor analysis, the researcher has chosen for a principal component analysis with orthogonal rotation method VARIMAX. Factors are extracted based on the criterion eigenvalues should be greater than or equal to 1 (Hair et al., 2013). SPSS has extracted 3 factors, which together explain 66.6% of the variance, where the first factor accounts for 44.3%, the second factor for 12.4% and the third factor for 9.9%. The study of Daniel & Darby (1996) also found three factors and a similar percentage of explained variance. In addition to this, no cross-loaders were found.

Table 6: Factors of Customer orientation

	Factor 1	Factor 2	Factor 3
1. The airline gave clear information about what their services could do for me.	.682		
2. The airline implied that some things were beyond their control (when I felt they really were not).			.619
3. The airline tried to influence me by sharing relevant information.	.814		
4. The airline tried to help me by making my journey as pleasant as possible.	.799		
5. The airline answered my questions about their services as accurately as they could.	.816		
6. The airline tried to figure out what my needs were.	.672		
7. The airline tried to get me to discuss my needs with them.	.660		
8. The airline had my best interest as a passenger in mind.		.764	
9. The airline offered the service that was best suited to my needs.		.796	
10. The airline painted too rosy a picture of their services to make them sound as good as possible.		.669	
11. The airline tried to satisfy my travel needs.		.805	
12. The airline tried to find out which of their services would be most helpful to me as a passenger.		.708	
13. The airline agreed with me only to please me.			.619

Note: items 2, 10 and 13 were reverse coded before the analysis

Appendix H: Results of the English survey

Univariate analysis

Table 1: Univariate analysis of customer orientation items (English survey)

		Mean	SD	Skewness	Kurtosis
1.	The airline gave clear information about what their services could do for me.	5.80	1.260	-1.627	3.330
2.	The airline implied that some things were beyond their control (when I felt they really were not).	3.53	1.420	-.287	-.635
3.	The airline tried to influence me by sharing relevant information.	4.38	1.602	-.319	-.617
4.	The airline tried to help me by making my journey as pleasant as possible.	5.10	1.570	-.711	-.219
5.	The airline answered my questions about their services as accurately as they could.	5.20	1.392	-.464	-.253
6.	The airline tried to figure out what my needs were.	4.21	1.728	-.145	-.954
7.	The airline tried to get me to discuss my needs with them.	3.33	1.739	.562	-.608
8.	The airline had my best interest as a passenger in mind.	4.86	1.586	-.425	-.883
9.	The airline offered the service that was best suited to my needs.	5.08	1.448	-.762	-.056
10.	The airline painted too rosy a picture of their services to make them sound as good as possible.	3.90	1.717	.024	-1.112
11.	The airline tried to satisfy my travel needs.	5.27	1.374	-.980	.994
12.	The airline tried to find out which of their services would be most helpful to me as a passenger.	4.31	1.679	-.182	-.688
13.	The airline agreed with me only to please me.	3.30	1.429	.293	-.307

Notes: The statements were given to the respondents in English. Items 2, 10 and 13 are not reversed coded for this analysis.

Table 2: Univariate analysis of

	Mean	SD	Skewness	Kurtosis
The personnel know their job well.	6.12	.904	-1.802	5.106
The personnel are up to date in knowledge.	5.87	1.153	-1.711	3.970
I value their advice.	5.41	1.125	-.305	-.808
They are always ready to help.	5.66	1.217	-.951	.115
They are kind.	5.83	1.102	-1.060	.728
They look smart.	5.40	1.362	-.615	-.286

Table 3: Univariate analysis of

	Mean	SD	Skewness	Kurtosis
The service is good for the price paid.	5.52	1.450	-1.026	.723
The fare is very reasonable.	5.41	1.526	-1.092	.808

Table 4: Univariate analysis of customer satisfaction

	Mean	SD	Skewness	Kurtosis
This company always fulfills my expectations.	5.12	1.494	-.817	.065
All the contacts made with the company are satisfactory.	5.13	1.423	-.784	.259
In general, I am satisfied with the company	5.57	1.406	-1.437	1.841

Table 5: Univariate analysis of repurchase intention

	Mean	SD	Skewness	Kurtosis
I would book this flight again.	4.24	.839	-1.448	3.223

For most statements and items, the skewness and kurtosis lay within the range of -2 and 2, indicating normally distributed statements and items. The only exceptions are the first item of customer orientation, the first two statements regarding the personnel and the statement of repurchase intention.

Factor analysis

The reliability of the construct is assessed by means of Cronbach's alpha. With 13 items, the Cronbach's alpha of Customer Orientation is .825, exceeding the lower limit of .70. The data shows that Cronbach's alpha would increase for each of the negatively formulated items, i.e. items 2, 10 and 13. Also, deleting item 3 would increase Cronbach's alpha to .849.

To assess if factor analysis can be used as a data analysis technique, KMO and Bartlett's test of sphericity are used. The SPSS output shows that KMO = .781 and Bartlett's test is < .001, indicating that factor analysis can be used.

For this exploratory factor analysis, the researcher has chosen for a principal component analysis with orthogonal rotation method VARIMAX. Factors are extracted based on the criterion eigenvalues should be greater than or equal to 1 (Hair et al., 2013). SPSS has extracted 4 factors, which together explain 72.7% of the variance, where the first factor accounts for 38.2%, the second factor for 16.5%, the third factor for 10.1% and the fourth factor for 7.9%. In contrast to the original research and the two other factor analyses of this study, four factors were extracted instead of three. However, this factor solution has multiple cross-loaders: items 1, 6, 7 and 13.

Appendix I: Assumptions of the ANOVA of the survey

Before an ANOVA can be done, eight assumptions should be met.

- Assumption 1: The independent variable should be categorical

The independent variable in this test is the customer value proposition of an airline. This variable consists of three groups and is, therefore, a nominal variable, meaning that assumption is met.

- Assumption 2: The dependent variable and covariate should be metric

Both variables are metric. This assumption is met.

- Assumption 3: Observations should be independent

Each airline is assigned to one of the CVPs, which means that the groups are mutually exclusive. The assumption is fulfilled.

- Assumption 4: The dependent variable should be normally distributed for each category of the independent variable.

For all three groups, the skewness and kurtosis lay within the range of -2 and 2. This indicates a normal distribution, meaning that the assumption is fulfilled.

Table 1: Descriptive statistics experiment group x Customer satisfaction

	Experiment group		Statistic
Customer Satisfaction	LCC	Mean	4.6667
		Skewness	-.453
		Kurtosis	-.714
	Hybrid	Mean	5.3141
		Skewness	-1.089
		Kurtosis	1.639
	FSC	Mean	5.9080
		Skewness	-1.161
		Kurtosis	1.691

- Assumption 5: Homogeneity of variance

Homogeneity of variance can be tested using Levene's test (Field, 2013). This test examines two hypotheses:

- H0: The variances of the dependent variable is the same for every group (homogeneity)
- H1: The variances of the dependent variable differ between groups (heterogeneity)

Levene's test is significant ($p < 0.001$). This means that the null hypothesis should be rejected, meaning that the variances are heterogeneous. Consequently, Welch's and Brown-Forsythe's statistic will be used in combination with Games-Howell.

Table 2: Levene's test

		Levene Statistic	df1	df2	Sig.
Customer Satisfaction	Based on Mean	11.029	2	199	.000
	Based on Median	11.951	2	199	.000
	Based on Median and with adjusted df	11.951	2	181.419	.000
	Based on trimmed mean	11.723	2	199	.000

- Assumption 6: The covariate and the dependent variable should correlate

To test this assumption, a Pearson Correlation was done (Field, 2013). SPSS shows a correlation of .651 between customer orientation and the dependent, which is significant at 0.01 level. Therefore, this assumption is met.

Table 3: Correlation Customer orientation and Customer satisfaction

		Customer orientation	Customer satisfaction
Customer orientation	Pearson Correlation	1	.651**
	Sig. (1-tailed)		.000
	N	187	182
Customer satisfaction	Pearson Correlation	.651**	1
	Sig. (1-tailed)	.000	
	N	182	202

- Assumption 7: The covariate and the factors are independent

An ANOVA was conducted to see if the independent variable and the covariate are independent. ANOVA test the following hypotheses:

- $H_0: \mu_1 = \mu_2 (= \mu_3)$
- $H_1: \text{At least one } \mu \text{ differs}$

SPSS shows $p < .001$. This is significant, meaning that we should reject H_0 . The assumption is not fulfilled.

Table 4: One-way ANOVA

Source	SS	df	MS	F	p
Between groups	26.474	2	13.237	22.572	.000
Within groups	107.905	184	.586		
Total	134.378	186			

- Assumption 8: Homogeneity of regression lines

The interaction is not significant at an alpha of .01 ($p = .045$), meaning that the regression lines are homogeneous (Field, 2013).

Table 5: ANCOVA

Source	SS	df	MS	F	p
Airline's CVP	6.487	2	25.753	3.778	.025
Customer orientation (CO)	73.441	1	4.078	85.543	.000
Airline's CVP * CO	5.429	2	3.243	3.162	.045
Error	151.102	176	73.441		
Total	5345.361	182			

Appendix J: Comparison of factor analyses

Table 1: Comparison of factor analyses

	Professional relationship	Information exchange	Misleading impression
1. The airline gave clear information about what their services could do for me.		xxx xxx xxx	
2. The airline implied that some things were beyond their control (when I felt they really were not).			xxx xxx
3. The airline tried to influence me by sharing relevant information.		xxx xxx xxx	
4. The airline tried to help me by making my journey as pleasant as possible.	xxx	xxx xxx	
5. The airline answered my questions about their services as accurately as they could.		xxx xxx xxx	
6. The airline tried to figure out what my needs were.	xxx	xxx	
7. The airline tried to get me to discuss my needs with them.	xxx	xxx	
8. The airline had my best interest as a passenger in mind.	xxx xxx xxx		
9. The airline offered the service that was best suited to my needs.	xxx xxx xxx		
10. The airline painted too rosy a picture of their services to make them sound as good as possible.	xxx		xxx xxx xxx
11. The airline tried to satisfy my travel needs.	xxx xxx	xxx	
12. The airline tried to find out which of their services would be most helpful to me as a passenger.	xxx xxx xxx	xxx	
13. The airline agreed with me only to please me.			xxx xxx xxx

Notes: Experiment = xxx, survey = xxx, Daniel & Darby = xxx; information exchange is factor 1 and professional relationship is factor 2 in Daniel & Darby's study

Appendix K: Effect of nationality

Customer orientation

Table 1: Descriptive statistics of customer orientation per nationality

	N	Mean	SD
Dutch	97	4.8691	.90532
British	26	4.9003	.61730
American	9	4.9444	.84130
German	10	4.9400	.89565

Table 2: One-way ANOVA customer orientation

Source	SS	df	MS	F	p
Between groups	.093	3	.031	.042	.988
Within groups	101.090	138	.733		
Total	101.182	141			

Customer satisfaction

Table 3: Descriptive statistics of customer satisfaction per nationality

	N	Mean	SD
Dutch	109	5.2263	1.25739
British	25	5.3000	1.05848
American	9	5.8148	.88637
German	13	5.7564	.91443

Table 4: One-way ANOVA customer satisfaction

Source	SS	df	MS	F	p
Between groups	5.644	3	1.881	1.337	.265
Within groups	213.921	152	1.407		
Total	219.566	155			

Repurchase intention

Table 5: Descriptive statistics of repurchase intention per nationality

	N	Mean	SD
Dutch	109	4.12	.910
British	25	4.20	.577
American	9	4.44	.726
German	13	4.69	.480

Table 6: One-way ANOVA repurchase intention

Source	SS	df	MS	F	p
Between groups	4.399	3	1.466	2.134	.098
Within groups	104.441	152	.687		
Total	108.840	155			

Table 7: Post-hoc analysis repurchase intention

(I) Group	(J) Group	Mean Difference (I-J)	Std. Error	p
Dutch	German	-.573	.159	.007
	British	-.081	.145	.944
	American	-.325	.257	.604
German	Dutch	.573	.159	.007
	British	.492	.176	.043
	American	.248	.276	.807
British	Dutch	.081	.145	.944
	German	-.492	.176	.043
	American	-.244	.268	.799
American	Dutch	.325	.257	.604
	German	-.248	.276	.807
	British	.244	.268	.799

Table 8: Correlation German respondents repurchase intention, price and service-price ratio

		1	2	3
The service is good for the price paid.	Pearson Correlation	1	.832**	.772**
	Sig. (2-tailed)		.000	.002
	N	13	13	13
The fare is very reasonable.	Pearson Correlation	.832**	1	.746**
	Sig. (2-tailed)	.000		.003
	N	13	13	13
Repurchase intention	Pearson Correlation	.772**	.746**	1
	Sig. (2-tailed)	.002	.003	
	N	13	13	13

Table 9: Correlation Dutch respondents repurchase intention, price and service-price ratio

		1	2	3
The service is good for the price paid.	Pearson Correlation	1	.622**	.538**
	Sig. (2-tailed)		.000	.000
	N	107	107	107
The fare is very reasonable.	Pearson Correlation	.622**	1	.239*
	Sig. (2-tailed)	.000		.013
	N	107	107	107
Repurchase intention	Pearson Correlation	.538**	.239*	1
	Sig. (2-tailed)	.000	.013	
	N	107	107	107

Table 10: Correlation British respondents repurchase intention, price and service-price ratio

		1	2	3
The service is good for the price paid.	Pearson Correlation	1	.891**	.174
	Sig. (2-tailed)		.000	.415
	N	24	24	24
The fare is very reasonable.	Pearson Correlation	.891**	1	.163
	Sig. (2-tailed)	.000		.445
	N	24	24	24
Repurchase intention	Pearson Correlation	.174	.163	1
	Sig. (2-tailed)	.415	.445	
	N	24	24	24

Table 11: Correlation American respondents repurchase intention, price and service-price ratio

		1	2	3
The service is good for the price paid.	Pearson Correlation	1	.949**	.602
	Sig. (2-tailed)		.000	.086
	N	9	9	9
The fare is very reasonable.	Pearson Correlation	.949**	1	.474
	Sig. (2-tailed)	.000		.198
	N	9	9	9
Repurchase intention	Pearson Correlation	.602	.474	1
	Sig. (2-tailed)	.086	.198	
	N	9	9	9