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SBPD7002 Qualitative Research

Part I:

Critique on “A qualitative research on travellers' destination choice behavior”

Part II:

Research proposal: Factors contributing to the customer behavioural loyalty in Hong Kong airline industry

Part I: Critique on “A qualitative research on travellers' destination choice behavior”

Subject Research

Keshavarzian, P., and Wu, C. (2017) ‘A qualitative research on travellers' destination choice behaviour’, *The International Journal of Tourism Research, 19*(5), 546-556.

Impactor factor: 1.324 (Scimago Institutions Rankings, 2019)

1.1 Abstract

The subject research applied the repertory grid method to investigate how travellers select their destinations. Conventionally, the first step of planning a trip is to decide whether they want to travel at all, then choose the destinations, plan the starting time, activities, duration and budget (Oppewal, Huybers and Crouch, 2015). However, the authors also alleged that some travellers determine their destinations based on the availability of on-sale air tickets. Therefore, destination management organizations, such as visitor’s bureau or tourism board, should pay special attention to this group of travellers and tailor-make some products or arrangements for them to promote the destination’s tourism and economic activities.

1.2 The philosophy and theoretical perspective

The subject research applies a postmodern perspectives framework of analysis with the objective of changing the ways of thought in selecting destinations, rather than calling for actions according to the changes (Creswell and Poth, 2018). The subject research investigated in the decision-making process of travellers in Australia and alleged that the selection of destination can be impacted by the airlines’ marketing strategies. Yet there are many models of how travellers select their destinations. Wei, Meng and Zhang (2017) advocated that travellers’ demographics factors are important determinants of travel destination; Huang, Gallegos and Lerman (2017) pointed out that the higher

level of quantity and diversity of services of a destination can attract more tourists. Multiple realities co-exist and they reflect the ontology of relativism (Creswell, 2012). The subject research also utilizes the emic approach of epistemology to have an in-depth interview with participants for digging out the value-laden nature of the study. The inductive methodology is adopted to build the model from the ground up through applying the interview method to make the model pragmatic (Creswell, 2012).

1.3 Methodology

The subject research employs the repertory grid technique (RGT) to build the grounded theory of determinants of travellers' destination selection. Individual interviews are used to collect data for developing the constructs of the theory. The aim of the RGT is to discover the relationships between elements and constructs. Elements are the concepts or objects being investigated and the constructs are the prominent features of the elements. Usually, a participant is given three elements, the participant is asked to find the similarity of any two of these elements and to point out the differences between the similar two and the third one. The similarities and differences are the constructs of the grounded theory. This procedure will be repeated until constructs redundancy occurs. After identifying the constructs, similar constructs will be grouped together, grids will be developed with the constructs on the vertical axis and elements on the horizontal axis, similar constructs are located in close proximity to show the salient similarities and differences among constructs. Participants will also be further asked to link the elements and constructs by one of the following three ways: 1) dichotomizing: choosing one of the leftmost or rightmost elements if the elements are under bipolar categorical classification; 2) rating: rate the link with five or seven points scale if the elements are under continuous bipolar categorical classification and 3) ranking: put an ordinal order to the links. The final step is to count the frequency of each group of constructs and identify which one has the highest impact (Treuer et al. 2018). In the subject research, nine Australian interstate destination cities are chosen as the elements and interviewees are presented three of them. Interviewees are

requested to identify the similarity of any two destination cities and differentiate them from the third one. The interviewees are further asked a series of follow-up questions in order to reveal their thought of selecting a destination, which are the constructs of the theory, until no new constructs were provided.

1.4 Data Collection Method

On-line recruitment of interviewees was adapted in 2013 through questionnaires, which also asked participants to evaluate the significance of the air ticket price in selecting their destinations. The screening method is to select participants: 1) who are at least 18-year-old Australian citizens or permanent residents; 2) who are living in Sydney, and 3) who have had an inter-state trip by air for leisure propose within previous two years and 4) who are the main decision-makers of their trips. 249 people participated in the on-line survey, among those who fulfilled the above 4 criteria, 77 participants were willing to have an interview, 39 of them were invited. After interviewing 33 interviewees, the constructs contributed became redundant and the RGT process stopped.

1.5 Critique of the subject research

1.5.1 Sampling

The screening questions are very specific and effective to select the desired interviewees. For example, they are over 18 years old Australians living in Sydney, have travelled by air to an interstate destination in the last two years for leisure purpose and they are the primary decision-maker for their trips. Selection of participants who are over 18 years old is a good practice for legal reason (Polonsky and Waller, 2015). The demographic background of the 33 interviewees is well diversified in sex, age, income level and career. Since there is no minimum sample size requirement in the RGT method, the least size of the sample can be one (Treuer et al. (2018), Keshavarzian and Wu (2017)), so the sample size in the subject research is acceptable. However, the research does not disclose if the letter of consent has been signed by the interviewees. This is a potential violation of voluntary

participation principle. The letter of consent is an important document to notify the interviewee that they are free to join the interview and withdrawal from the process anytime they want to without any negative consequence. It is also a document to protect the interviewer and the searcher for potential legal issues (Polonsky and Waller, 2015).

1.5.2 Research context

All participants live in Sydney and they are Australians, the destinations are inside Australia and the travel experience are interstate tips in Australia. The context of Australia or Sydney should be added to the subject research title to show the distinctive characteristics of the subject research. It should be changed to "A qualitative research on Sydneysider's interstate destination choice behaviour" rather than "A qualitative research on travellers' destination choice behaviour". Otherwise, readers will not know the subject research containing pure Australian context. It is not convincing to generalize the behaviour observed in the subject research to travellers over the world.

1.5.3 Domestic vs. International Travellers

The research scope is limited to interstate travel within Australia, which is not as expensive as international travel. Gallet and Doucouliagos (2014) postulated that consumers classify international travel as luxury products and domestic travel as necessities. The demand for international trips will shift away to domestic trips if travellers' income drops. On the opposite, the demand for international trips will increase at the expense of domestic trips if travellers' income grows. Therefore, the subjective research's findings are confined within the domestic travel of Sydneysiders.

1.5.4 Full-Service Carriers (FSC) vs. Low-Cost Carriers (LCC)

The subject research does not differentiate what kind of airlines the interviewees are looking for, it just mentioned that they are focused on the availability of on-sale air tickets. FSC airlines provide traditional services to their consumers, such as free checked baggage, free in-flight drinks and meals etc. LCC only provides essential services to their customers but they can purchase additional services at customers' own costs (Belobaba et al., 2015). The air ticket price of the LCC is significantly lower than the FSC's, even the FSC's ticket is on sale. The subject research should clarify if it is only considering the FSC airlines.

1.5.5 Flight Time

For short-haul flights, which has 30 minutes to 3 hours flight time and mid-haul flights, which has 3 hours to 6 hours flight time (McGinley Group, 2019), passengers can usually tolerate the non-provision of drinks and meals, therefore, travellers may choose LCCs as their prices are very competitive. However, passengers' tolerance drops as the flight time lengthens. For long-haul flights, which is defined to have a flight time longer than 6 hours (McGinley Group, 2019), passengers may not put the price as the first consideration because they need to consume the in-flight meals or drinks as well as more weight for their checked baggage. If they take LCC, they need to pay additional costs for these additional services. The difference between the total costs of LCC and FSC may not be substantial. Another important point to notice is the number of stops of the flight, the more the stops, the longer the flight time and the lower is the ticket price. For example, the lowest price of a trip from Hong Kong to Los Angeles is HKD3,174 with an average of 21 hours and 13 minutes of flight time. For the same departure and arrival days, the fastest flight costs HKD6,437 with average 14 hours and 13 minutes flight time (Skyscanner, 2019a). Even though an air ticket is on scale, the features of the ticket may be quite different from others, the comparability is in questions, so as the responses provided by the interviewees.

1.5.6 Definition of Cheaper Destination needs clarification

The category of cheaper destination is not precise. If the subject research focuses on the air ticket price, it should pinpoint the cost as air ticket cost. Table 1 contrasts the findings between the subject research and the literature. As shown by the categories of literature in table 1, which is a reproduction of information from the subject research, costs are divided by the cost of accommodation, cost of living at the destination, transport cost and total cost of travel. The airfare cost to the destination is believed to be highly and positively correlated with the accommodation costs and transportation costs in the same destination as these costs show seasonality. In qualitative research, it is difficult to allege that the choice of a certain destination is only because of the comparatively low air-ticket price rather than other costs, because of the absence of statistical measures such as the correlation between factors. Until the authors further divide the categories into cognitive factors, which reflect the physical features of a destination; and affective factors, which is related to the emotional aspect of a destination (Rivera, Fa and Villar, 2019), the factor namely "cheaper destination (C11)" finally appears, it has been mentioned by 10 interviewees out of a total of 33.

1.5.7 Airlines' loyalty programmes

If a traveller is so price-sensitive and is loyal to a specific airline, s/he can join the airline's loyalty programme. Many of the loyalty programmes allow their members to accumulate points by purchasing tickets or even through other daily retail consumption. Points then can be converted into millage to exchange a free air ticket. Waiting for the on-sale tickets is not necessary. For example, Asiamiles member can earn their points or miles through daily spending which is paid by specific credit cards (Asiamiles, 2019).

Table 1

Cognitive/ affective group	Subject research categories	Frequency	Categories from literature	Number of studies
C1	Visual beauty	23		
C2	Nice weather	21	Climatic factors	5
			Season	3
C3	Dining opportunities	21		
A1	Relaxing	21	Crowdedness	4
C4	More cultured	17	Number of national museums	1
?	Better tourist facilities	16	Size of accommodation	1
			Quality and range of accommodation	1
A2	Somewhere new	15		
C6	Breadth of activities	14	Variety of activities	2
A3	More entertaining	14		
C7	Other than the main destination	13		
A1	Modern	12		
C8	Variety of attractions	11	Type of attractions	2
			Rarity of natural attraction	1
			Conditions of environment	1
A5	Local experience	11		
C9	Indigenous culture or people	10		
C10	Major events	10	Events or festivals	1
C11	Cheaper destination	10	Total cost of travel	12
			Transport cost	7
			Cost of accommodation	4
			Cost of living at the destination	3
A6	Getaway	10		
C12	Beach or sea	9		
C13	Richer history	9		
C14	Easier to get to	9	Travel time or distance	5
A7	Ambience	8		
C15	Easier to get around	7	Proximity of accommodation to attractions	1
			Location of accommodation	1
C16	Good wine regions	7		
A8	Not touristy	7		
C17	Water activities	6		
C18	Shopping opportunities	6		
C19	Adventure activities	6		
A9	Unique experience	6		
A10	Safety	5		
A11	Service quality	4		

A: affective category, C: cognitive category, ?: no classification of the item in the subject research

Source: Keshavarzian and Wu, 2017

1.5.8 Cooperation with destination management organization (“DMO”)

Based on the finding of the subject research, the authors suggested that the DMO such as visitor’s bureau or tourism board should pay special attention to the group of travellers who decide travel destination by the availability of on-sale air tickets. The logic needs to be further elaborated. The primary objective of a profit-seeking airline company is to maximize its profit, putting air tickets on sale may reduce the net profit, so most of the airlines only have a minimal level of a price reduction or even raise the price during the peak season such as summer holidays. They will usually promote their tickets on the non-peak season or normal business dates due to relatively weak demand. In other words, they will put air tickets on sale only if they need to do so. The actions that DMO can take is quite limited. They usually do not have the authority to ask airlines to put the DMO destinated location’s air tickets on sale unless they are willing to subsidize the airlines, but it is costly to the DMO. In general, a lower price will attract high quantity demand given other things being unchanged (Carden, 2012). Putting air ticket on sale will increase the purchase of the tickets, but it is hard to segment those travellers who choose destination solely based on the availability of the on-sale ticket. In addition, there are many factors a traveller needs to consider before purchasing the ticket. Frías et al. (2012) alleged that a positive image of the destination is a prominent factor for tourist destination selection. DMO should focus more on image building to attract more travellers, it is believed to be more effective.

1.5.9 Operationalization of the construct

Despite the research was published in 2017 but the interview was done in 2013 and the interviewees were asked their flight experience in the previous two years. On-sale air ticket is an outdated concept because travellers like to use travel-related search engines to compare the price of different airlines' air ticket for the same destination. It is not important whether the air ticket is on sale or not, the search engine is able to find out the lowest price of the same destination. For example, there was an on-sale air ticket posted in Cathay Pacific Airways' website on 28 September 2019: HK$2,266 for a return trip from Hong Kong to Singapore (Cathay Pacific Airways, 2019). Using the same trip information such as the same time slots (flights), same arrival and departure day to search in Skyscanner, which is a popular air ticket on-line search engine, Cathay Pacific Airways' on-sale tickets were found for the same on-sale price of HKD2,266 (Skyscanner, 2019b). In addition, Skyscanner also provides some LCCs' prices for the same trip information, the price of Jetstar was only HK$1,282, but the total flight time is 10 minutes more than Cathay Pacific's flights. As an LCC, Jetstar does not provide free meal and drink in flight, only 7 kg carry-on baggage is free but additional 15kg checked baggage can be purchased at a price of HKD320. If a traveller selects a destination primarily based on the availability of on-sale air ticket, the traveller is very price cautious. It is highly possible that the traveller will use the on-line air ticket search engine to search for the lowest price. Ironically, the traveller does not know whether the air tickets are on sale or not when the traveller does so.

1.5.10 Impact Significance

Although the subject research claimed that the planning of a travel destination is related to the availability of on-sale air tickets. However, the significance of the claim is low because the claim was not even ranked within the top 10 most frequently category, which is a group of similar constructs, as shown in table 2. The significance of the air-ticket price influence is not strong.

Table 2

Rank	Category	Definition	Frequency
1	Visual beauty	Visually dramatic, scenic routes, and natural landscapes	23
2	Relaxing destination	Relaxing destination	21
3	Nice weather	More temperate and four-season weather	21
4	Dining opportunities	Variety of cuisines, restaurants, cafes, and pubs	21
5	More cultured	Good or famous art galleries, museums, etc.	17
6	Better tourist facilities	Variety of accommodation options and easier travel	16
7	Somewhere new	A place not been to before	15
8	Breadth of activities	Lots to do	14
9	More entertaining	More active, vibrant city, and the city that never sleeps	14
10	Other than the main destination	The opportunity to go to nearby destinations	13

Source: Keshavarzian and Wu, 2017

1.5.11 New paradigm or limited scope of the research

Table 3 shows a meta-analysis of 98 studies of determinants of selecting a destination by LaMondia, Snell, and Bhat (2010). Comparing with the subject research, it is noticeable that visual beauty is the most popular choice among the interviewees, it has a frequency of 23 out of 33. Nevertheless, none out of the 98 studies in the literature mentions the air ticket price, the closest one is the transportation cost. Whether the finding of the subject research is a shift of paradigm, or a consequence of the restrained scope of the subject research, or a different approach in the categorization method, further studies in this topic are needed in the future.

Table 3

	Categories from literature	Number of studies
Destination	Climatic factors	5
characteristics	Cost of accommodation	4
	Crowdedness	4
	Cost of living at the destination	3
	Type of attractions	2
	Variety of activities	2
	Size of accommodation	1
	Rarity of natural attraction	1
	Quality and range of accommodation	1
	Proximity of accommodation attractions	1
	Number of national museums	1
	Location of accommodation	1
	Events or festivals	1
	Destination area size	1
	Conditions of environment	1
	Availability and proximity of	1
Travellers' variables	Income	10
	Age	7
	Affective association	5
	Education	5
	Gender	5
	Marital status	3
	Presence of children	2
Trip characteristics	Total cost of travel	12
	Transport cost	7
	Travel time or distance	5
	Season	3
	Duration of trip	2
	Travel purpose	1
	Airline	1
	Total	98

Source: LaMondia, Snell and Bhat, (2010)

1.6 Conclusion

The contribution of the research is limited, it just mentions a phenomenon that some travellers put the priority on air ticket price over other attributes of destination in tour planning. Despite the demographics of interviewees are well diversified, the subject research does not mention if a letter of consent has been signed by participants. The title of the subject research does not reflect the context of the study since it is only a study on Sydneysiders' inter-state destination selection behaviour and may not be able to generalize it to cover all air travellers over the world, especially many travellers treat international travels as luxury products and domestic trips as necessities. Even though air ticket price is a crucial factor in selecting a destination, it should elaborate more on the service provided by airlines, duration of the flight and loyalty programme, these factors will impact the air ticket price substantially. In addition, the operationalization of the construct is problematic as most of the price cautious travellers utilize online search engines to find and compare different offers, they do know not whether the air ticket is on-sale or not. The way of cooperation with destination DMO to target those who identify destination by on-sale air ticket is very challenging too, DMO's focus on image building of the destination is believed to be more effective.

The research should adapt the quantitative method rather than the qualitative method because the quantitative method can indicate how strong is the relationship between the on-sale air ticket and the destination selection. Regression analysis can be utilized to identify the influential power of various destination constructs, like visual beauty, variety of attractions and on-sale air ticket etc.

Part II: Research proposal

2.1 Abstract

This qualitative research applies semi-structured and localism interview approaches to collect information, adapts grounded theory method to identify the factors contributing to the behavioural loyalty of airline customers in Hong Kong. Ticket price and flight schedule are the most influencing factors for both private and business customers in selecting airlines in Hong Kong. It is also found that customers do not evaluate airline services in details, they just have an overall image of the service quality. More importantly, they believe service quality among different airlines is similar. Behavioural loyalty exists but it is weak, the loyalty programme has an impact on both types of customer too. These findings contradict some of the literature.

2.2 Research questions

What are the factors contributing to the customer behavioural loyalty in Hong Kong airline industry?

Objectives:

- To investigate if behavioural loyalty exists in Hong Kong airline customers
- To analyse the major factors affecting the behavioural loyalty of Hong Kong airline business customers
- To discuss the major factors impacting the behavioural loyalty of Hong Kong airline private customers

2.3 Research philosophy

The research deals with human behaviour which has many variations in reality to reflect the relativism of ontology. The emic approach of epistemology is adapted to have in-depth interviews with 14 interviewees to collect data within the research topic environment in order to build grounded theories.

Hong Kong not only is a major international financial centre of the world but also is a major international travelling hub connecting the eastern culture with the rest of the globe. Hong Kong International Airport is one of the busiest international airports in the world, over 1,100 flights arrived and departed daily in 2018 and it served 72.9 million travellers in the same year (Hong Kong International Airport, 2019). Selecting Hong Kong as the context of the research contributes much value to the airline industry and benefits travellers over the world.

There are many quantitative researches on the customer loyalty of airlines, but not many researches distinguish the attitudinal and behavioural loyalty in the airline industry. Attitudinal loyalty reflects the preference towards a brand, the loyal customer will recommend the brand through word-of-mouth. Behavioural loyalty is the actual repurchase behaviour of the loyal customer (Dehghan and Shahin, 2011). Behavioural loyalty is more important to the airlines' bottom line. To the best of my knowledge, no qualitative research was done on the topic of the behavioural loyalty of airline customers in Hong Kong. This paper has the value of filling the research gap.

The research utilizes the semi-structured interview method to disclose significant and usually hidden facets of human's thought. The interviewer adopts the localism approach to have social interaction with the interviewees, in order to produce situated accounts for analysing the underlying factors of the behavioural loyalty of airline customers. These two approaches make the interviews more efficient and effective as they are not too rigid comparing with structured and neopositivism approaches and not too loose contrasting with unstructured and romanticism approaches (Qu and Dumay, 2011), they are good for a small number of cases such as this behavioural business researches (Dumay, 2009).

2.4 Literature review

There are many researches on the airline customer loyalty, the majority of them (Chen and Hu (2013), Namukasa (2013), Jiang and Zhang (2016), Ostrowski, Sandada and Matibiri (2016), Yang et al. (2017)) draws the same conclusion: quality service leads to customer satisfaction, which builds customer loyalty. The differences among these researches are the paths reaching the customer loyalty.

Jiang and Zhang (2016) analysed the largest four airlines in China and alleged that private travellers are more sensitive to the air ticket price than business travellers. There is a strong relationship between customer satisfaction and customer loyalty for private customers, but such a relationship does not exist in the business customers. They also found that loyalty programmes cannot develop customer loyalty. Namukasa (2013) categorized airline services into pre-flight, in-flight and post-flight service, overall satisfaction in these three categories will create customer loyalty. After examining the airline industry of Southern Africa, Sandada and Matibiri (2016) asserted that service quality will build customer satisfaction which in turn will develop customer loyalty. They also proclaimed customer perception of safety is directly related to customer loyalty, but it has no relationship with customer satisfaction. Yang et al. (2017) researched the LCC airlines in Vietnam, they concluded that the customers of LCC do not fully satisfied with the services consumed, but they are likely to continue to use those LCCs' services due to their competitive price. From the above researches, only the last one focuses on behavioural loyalty, the rest do not distinguish the attitudinal loyalty and behavioural loyalty.

2.5 Description of context and participants

The demographics of the interviewees are presented in the following table.

Table 2.1: Demographics of the interviewees

Age	%	Count
18-25	14%	2
26-35	14%	2
36-45	7%	1
46-55	57%	8
56-65	7%	1
Mean	**43**	14

Annual Income	%	Count
Below HK$150,000	7%	1
HK$150,001 -HK$300,000	7%	1
HK$300,001 - HK$450,000	21%	3
HK$450,001 - HK$600,000	7%	1
HK$600,001-HK$750,000	14%	2
HK$750,001 - HK$900,000	14%	2
Above HK$900,000	29%	4
Mean	**$521,429**	14

Education Background	%	Count
High School	14%	2
Bachelor Degree	21%	3
Master Degree	64%	9
		14

Sex	%	Count
Male	71%	10
Female	29%	4
		14

All interviewees are permanent Hong Kong residents, there are 1 university student, 1 retiree and the rest of the participants are employed full time. In order to probe for interviewees' financial burden, they are also asked if they have at least one kind who is under 18 years old and if they are servicing their mortgage loans. One interviewee did not answer this question, four interviewees have negative answers for both questions. Three of them are young, unmarried and live with their parents, another one has two kids, but the kids have graduated from universities and he has fully repaid his mortgage loan. He is the only one has most financial freedom. The rest either at least have one under 18 year's old kid or still repaying their mortgage loan.

The researcher intentionally interviews more mature participants because young participants usually have relatively less flight experience, especially for the business trip experience. It is natural that mature participants tend to have higher income as they possess richer working experience. Given the time constraint and the data collecting approaches used, the sample seems to be acceptable for a qualitative research (Qu and Dumay, 2011).

2.6 Explanation of data collection steps

The research applies the convenience sampling data collection method. Fourteen people were interviewed. The first five are interviewed face-to-face, the purposes are to collect data and obtain the opinion of question design. The rest were interviewed by telephone. The interview questions are attached in Appendix II for reference.

The telephone interview is considered the best choice if there is a pre-existing relationship between the interviewer and the interviewee, a potential safety issue for the researcher and long distance between the interviewer and interviewee, the quality of collected data is similar to face-to-face interview (Cassell, 2015). Given that the interviewer knows all the interviewees and the current social movement situation in Hong Kong, the individual telephone interview is a good method after considering the safety issue and the inconvenience of public transportation.

Before each face-to-face interview, the interviewee will be presented with an informed consent form (attached as Appendix III), which mainly notices the interviewee the purpose of the interview, the absolute freedom to participate and withdraw at any time the interviewee wants and there is no negative consequence to the interviewee. All data collected will be treated confidentially. Each interviewee needs to sign the informed consent form and a copy of the form will be delivered to the interviewee. All face-to-face interviews are voice recorded by using mobile phone applications with the consents from interviewees. Notes will also be jotted during the interviewees. For telephone interviews, the informed consent form will be sent to the interviewees through WhatsApp social media application before the interview and the main points of the informed consent form will be explained before the commencement of telephone interview, data will be recorded by a written transcript and no voice recording will be used.

During the interview, the interviewer will ask a general question and let the interviewee respond freely for collecting different ideas from different interviewees. Usually, follow-up questions will be asked to probe for a deeper understanding of the interviewees' reasoning. Whenever a new and reasonable issue appears, the interview questions will be adjusted to reflect the updated logic, this is what the localist interviewer and semi-structured interview refer (Qu and Dumay, 2011).

2.7 Explanation of data analysis

When the interviewees were asked why they selected the airline company and the flight time of their last flights, the following are their responses.

Table 2.2

Criterion of Selecting the Last Airline	Count
Flight schedule	8
Value for money	7
Comfort	6
Price	6
Short flight time	5
Reliable	4
Service quality	4
Safety	4
Loyalty programme (Asiamiles)	3
Food	3
Hong Kong company	2
Accustomed to	1
Destination	1
New airtcraft A380	1
Choics of stop/connection location	1
Brand name	1

Flight Time	
Short-haul	7
Mid-haul	5
Long-haul	2
Total	14

The interviewees were not given hints to choose the reasons for selecting last flight, they were free to express whatever they had in mind, and there was no requirement for a fixed number of answers.

Interviewees then were asked to offer 4 factors which were the most important for selecting an airline for a business trip and private trip separately. This research adopts the wording of private trip instead of leisure trip because they are different. The private trip is everything related to the customers themselves, it comprises various elements such as purchase an overseas property or legal proceedings request by foreign courts, these matters may not be considered as leisure. The most important factor has a score of 4, the least important factor has a score of 1. They were not given hints to provide and rank the factors until they requested to do so. Only 9 out of the 14 interviewees have a business trip by air experience, but 1 of them does not have any influential power to select the airline company so there are only 8 valid inputs. All interviewees offer the rank for private trip. The following table shows their responses and scores.

Table 2.3

Important Factors- Business Trip	Total Score	Average Score
Flight schedule	24	3.00
Ticket price	20	2.50
Convenient location	9	1.13
Comfortable and clean interior	8	1.00
Service Quality	7	0.88
Shorter flight time	4	0.50
Loyalty programme	3	0.38
Good on-line ticket booth	2	0.25
Brand name	2	0.25
Good explanation	1	0.13
Total	80	

Important Factors- Private Trip	Total Score	Average Score
Ticket price	47	3.36
Flight schedule	42	3.00
Service Quality	12	0.86
Convenient location	9	0.64
Shorter flight time	8	0.57
Safety	6	0.43
Good on-line ticket booth	4	0.29
Comfortable and clean interior	3	0.21
On-line search engine	2	0.14
Brand name	2	0.14
Loyalty programme	2	0.14
On-line check-in	1	0.07
Movie choices	1	0.07
Code sharing	1	0.07
Total	140	

Flight schedule and ticket price are the most important factors for selecting an airline for both business and private trip. It is observed that the business trip factors are more diversified as indicated by the gradual decrease in the average score. The private trip factors concentrate on the first two most

important factors and there is a sudden drop from the average score from 3.00 to 0.86. However, it is noticed that when interviewees choose their airlines for their last trip, they mention more value for money instead of price. But when they are confined with the number of choices for business and private trips, they have changed their preference to ticket price, which means the dollar amount has absolute importance. They are more than willing to scarify service quality for a better price.

In order to investigate into the customer loyalty, the interviewees were also inquired how likely they would select the last airline company for next trip: a probe for behavioural loyalty, and if they would recommend the last airline company to other people: an indicator for attitudinal loyalty. The following are their answers:

Table 2.4

Loyalty Level					
Behavioural			**Attitudinal**		
Repurchase probability	Count	%	Recommendation	Count	%
90%	1	7%	Yes	2	14%
80%	2	14%	No	12	86%
70%	1	7%	Total	14	100%
65%	2	14%			
60%	3	21%			
50%	4	29%			
0%	1	7%			
Total	14	100%			

All interviewees indicated that the service of their last flight was acceptable and as expected. There are signs for behavioural loyalty as 9 out of 14 people have repurchase probability higher than 50%. Please note that 50% of repurchase probability means no behavioural loyalty, an equal chance of choosing or not choosing the last airline company. One young interviewee mentions “I will definitely try another airline to accumulate his flight experience…” so his repurchase probability is

zero. Surprisingly, the attitudinal loyalty level is low given that all of them satisfied with the service provided. Interviewees explained that there was no significant service quality difference among airlines, it does not matter that they recommend or not. They were also asked what factors could increase or decrease their behavioural loyalty level. They were free to name any factors they want to. The following are their suggestions:

Table 2.5

Factors to Decrease Behavioural Loyalty	Count	**Factors to Increase Behavioural Loyalty**	Count
Price	11	Loyalty discount	8
Safety issue	9	Loyalty premium service	6
Flight scheudle	2	Loyalty programme	3
		Class up-grade	2
Price Differential	Count	Free to use lounge	1
$1500	1	More destination information	1
$1000	7		
$750	1		
$500	2		
Total	11		

Price is still the most influential factor in decreasing behavioural loyalty as it is stated by 11 interviewees. Yet, different interviewees have different significance level of dollar amount. The majority treats over $1,000 price differential for a short-haul flight will be sufficient to make them behaviourally disloyal. For safety issue and flight schedule, these are independent factors to determine whether purchase from a specific airline company, either there is a safety issue or inappropriate flight schedule, they will not select the company no matter how low the price is. These factors are unrelated to the service quality of the airline company. A loyalty discount is the most prominent factor to make them become more behaviourally loyal among those provision of free additional services.

2.8 Preliminary findings

From the above data analysis, ticket price and flight schedule are the two most salient factors in selecting an airline company and determining the behavioural loyalty level. They are the two most significant factors for both business and private trips too. In addition, the presence of attitudinal loyalty is very weak while the behavioural loyalty is not strong as only 4 out of 14 interviewees have 70% or higher repurchase probability intention. Safety is a special factor which can vanish customer's behavioural loyalty if an unsafe event occurs, but it will not enhance the service quality nor the behavioural loyalty. This result is similar to the finding of Sandada and Matibiri (2016). It is similar to the hygiene factors in Herzberg's two-factor theory (Kotni and Karumuri, 2018).

2.9 Discussion that emerged from findings

2.9.1 Service quality

The preliminary findings are quite different from the traditional concepts: quality service leads to customer satisfaction which creates customer loyalty. The findings indicate that the majority of customers do not think there is a significant difference in service quality among airlines. They actually only have a view of overall service quality, they do not subdivide the service into pre-flight, in-flight and post-flight nor personal service and tangible comfortability. It reflects a new paradigm in the airline service industry. Nowadays, customers usually buy tickets through search engines and the check-in service may be outsourced to another company or can be done online. They also may not take the airline's plane due to the popularity of code-sharing among airlines. As a result, the concept of service quality of a specific airline becomes vague. Despite they all consider the service quality is satisfactory, the attitudinal loyalty is weak. It controverts the idea that satisfaction will develop attitudinal loyalty (Etemad-Sajadi, Way and Bohrer (2016), Watson et al. (2015)). If the customers downplay the service quality, then they will focus on the ticket price and flight schedule, this is why these two factors are the most dominant factors in the survey.

2.9.2 Loyalty Programme

Only 3 interviewees mentioned the loyalty programme such as the Asiamiles. The rest 11 interviewees know there is a loyalty programme, but they do not think their flight distance is long enough to exchange a free air ticket, so they are not interested to join. However, another interviewee, who is a secretary of a division of a European bank, which employs around 200 employees in Hong Kong. She says:

> ” …the loyalty programme award is very important for our colleagues to select an airline company because the programme is registered under their own names. All mileages earned in the business trip belong to them, some colleagues will even select a longer flight distance, hence longer in-flight time in order to earn more mileage...”

She concludes that flight schedule is the most important factor and the loyalty programme award is ranked second for the employees need to have business trips. The data in this research does not show the same phenomenon mainly because the interviewees do not have business trips as frequent as those working in an international bank.

2.9.3 Flight Schedule

The majority of the interviewees agreed that flight schedule is one of the two most significant factors of selecting an airline. One young interviewee expresses:

> “… I only consider those flights which will take-off in the late evening or mid-night because I want to fully utilize my annual leaves and can save one night of hotel...”

Another interviewee who has had an urgent overseas meeting, so flight schedule is the most important issue for him.

2.9.4 Financial burden

Despite the average income level of the interviewees are high, only one interviewee has no major

financial burden, his behavioural loyalty is in the middle level with 70% of repurchase chance. He is not willing to try LCCs due to the absence of essential services, he does not use a search engine to purchase air ticket either because he prefers travel agency website for one-stop shopping for tickets, hotels and other activities in the destination. He stresses:

> "… the purpose of travel is to enjoy rather than saving money, quality service is the most important factor I will focus on. I am willing to pay more for doing less in planning a trip even for my family tour…"

Therefore, light financial burden customers tend to be more behaviourally loyal than those have a heavy financial burden.

2.9.5 Flight Time

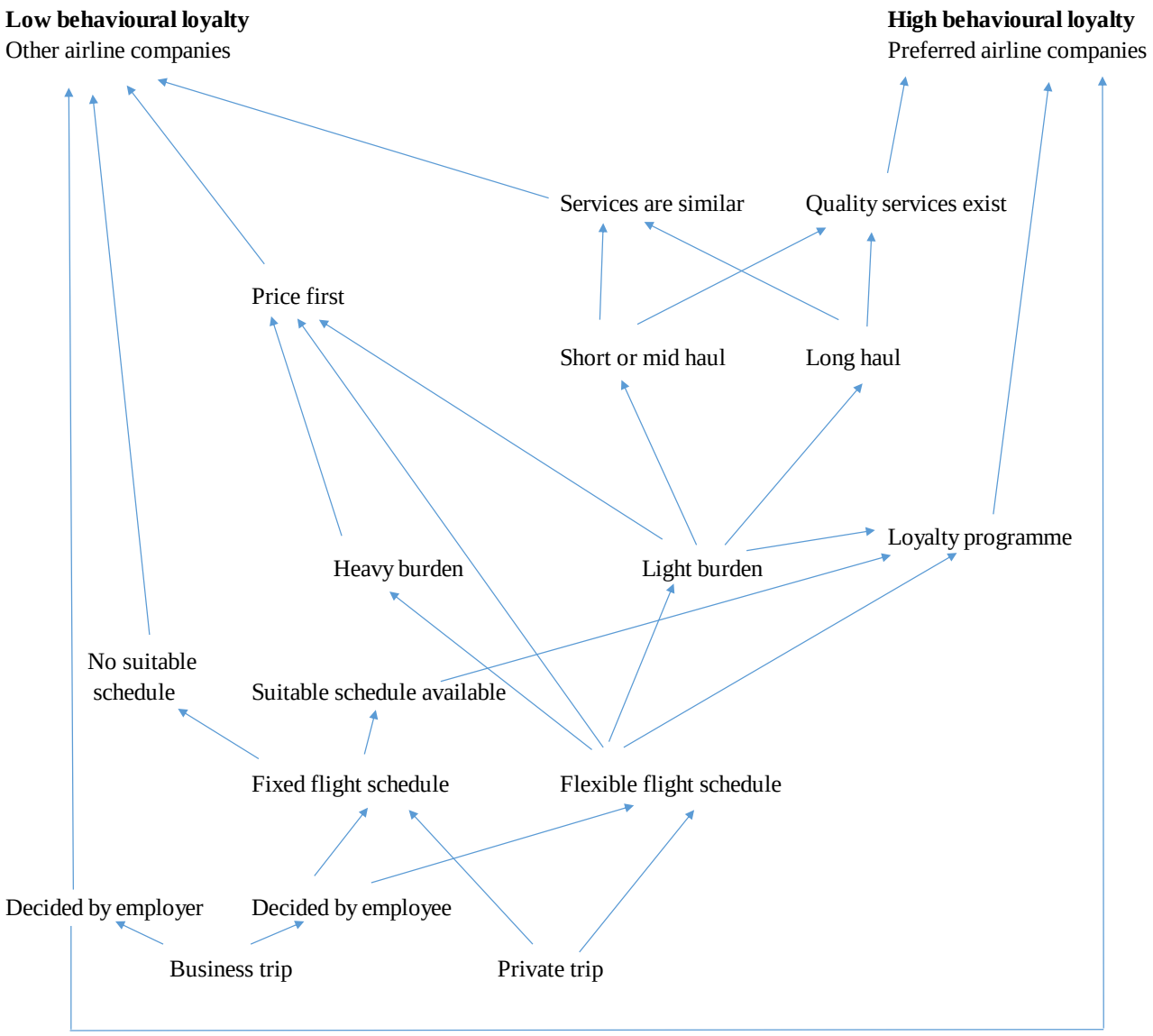
For short or mid-haul flights, passengers can tolerate for no meal, no drinks and narrow seating environment. For long haul flights, most of the interviewees stated that the service quality such as the provision of meal and drinks are necessary. They also demand a comfortable seating environment, especially for relatively tall or large body size passengers. Consequently, long haul travellers usually put more weight on the service quality than short or mid-haul travellers, thus long haul travellers are relatively more behaviourally loyal than short and mid-haul travellers.

2.9.6 Ticket Price

The research also noticed that if the interviewee only pays for his/her ticket, the ticket price is not as important as the flight schedule and service quality. However, if he or she needs to pay for the whole family's ticket, s/he will become very price cautious, especially for those with heavy financial burden or low-income level interviewees. For this group of customers, their behavioural loyalty is low.

The research finds that behavioural loyalty is weak, yet it can be improved from understanding how customers make their selection of airlines. The following figure shows the decision-making model.

Figure 2.5: Customer's airline selection model



The above model is a summary of how customers select their airlines, it includes all major consideration factors discussed in this research. The paths are the likely paths to reach low or high behavioural loyalty ends, they are not the only paths.

2.10 Conclusion and limitation

The research asserts that behavioural loyalty does exist but is not strong. For both business and private customers, ticket price and flight schedule are the two most important factors, convenient location, comfortable and clean interior and service quality are the less influential common factors. Other significant factors for private customers are their income and financial burden level, which make them put ticket price as the first priority, resulting in a reduction of behavioural loyalty. The research also discovers that loyalty programme has significant impact on both business and private customers, because mileage earned in both business and private trip belongs to the customer, it provides an incentive for both kinds of customers to be more behaviourally loyal, this contradicts to the finding of Yang et al. (2017), which postulates that loyalty programmes do not develop customer loyalty and the loyalty does not exist for business customers. The research also uncovers that customers only have an overall service quality image and customer satisfaction does not lead to attitudinal loyalty, which does not align with the loyalty concepts associated with Namukasa (2013), Watson et al. (2015) and Etemad-Sajadi, Way and Bohrer (2016). However the research identifies that the effect of the safety issue is similar to the finding of Sandada and Matibiri (2016). The divergence is believed to be sourcing form different culture and behaviour of air travellers in different countries and this is exactly the purpose of this research.

The small sample size is one of the limitations of this research, further research on this topic utilizing both qualitative and quantitative methods with a large sample size is highly recommended.

Appendix I: Personal reflections

It is very difficult to find qualitative research on the customer loyalty topic, most of them are quantitative. The strength of quantitative researches is more trust worth because they can quantify the findings under the framework of realism. However, the data collection is too depending on the questionnaire and the wording of the questions. It is not flexible enough to dig out new ideas or to unveil what respondents are really thinking about. In other words, it is too solid to quantify relationships especially in dealing with human behaviour, which is not a binary decision-making process, it should comprise a continuum of situational factors and these factors impact one another. The strength of qualitative researches is to unveil what people think outside the scope of questionnaires. The beauty of the qualitative method is to explore the universe of knowledge without boundary, especially for research on human behaviour, many unexpected viewpoints and arguments arise from the processes of interviewing different people who have different demographics, experience and feelings. The result is beyond our imagination.

Appendix II: Interview questions

1. What airline did you take for your last flight? How long was the flight?
2. How did you feel about your last flight experience?
3. Why did you choose the airline of your last flight?
4. What things made you feel good in your last flight? What things made you feel bad in your last flight?
5. What was the purpose of your last flight?
6. What are the important factors for you to select an airline for your short, mid and long haul trip?
7. Will you choose the same airline for your next flight? Why?
8. What factors can make you change your decision in the last question?
9. How can the airline encourage you to continue buying air tickets from it in the future?
10. Please rank 4 of the most important factors in selecting an airline company for your private trip.
11. Please rank 4 of the most important factors in selecting an airline company for your business trip.
12. If you had travelled with your family member and you are the one who bears 50% or more of the total air ticket fare, will you change your preferred airline? What if you only need to pay for yourself, or just you and your spouse?
13. How do you categorize an airline's services provided to its customers?
14. How did you purchase your air ticket on your last flight? Will you use the same method to purchase next time?
15. Will you recommend your preferred airline to your friends? Are there any conditions for your recommendation?
16. How can an airline company increase its sales?

Appendix III: Informed consent form

Informed Consent Form

Research Topic: Behavioural Loyalty of Airline Customers

Dear Participant,

Thank you very much for participating in this interview/focus group for the captioned topic! We would like to inform you that the participation of this study is completely voluntary. You are free to decide not to participate or to fully withdrawal from this research data collection process without any negative consequence to you. Collected data will only be used in the captioned study, your name and your private information will be kept confidentially and will not be disclosed without your consent. There are no known risks, discomfort or any negative consequence during or after this data collection process associating with this study.

The objective of this study is to identify factors which may affect the behavioural loyalty of airline customers. This study is expected to contribute to the society for improving airline services provided to the general public. Airline companies may benefit from this study for better provision of their services and hence the behavioural loyalty offered by their customers. You and other airline customers may also benefit from such improvement of services which meets customers' need more precisely.

Should you have any queries, please do not hesitate to let us know before the interview/focus group starts, during the focus group discussion or before the completion of this study, which is expected to be completed by the end of this year. Kindly please sign your consent with full knowledge of the nature and purpose of the procedures. A copy of this consent form will be given to you for your reference.

_____

Name: Date:

Mr. William Lai, DBA student of University of Wales Trinity Saint David

Contact information:
Mr. William Lai,
Email: regwl@yahoo.com.hk

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Qualitative Research SBPD7002

Mr. William Lai

1

Research Questions and Objectives

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- What are the factors contributing to the customer behavioural loyalty in Hong Kong airline industry?
- Objectives:
  - To investigate if there is a behavioural loyalty existing in Hong Kong airline customers
  - To analyse what are the major factors affecting the behavioural loyalty of Hong Kong airline business customers
  - To discuss what are the major factors affecting the behavioural loyalty of Hong Kong airline private customers

2

Research Philosophy

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- Ontology
  - Relativism: to investigate the multiple truth of reality, the factors contributing to the customer's behavioural loyalty in Hong Kong airline industry
- Epistemology
  - Emic : to do the research inside the environment through interacting with the interviewees
- Methodology
  - Grounded theory: builds the theory inductively from the interview data(Creswell, 2012)
- Method
  - Interview 14 people with different demographics to obtain the data for further investigation.

3

Interview Method

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- The research utilizes the semi-structured interview method to disclose significant and usually hidden facets of human. The interviewer adopts the localist approach to have social interaction with the interviewees, in order to produce situated accounts for analysing the underlying factors of the behavioural loyalty of airline customers.
- These two approaches make the interviews more efficient and effective as they are not too rigid comparing with structured and neopositivism approaches and not too loose contrasting with unstructured and romanticism approaches (Qu and Dumay, 2011), they are good for small number of cases (Dumay, 2009) such as this behavioural business research.

4

Research Gap

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- Not many researches distinguish the attitudinal and behavioural loyalty in the airline industry.
- Attitudinal loyalty reflects the preference towards a brand, the loyal customer will recommend the brand through word-of- mouth.
- Behavioural loyalty is the actually repurchase behaviour of the loyal customer (Dehghan and Shahin, 2011)
- To the best of my knowledge, no qualitative research was done on the topic of the behavioural loyalty of airline customers in Hong Kong. This paper has the value for filling the research gap.

5

Research Value

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- Hong Kong International Airport is one of the busiest international airports in the world, over 1,100 flights arrived and departed daily in 2018 and it served 72.9 million travellers in the same year (Hong Kong International Airport, 2019).
- Selecting Hong Kong as the context of the research contributes much value to the airline industry and benefits travellers over the world.

6

Literature Review

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- There are many quantitative researches on the airline customer loyalty, the majority of them (Chen and Hu (2013), Namukasa (2013), Jiang and Zhang (2016), Ostrowski, Sandada and Matibiri (2016), Yang et al. (2017)) draws the same conclusion: quality service leads to customer satisfaction, which builds customer loyalty. The differences among these researches are the paths attaining the customer loyalty.

7

Literature Review

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- Jiang and Zhang (2016):There is a strong relationship between customer satisfaction and customer loyalty for private customer, but such relationship does not exist in the business customers.
- Namukasa (2013): He categorized airline services into pre-flight, in-flight and post-flight service, overall satisfaction in these three categories will create customer loyalty
- Sandada and Matibiri (2016):The customer perception of safety is directly related to the customer loyalty, but it has no relationship with customer satisfaction.
- Yang et al. (2017): The customers of LCC do not fully satisfied with the services consumed, but they are likely to continue to use those LCCs' services due to their competitive price.

8

Description of Context and Participants

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Education Background	%	Count
High School	14%	2
Bachelor Degree	21%	3
Master Degree	64%	9
		14

Annual Income	%	Count
Below HK$150,000	7%	1
HK$150,001 -HK$300,000	7%	1
HK$300,001 - HK$450,000	21%	3
HK$450,001 - HK$600,000	7%	1
HK$600,001-HK$750,000	14%	2
HK$750,001 - HK$900,000	14%	2
Above HK$900,000	29%	4
Mean	**$521,429**	14

Age	%	Count
18-25	14%	2
26-35	14%	2
36-45	7%	1
46-55	57%	8
56-65	7%	1
Mean	**43**	14

Sex	%	Count
Male	71%	10
Female	29%	4
		14

- The researcher intentionally interview more mature participants because young participants usually do not have much flight experience, especially for business trip experience.

9

Explanation of Data Analysis

Why did you choose the airline company of your last flight?

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Criterion of Selecting the Last Airline	Count
Flight schedule	8
Value for money	7
Comfort	6
Price	6
Short flight time	5
Reliable	4
Service quality	4
Safety	4
Loyalty programme (Asiamiles)	3
Food	3
Hong Kong company	2
Accustomed to	1
Destination	1
New airtcraft A380	1
Choics of stop/connection location	1
Brand name	1

Flight Time	
Short-haul	7
Mid-haul	5
Long-haul	2
Total	14

10

Important Factors- Business Trip	Total Score	Average Score
Flight schedule	24	3.00
Ticket price	20	2.50
Convenient location	9	1.13
Comfortable and clean interior	8	1.00
Service Quality	7	0.88
Shorter flight time	4	0.50
Loyalty programme	3	0.38
Good on-line ticket booth	2	0.25
Brand name	2	0.25
Good explanation	1	0.13
Total	80	

Important Factors- Private Trip	Total Score	Average Score
Ticket price	47	3.36
Flight schedule	42	3.00
Service Quality	12	0.86
Convenient location	9	0.64
Shorter flight time	8	0.57
Safety	6	0.43
Good on-line ticket booth	4	0.29
Comfortable and clean interior	3	0.21
On-line search engine	2	0.14
Brand name	2	0.14
Loyalty programme	2	0.14
On-line check-in	1	0.07
Movie choices	1	0.07
Code sharing	1	0.07
Total	140	

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Interviewees are asked to rank 4 most important factors in selecting airline companies.

- The factor ranked the 1st : 4 points, 2nd: 3 points, 3rd: 2 points, 4th 1 points
- Only 8 interviewees have business trip experience

11

How likely that you will repurchase from your last flight airline company?
Do you intend to recommend your last flight airline company to your friends?

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Loyalty Level					
Behavioural			Attitudinal		
Repurchase probability	Count	%	Recommendation	Count	%
90%	1	7%	Yes	2	14%
80%	2	14%	No	12	86%
70%	1	7%	Total	14	100%
65%	2	14%			
60%	3	21%			
50%	4	29%			
0%	1	7%			
Total	14	100%			

12

What factors can make you become less behaviourally loyal to your preferred airline company?
What factors can make you become more behaviourally loyal to your preferred airline company?

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Factors to Decrease Behavioural Loyalty	Count
Price	11
Safety issue	9
Flight scheudle	2

Price Differential	Count
$1500	1
$1000	7
$750	1
$500	2
Total	11

Factors to Increase Behavioural Loyalty	Count
Loyalty discount	8
Loyalty premium service	6
Loyalty programme	3
Class up-grade	2
Free to use lounge	1
More destination information	1

13

Preliminary Findings

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- Ticket price and flight schedule are the two most significant factors for both business and private trips too.
- The presence of attitudinal loyalty is weak while the behavioural loyalty is not strong.
- Safety is a special factor which can vanish customer's behavioural loyalty if unsafe event occurs, but it will not enhance the service quality nor the behavioural loyalty. This result is similar to the finding of Sandada and Matibiri (2016).
- Safety is similar to the hygiene factor in Herzberg's two-factor (Kotni and Karumuri, 2018).

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Discussion That Emerged From Findings

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- Service Quality
  - The findings indicate that the majority of customers do not think there is a significant difference service quality among airlines.
  - They actually only have a view of overall service quality in their mind, they do not subdivide the service into pre-flight, in-flight and post-flight nor personal service and tangible comfortability. This is contradict to the findings of Namukasa (2013).
  - This finding reflects the new paradigm in the airline service industry.
  - If the customers downplay the service quality, then they will focus on the ticket price and flight schedule, this is why these two factors are the most dominant factors in the survey.

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Loyalty Programme

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- For business customers, loyalty programme award is very important for a employee to select an airline company as the loyalty programme is registered under the employee's name, all mileages or points earned in the business trip belong to the employee.
- For private customers in the interviewees pool, the majority thinks that they do not fly enough to earn a ticket, so they do not pay attention to the loyalty programme.
- This finding disagrees for the conclusion of Jiang and Zhang (2016)'s research: loyalty does not exist in the business customers.

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Flight Schedule

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- Flexibility of flight schedule matters, higher flexibility implies higher behavioural loyalty tendency.
- One young interviewee mentioned that he only considers those airlines which have take-off schedule in the late evening or mid-night, because he wants to fully utilize its annual leaves and can save one night of hotel.
- Another interviewee who usually has urgent overseas meeting, so flight schedule is the most important issue for him.

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Financial Burden

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- Income level may not be a good indicator of financial burden.
- Need to consider financial liabilities and responsibilities too
- Customers with light financial burden tend to be more behaviourally loyal than those have heavy financial burden.
- Heavily burdened customers tend to be more price sensitive.

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Flight Time and Ticket Price

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- Flight Time
  - Long haul travellers require more service and better seating environment, they are relatively more loyal than short and mid haul travellers.
- Ticket Price
  - If the traveller needs to pay for the whole family's ticket, s/he will become very price cautious, especially for those with heavy financial burden or low-income level interviewees.

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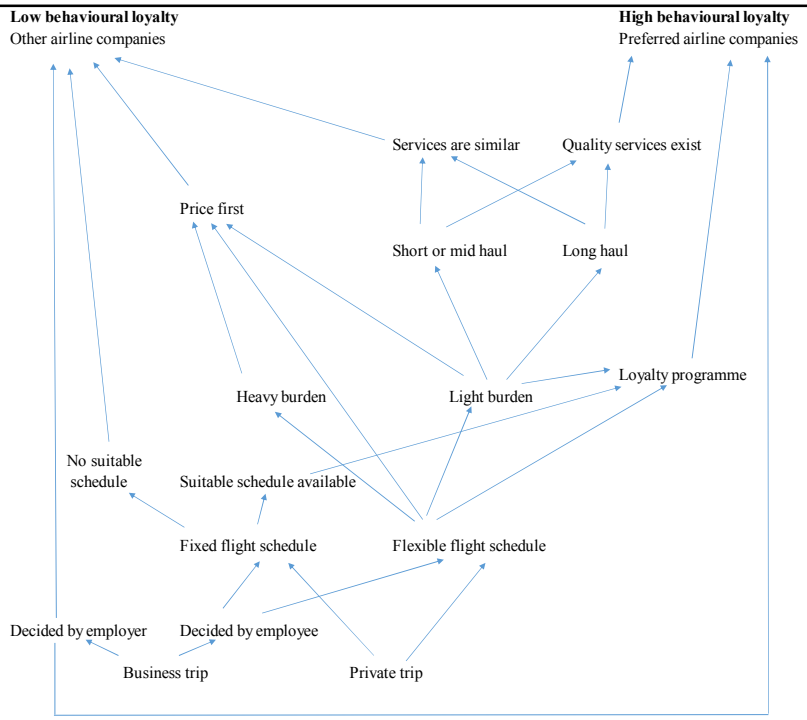

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Behavioural Loyalty Factors Model

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Responses to Research Objectives

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- One of the objectives of this research is to investigate if there is a behavioural loyalty existing in Hong Kong airline customers.
- The presence of attitudinal loyalty is weak as only 2 interviewees intend to recommend their airline companies. The behavioural loyalty does exist but is not strong as only 4 out of 14 interviewees have 70% or higher repurchase probability intention.

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Responses to Research Objectives

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- For both business and private customers , ticket price and flight schedule are the two most salient factors in selecting airline company and determining the behavioural loyalty level.
- Other common and important factors for both business and private customers are convenient location, comfortable and clean interior and service quality. Additional significant factors for private customers are their income and financial burden level, which make them to put ticket price as the first priority, resulting of reduction of behavioural loyalty.
- The research also discovers that loyalty programme has significant impact on both business and private customers, because mileage and points earned in both business and private trip belong to the customer, it provides an incentive for both kind of customers to be more loyal yet has not been unveiled by the interviewees in this research. This will be a future research focus.

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Reflection

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- It is very difficult to find qualitative research on the customer loyalty topic, most of them are quantitative.
- The strength of quantitative researches is more trust worth because they can quantify the findings under the framework of realism.
- The strength of qualitative researches is to unveil what people think outside the scope of questionnaires. Just like one of the interviewees disclose the employees attitude towards loyalty Programme.
- Mixed method is the right way to do future research.

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Thank you for your kind attention!

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