

Determination of customer brand loyalty on airlines in Malaysia

Xia Tian¹, Lily Suriani Binti Mohd Arif²

Abstract

The pandemic and tragic accidents have generated more pressure for the growth of airlines in Malaysia against the backdrop of fierce competition in the global airline industry. The purpose of this study is to explore the determination of brand loyalty on airlines in Malaysia. Based on relationship marketing theory, the mechanism by which perceived value affects brand loyalty in the context of the Malaysian airline industry is investigated. The result is that there is a positive influence of perceived value on customer brand loyalty. Also, there is a significant positive impact of perceived value, notably cost value and safety value, on customer brand engagement and customer brand identification. In addition, the mediating role that customer brand engagement and customer brand identification serve between perceived value and brand loyalty facilitates a better understanding of the determinants that may drive customer loyalty to an airline brand. The study concludes with suggestions regarding future research.

Keywords: Airline brand loyalty, Perceived value, Customer brand engagement, Customer brand identification, Malaysia.

Introduction

The airline industry and tourism are two closely related industries that are highly interdependent and mutually reinforcing. The main advantage of air transport over other modes of transport is its speed, especially when it comes to long-distance transport. Although the COVID-19 has dramatically challenged the development of the airline industry (Amankwah-Amoah et al., 2021), global air traffic grew by 18 percent in 2021. Furthermore, it is forecast that global air traffic will achieve an annual growth rate of 51% in 2022 compared to 2021 (Statista, 2021).

The development of a country's airline industry influences the development of tourism in that region, and tourism is increasingly linked to the air transport industry (So et al., 2018). Travellers for business, visiting relatives, leisure and sightseeing have become an important part of air traffic, especially for long-distance travellers, where airline is becoming an increasingly common mode of transport (Mohd-Any et al., 2019).

Malaysia's airline industry is recognised as one of the best airlines in the world. Malaysia Airlines is the largest full-service airline in Malaysia, with a very high level of service quality and an excellent reputation, winning the World Travel Awards 2021 (Asia's leading in-flight food and beverage) and the four-star airline reputation awarded by Skytrax in 2019 and the Best Airline in Asia by PATWA to name a few (Malaysian Airlines, 2022). AirAsia, a low-cost carrier, has long been a favourite among travellers

¹ Master in communication, PhD candidate in brand communication, Faculty of Social Sciences and Humanities of Universiti Teknologi Malaysia, xiatian@graduate.utm.my, Orcid: 0009-0001-7840-5492

² PhD in organizational communication and new media, Faculty of Social Sciences and Humanities of Universiti Teknologi Malaysia, lily@utm.my, Orcid: 0000-0002-9898-2254

and travel agents for its low prices and safety. These two companies occupy a significant position in the Malaysian airline industry. However, the Malaysian airline industry suffered three tragic accidents in 2014. The loss of flight MH17 and the MH370 tragedy have attracted global media attention, and the AirAsia incident in December 2014 once again focused the world's attention on Malaysia's domestic aviation industry, which has caused many consumers to be concerned about the safety of Malaysia's airline industry. Given that the air transport industry, which is associated with travel, tourism and hospitality services, the role of it in the national economy cannot be underestimated, airlines need to better understand consumer perceptions of airline brand values and attitudes towards the brand (Mohd-Any et al., 2019).

In marketing, perceived value is considered to be beneficial in fostering a more loyal customer base for a brand. Companies should provide more value to their customers by offering them more quality products and services and reducing the financial burden on them. Only in this way can a company reduce the likelihood of customers using new substitutes and thus better competing against rivals in the market (Itani et al., 2019). Perceived value is a subjective evaluation of the utility of a product or service by subtracting the cost of acquiring the product or service after perceiving the value of the product or service (Zeithaml, 1988). However, scholars have argued that research on a single dimension of PV cannot fully explain the influence of perceived value on brand attitudes. Customers do not only value a product or brand in terms of price or the performance of the product but also in terms of the experience and positive emotions they experience during the purchase, as well as the impact of their interaction with the company or other customers during the purchase on their social identity (Baek et al., 2020). It has been shown in previous studies that perceived value is a multidimensional concept, including functional, emotional, hedonic, altruistic or social value, among others.

Brand loyalty is positively influenced by customer brand engagement with perceived value being an antecedent that has been supported by a number of empirical studies (Rosado-Pinto & Loureiro, 2020). Customer engagement brings co-created value to a brand, not only to customer purchase behaviour but also through interactions with the brand, word-of-mouth communication, and positive brand attitude (Cheung et al., 2021). Therefore, the research on customer brand engagement may provide companies or brands with a more effective marketing strategy to cultivate loyal customers. Loyal customers are not limited to repeated purchases for a brand but also include positive word-of-mouth and identification with the brand's values and image. Perceived value is the antecedent factor for customers to judge and compare the value of a brand with their personal identity. When customers identify with the brand, the more they will be willing to disseminate positive reviews, and even more inclined to be resistant to unfavourable comments concerning the brand, thus forming customer brand loyalty (Dwivedi, 2014).

This study finds that perceived value has a major effect in improving customer-brand relationships through a sample of 198 airline passengers. Based on relationship marketing theory, it is analysed how perceived value influences customer brand loyalty through the mediating effect of customer brand engagement and customer brand identification. Notably, with regard to the debate on the relationship between customer brand engagement and customer brand identification, this study proposes an answer in the airline industry context, namely that customer brand engagement influences customer loyalty by increasing the level of customer identification with the brand. With these findings, an important contribution has been made to the customer-brand relationships literature. In addition, the findings have practical implications for airline brand marketing strategies.

Literature Review and Hypotheses Development

1. Perceived value and customer brand engagement

Zeithaml(1988, p. 14) defines PV as " a consumer's overall assessment of the utility of a product based on the perceptions of what is received and what is given". Since then, scholars have proposed various definitions of perceived value, but the basic idea is aligned with Zeithaml's. Different dimensions of perceived value were then examined in marketing research, and the research scenario expanded to areas such as online shopping, information services, and social media. Customers' perceived value of products and services does not only come from consumption behaviour; post-purchase product reviews, recommendations, and product repurchase all influence customers' judgment of the value of products and services(Parasuraman & Grewal, 2000). The more positive the overall experience is, the more likely customer will be motivated to share their purchasing experience and participate in brand interaction(V. Kumar et al., 2019).

Azad(2019) used customers of Taban Air Mashhad as a research sample to verify that improving service quality will increase the perceived value of customers, which will further enhance customer engagement with the airline brand. The level of interaction with customers in brand marketing activities is considered as an critical criterion to evaluate the performance of airline brand marketing(Azad & Sadeghifar, 2019). In Leckie's(2017) study on brand loyalty, perceived value was only positively related to the two customer engagement behaviours namely gathering brand information and interacting with others and has no direct impact on the behaviour of engaging in brand marketing activities. In contrast, other studies on perceived value and brand engagement suggest that the more positively customers estimate brand value, the more willing customers are to share their experience and the more motivated they are to engage in brand interactions(T. A. Chin et al., 2018; Itani et al., 2019). Based on these arguments, the hypotheses were developed:

H1a Safety value has a positive effect on customer brand engagement.

H1b Hedonic value has a positive effect on customer brand engagement.

H1c Cost value has a positive effect on customer brand engagement.

2. Perceived value and customer brand identification

A concept derived from social identity theory, customer brand identification is a concept analyzing the relationship between brands and customers on a social identity perspective(Coelho et al., 2018). Previous literature on the consumer-brand relationship argues that customers' willingness to identify with a brand stems from consistency between self-definition and brand identity, the need to enhance one's social identity, and the search for a sense of acceptance and inclusion in a specific social group(Sichtmann et al., 2019). Research on customer-firm identification suggests that brands become personally relevant when customers' needs for enhanced social identity are met through interactions with the brand, which can lead to strong customer identification with the company, namely when consumers are able to obtain more value from a brand than from its competitors' products. This value-derived customer-brand correlation is therefore related to the self-concept that consumers seek in brand consumption(Dwivedi, 2014).

The consumption of tourism brands has a broader connotation than the purchase of other product brands: it also includes symbolic, cultural, and historical elements(Berrozpe et al., 2019). So(2013) uses the tourism and hospitality industry as the research scenario, suggesting that the consumption of tourism products is accompanied by a unique social meaning as well as symbolic meaning. Identification with a tourism brand enhances customers' attachment to the tourism-related social group and shapes a positive self-image in society, thus increasing customer satisfaction with the brand. Lin(2017) uses a hotel (7 Days Inn), and an airline brand (China Southern Airline) as research subjects and analyses customers' green perceived value positively affects customer loyalty through the

mediation of the self-brand connection. When green brands promote eco-friendly concepts in their marketing campaigns, customers will actively reflect on their green identity and express their social positioning in green consumption and ecological conservation through the purchase and use of green products(Lin et al., 2017). Based on the above discussion, the following hypotheses have been formulated:

H2a Safety value has a positive influence on customer brand identification.

H2b Hedonic value has a positive influence on customer brand identification.

H2c Cost value has a positive influence on customer brand identification.

3. Perceived value and brand loyalty

Recognition of perceived value as a key determinant of customer loyalty has been supported by previous research. The effect of perceived value on brand loyalty is reflected in three main facets: actual purchase intentions, positive word of mouth, and willingness to pay a price premium(Kim et al., 2019). Specifically, each of the different dimensions of perceived value affects customer loyalty at a certain level. For example, in a study by kim et al. (2019) on restaurants and grocery shops, the functional, hedonic, social, and financial values of customer perceived value all have a positive impact on customer brand loyalty. In Baek et al.'s(2020) study, the significant influence of functional, emotional, social and altruistic values on brand loyalty was identified.

In the tourism industry, growth in perceived value of airline brands will result in an increase in the number of loyal customers, which will have a strong contribution to airline profitability and sustainability(Azad & Sadeghifar, 2019). Kim(2019) obtained a research sample from airline passengers and demonstrated that perceived value in the dimensions of utilitarian and hedonic value can positively influence brand loyalty and that willingness to use airline social network service hashtags as well as e-WOM mediated between the two. In addition to the airline industry, the significant impact of perceived values, including emotional value, green value, safety value, epistemic value on destination attachment has also been validated using night tourism as a research scenario while the functional, social and economic values, on the other hand, do not have a positive effect(Jiang & Hong, 2021). In Li's(2021) study set in the context of Xixi National Wetland Park, the perceived value of tourists helps to enhance both behavioural and attitudinal loyalty to the destination. The following hypotheses are therefore proposed:

H3a Safety value has a positive influence on customer brand loyalty.

H3b Hedonic value has a positive influence on customer brand loyalty.

H3c Cost value has a positive influence on customer brand loyalty.

4. Customer brand engagement and customer brand identification

Among branding studies, scholars are not united in their opinion on the relationship between Customer Brand Engagement(CBE) and Customer Brand Identification(CBI). Different scholars have used empirical research data to analyse the relationship between CBE and CBI in different industry contexts. Some scholars believe that CBI is an important contributing factor to CBE(Agyei et al., 2021; Hinson et al., 2019), while others believe that the higher the degree of CBE, the stronger it is in favour of forming CBI(Acharya, 2021; Hollebeek et al., 2014). For instance, Nyadzayo et al. analysed the role of CBE in mediating the relationship between Australian customers' identification with the smartphone brand image and brand fanaticism taking the perspective of U&G theory and social identity theory(Nyadzayo et al., 2020). And in research on brand loyalty in the hospitality sector, scholars such as Rather et al. argue that as customers identify more with the hotel brand, the more they are prepared to engage with the brand(Rather & Camilleri, 2019).

Social Exchange Theory (SET) argues that consumers will only inject resources into a brand if they can obtain some value when they are engaged in the brand (V. Kumar et al., 2019). The exchange developed here is both tangible and intangible, and can be either social status, joining the community, the act of recommendation, or money and/or product (Rather & Hollebeek, 2019). Similarly, Kaur et al. argue that customers are able to feel intrinsic and extrinsic values such as identity, entertainment, enjoyment, happiness and self-fulfillment in the process of engaging with a tourism brand (Kaur et al., 2020). Hollebeek et al. (2014) argue CE in the construction of self-concept, CE and customer identification are linked. During the interaction with the brand, the customer fits into a matching process: identifying the brand that aligns with the self-identity (Rather, 2020). Consumer's self-brand associations are a consequence of CE, which results from the consumer's interactive experience with the brand (Hollebeek et al., 2014). An affirmative attitude towards the association between a customer's social identity and a brand can be referred to as customer brand identification (Vikas Kumar & Kaushik, 2018). More engaged customers will be more likely to strengthen their identification with the brand, and actively undertake communication activities about the brand message (Acharya, 2021). We hypothesize that:

H4 Customer brand engagement has a positive influence on customer brand identification.

5. Customer brand engagement and customer loyalty

Seen as a positive perception, emotion, and behavior of customers in relation to their interaction with the brand (Rather & Hollebeek, 2019) and CBE is considered as beneficial in delivering good relationship outcomes for the brand (Rather, 2020). It has been validated in numerous marketing academic studies for its benefits in improving brand image and customer attitudes towards the brand, enhancing customer involvement, purchase intention, and promoting brand loyalty, thus further enhancing the commercial performance of the brand (Lim et al., 2022). Enhancing customer engagement as a marketing strategy has become a priority for companies and brands.

According to Social Exchange Theory, customer brand engagement exists on the basis that both customers and companies must exchange fairly (Brodie et al., 2011). Modern marketing assumes that exchange of resources takes place during value co-creation between consumers and companies, and that such exchange is mainly concerned with non-material benefits, including economic, relational, reputational, emotional and pleasure (Harrigan et al., 2018). Customer engagement with a tourism brand emphasises the positive psychological states and behavioural manifestations of customers towards a tourism brand. Social Exchange Theory clarifies exactly the mechanism by which positive psychological states are formed in customer-brand interactions, which means that the intangible and tangible resources that consumers accumulate through their cognitive, emotional and behavioural engagement with a brand will contribute to their further interaction with that brand (Kaur et al., 2020). From this, it can be predicted that tourism brand engagement can positively influence the quality of brand relationships. Scholars such as Li used tourism social media as a research scenario to analyse the impact of customer engagement on tourism social media brand loyalty mediated by brand emotional connection and customer trust (M. W. Li et al., 2020). For that, we propose:

H5 Customer brand engagement has a positive influence on customer brand loyalty.

6. Customer brand identification and customer loyalty

The probability of a consumer changing from a mere brand participant to a loyal customer increases when the customer realizes that there is a connection or similarity between their self-identity and the brand image, other consumers of the brand as well as the brand endorser; this is a positive result of the alignment between the identity of the brand along with the customer's self-concept (Suyoto & Tannady, 2022). In the non-profit

sector, brands can achieve positive consequences of customer identification through donations, volunteering and positive promotion (Bhattacharya & Sen, 2003). In the for-profit domain, the outcomes of brand identification may be actual purchases, positive word of mouth/promotion, or they may include, as Bhattacharya and Sen (2003) have indicated, customer loyalty.

In the perspective of self-congruity theory, Rather and other scholars have analysed that customers' perception of the congruence between brand identity and their self-identity in the hotel industry can enhance customers' identification with the hotel brand, thus further enhancing hotel brand loyalty (Rather & Camilleri, 2019). Customer brand loyalty is manifested in a permanent and stable preference for a company or brand, and in the hotel industry, identification with a hotel brand leads customers to use the hotel brand for a long time and voluntarily provide positive word-of-mouth or promotion and even pay a price premium for the hotel brand. But Alnawas (2016) argues that brand identification is not sufficient to lead to loyal attitudes of customers alone and that it is only in the case of highly symbolic products or services that brand identification can have a direct positive impact on customer loyalty. In addition to hotel brand identification, the significant role of destination brand identification on the customer-destination relationship has been verified by several scholars. Berrozpe (2019) analyses from a marketing and social psychology perspective that the behaviour of tourists visiting a destination multiple times, recommending the destination to other tourists and resisting negative information about the destination is strongly related to destination identification. Rather (2020) use India as a research scenario and confirm the role of destination brand identification for tourists' repeated visits and positive word-of-mouth. Therefore, we hypothesize:

H6 Customer brand identification has a positive influence on customer brand loyalty.

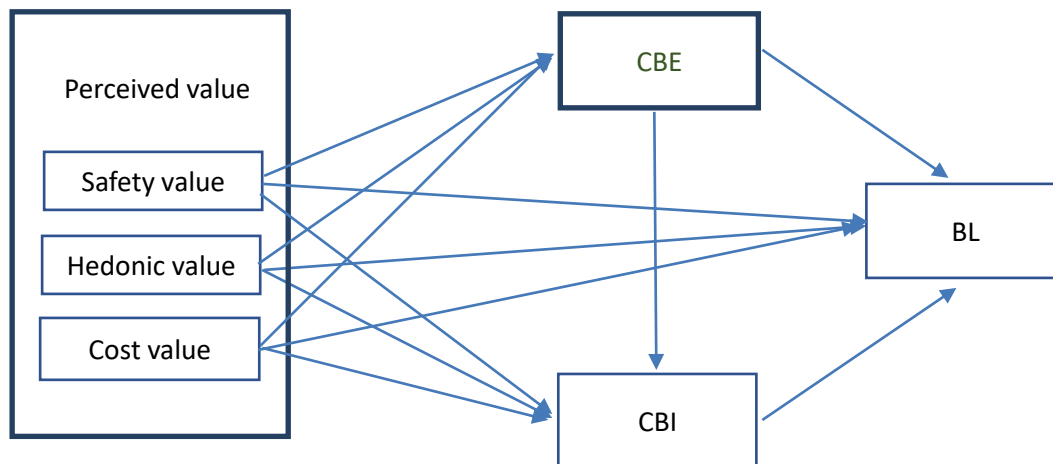


Fig.1. Conceptual research framework

Research Methodology

1. Data Collection

To study customers' experiences and perceptions of airline brands in Malaysia, quantitative approach was used in this study. Twenty people who regularly travel by air were invited to conduct a pre-test for this research, which took five days. Based on the feedback provided by the participants, minor changes were made to the spelling of the questions and the usage of certain words and descriptions to optimise the readability and clarity of the questions and answers in the questionnaire.

The study developed a three-section questionnaire. The first part was set up with screening questions to facilitate quick targeting of respondents who fit the objectives of this study. Respondents who had travelled more than twice with airlines in Malaysia

would be able to pass the screening and go on to complete the questionnaire. Basic demographic information such as gender, age, education level, and type of occupation was collected in the second part of the questionnaire. In the third section, 19 items from previous studies were adopted to measure relevant constructs. The questionnaire was sent to potential respondents via social media as well as email. Participants took an average of nearly five minutes to complete the questionnaire. In total, 214 people took the survey between 28 March 2022 and 30 April 2022. However, 16 responses were discarded for incomplete and abnormal values, leaving 198 that were deemed usable and retained.

2. Measures

Previous research findings have inspired the current study (Ahn & Kwon, 2020; Hollebeek et al., 2014; Jiang & Hong, 2021; Vikas Kumar & Kaushik, 2018; Yoon & Kim, 2000). Perceived value was measured using nine items suggested by Jiang & Hong (2021) and Ahn & Kwon (2020). Three items from Hollebeek et al. (2014) were utilised for customer brand engagement. For customer brand identification, four items from Kumar & Kaushik (2018) were adopted for measurement. Finally, three items from Yoon & Kim's (2000) study were adopted to measure the variable of brand loyalty. Also, we used multiple items and a five-point Likert scale (ranging from 1 = strongly disagree to 5 = strongly agree) to analyze the variables in the questionnaire.

Result

1. Descriptive Analysis

Normality testing of the distribution of the data collected serves as the basis for the use of structural equation models in this study and is an effective way to evaluate the performance of the measurement models. Skewness and Kurtosis are employed to evaluate the normality of the data, where Skewness has an influence on the mean of the measured items, and Kurtosis has a significant effect on the test of variance (So et al., 2013). From the table below, it can be obtained that the mean value of each variable is between 3.68 and 4.27. The absolute values of skewness and kurtosis are less than 3 and 7 respectively, indicating that each measured item conforms to a normal distribution. See Table 1 for details.

Table 1 : Descriptive Analysis of Each Measured Item

	N	Minimum	Maximum	Mean	Standard deviation	Skewness	Kurtosis
SV1	198	1	5	4.26	0.824	-1.5	3.455
SV2	198	1	5	3.78	0.824	-0.623	0.884
SV3	198	1	5	3.92	0.889	-0.987	1.289
HV1	198	1	5	4.12	0.762	-1.452	4.379
HV2	198	1	5	4.16	0.763	-1.458	4.403
HV3	198	1	5	4.11	0.763	-1.358	3.663
CV1	198	1	5	4.01	0.884	-0.999	1.197
CV2	198	1	5	4.14	0.772	-1.512	4.417
CV3	198	1	5	3.93	0.849	-1.129	2.219
CBE1	198	1	5	3.84	0.875	-1.057	1.623
CBE2	198	1	5	4.08	0.83	-1.217	2.56
CBE3	198	1	5	4.01	0.834	-1.177	2.361

CBI1	198	1	5	3.68	0.922	-0.728	0.678
CBI2	198	1	5	3.97	0.796	-1.113	2.651
CBI3	198	1	5	3.79	0.851	-0.889	1.29
CBI4	198	1	5	4.03	0.827	-1.188	2.488
BL1	198	1	5	4.27	0.859	-1.627	3.432
BL2	198	1	5	4.2	0.855	-1.584	3.624
BL3	198	1	5	4.08	0.956	-1.352	2.105

2. Reliability Analysis

The degree of reliability consists of two aspects, namely, stability and consistency. The measured item must be stable and consistent if the degree of reliability is high. This paper presents a questionnaire design based on the Likert scale, and conventionally, Cronbach's Alpha reliability coefficient is used as an evaluation indicator. The intrinsic meaning of Cronbach's alpha coefficient is the degree of correlation between the question items in the questionnaire and their corresponding latent variables. The α value is typically greater than 0 and less than 1. The smaller the α value, the poorer the association between the latent variable and the corresponding question item. Most researchers believe that an α value greater than 0.7 means a better correlation and higher reliability. According to the following table, Cronbach's Alpha value of each variable is higher than 0.7, indicating that each variable is of good reliability.

Table 2 : Reliability Analysis

Variable	Cronbach's Alpha
BL	0.907
CBE	0.855
CBI	0.869
CV	0.811
HV	0.861
SV	0.873

3. Convergent Validity and Discriminant Validity

Convergent validity represent the extent to which outcomes are similar when different measurement methods are utilised to measure the same constructs. Normally, the AVE value should be higher than 0 and lower than 1. Most researchers consider that if the AVE value is higher than 0.5, then the reliability and convergent validity of the latent variable are satisfactory and meet the research requirements(Fornell & Larcker, 1981). Composite Reliability(CR) reflects whether all items in each latent variable coherently explain that latent variable. Hair argues that a CR value greater than 0.7 demonstrates adequate validity of the indicator(Hair et al., 2006). Consequently, the present study, based on previous experiences and for the purpose of carrying out subsequent tests and analyses, uses the AVE of not less than 0.5 and the CR of not less than 0.7 as the yardsticks to measure whether the latent variables designed in this study have good convergent validity. The table below shows that for each of the variables the AVE values are higher than 0.5 while all of the CR values exceed 0.7, providing evidence of the convergent validity.

Table 3 : Convergent Validity

Variable	Item	Factor loading	CR	AVE
	BL1	0.910089		
BL	BL2	0.940274	0.942	0.844
	BL3	0.904769		
	CBE1	0.87056		
CBE	CBE2	0.917892	0.912	0.776
	CBE3	0.852244		
	CBI1	0.821961		
CBI	CBI2	0.844646	0.911	0.718
	CBI3	0.835508		
	CBI4	0.886358		
	CV1	0.842055		
CV	CV2	0.846374	0.888	0.725
	CV3	0.865841		
	HV1	0.903614		
HV	HV2	0.899545	0.914	0.781
	HV3	0.846492		
	SV1	0.883013		
SV	SV2	0.885835	0.922	0.797
	SV3	0.909989		

The Fomell-Larcker criterion can be introduced to assess the discriminant validity of the model. As can be seen from the following table, a good discriminant validity is obtained between the variables because the correlation coefficients between the variables are lower than the square root of the AVE of each variable.

Table 4 : Discriminant Validity analysis from CFA

	BL	CBE	CBI	CV	HV	SV
BL	0.919					
CBE	0.662	0.881				
CBI	0.690	0.615	0.847			
CV	0.595	0.600	0.562	0.851		
HV	0.595	0.499	0.517	0.462	0.884	
SV	0.594	0.561	0.574	0.478	0.422	0.893

Overall, the preceding statistics provide strong empirical support for the scale in this study as a valid and reliable method of measuring the constructs.

4. Correlation Analysis

According to the table below, the mean values of each variable range from 3.867 to 4.184, indicating that each variable conforms to a normal distribution, and the correlation coefficients of all variables are between 0.418-0.683, and all of them are significant.

Table 5 : Correlation Analysis

	M	SD	AVE	Skewnes	Kurtosi	SV	HV	CV	CBE	CBI	BL
SV	3.988	0.756	0.797	-1.181	2.448	1					
HV	4.128	0.675	0.781	-1.782	6.247	.418**	1				
CV	4.027	0.711	0.725	-1.481	4.202	.477**	.451**	1			
CBE	3.973	0.745	0.776	-1.470	3.754	.558**	.490**	.594**	1		
CBI	3.867	0.719	0.718	-1.440	3.865	.578**	.509**	.559**	.610**	1	
BL	4.184	0.817	0.844	-1.618	3.428	.591**	.585**	.593**	.659**	.683**	1

5. Hypothesis Test

In the present study, the data collected were tested with SmartPLS 3.0 statistical analysis software by means of partial least squares. The figures of 0.67, 0.33 and 0.19 have been suggested to represent substantial, moderate and weak R2 values respectively(W. W. Chin, 1998). Figure 2 indicates that all R2 values, including customer brand engagement (0.488), customer brand identification (0.514) and brand loyalty (0.637), fall within the medium range. In the theoretical model developed in this chapter, PLS analysis is performed with the visualization of Smart PLS 3.0 and the Bootstrapping = 5000 times sampling method was doned to calculate the significance of the path coefficients in the constructed model.

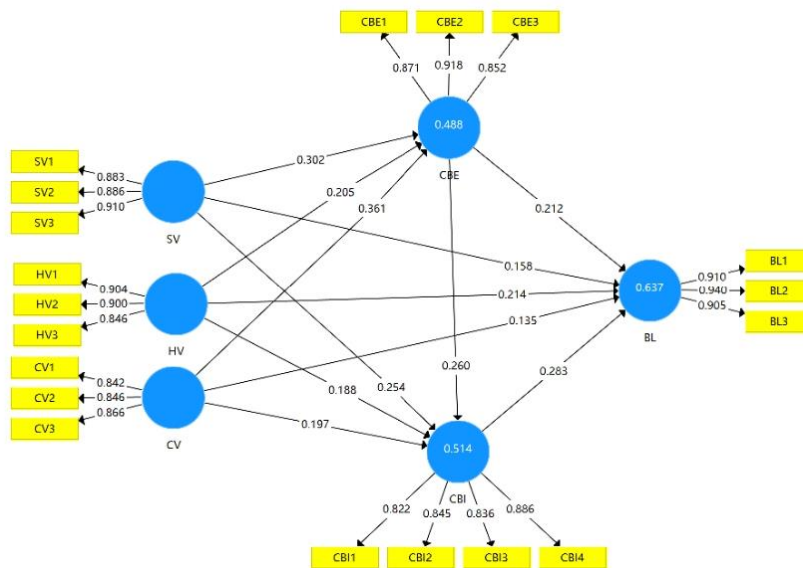


Figure 2: Coefficient model diagram of structural equation modeling

Table 6 : Path Coefficients

path	β	STDEV	T-value	P-value
CBE -> BL	0.212	0.094	2.252	0.024
CBE -> CBI	0.260	0.070	3.691	0.000
CBI -> BL	0.283	0.125	2.273	0.023
CV -> BL	0.135	0.063	2.163	0.031
CV -> CBE	0.361	0.072	5.025	0.000
CV -> CBI	0.197	0.053	3.708	0.000
HV -> BL	0.214	0.054	3.987	0.000

HV -> CBE	0.205	0.101	2.023	0.043
HV -> CBI	0.188	0.073	2.590	0.010
SV -> BL	0.158	0.077	2.054	0.040
SV -> CBE	0.302	0.069	4.343	0.000
SV -> CBI	0.254	0.057	4.469	0.000

As indicated in Table 6, the result support all six hypotheses of this study. Perceived value positively influences customer brand loyalty in three dimensions: safety value ($\beta=0.158$, $p<0.05$), hedonic value ($\beta=0.214$, $p<0.01$) and cost value ($\beta=0.135$, $p<0.05$). Similarly, the path coefficients and P-values suggested that perceived value has a positive effect on customer brand engagement and customer brand identification, particularly cost value CV -> CBE ($\beta=0.361$, $p<0.01$), CV -> CBI ($\beta=0.197$, $p<0.01$) and safety value SV -> CBE ($\beta=0.302$, $p<0.01$), SV -> CBI ($\beta=0.254$, $p<0.01$) were particularly significant. In addition, in line with previous findings, both customer brand engagement ($\beta=0.212$, $p<0.05$) and customer brand identification ($\beta=0.283$, $p<0.05$) lead to increased customer brand loyalty respectively. It is interesting to note that customer brand engagement ($\beta=0.26$, $p<0.01$) also has a significant positive impact on customer brand identification, which supports the hypothesis that customer brand engagement can enhance customer brand loyalty through its influence on customer brand identification.

6. Model Replication

159 valid samples are collected for the second time, and the following figure and path coefficients are obtained through PLS analysis. The data collected for the second time shows a significant effect of each path, which indicates that the model is stable and replicable.

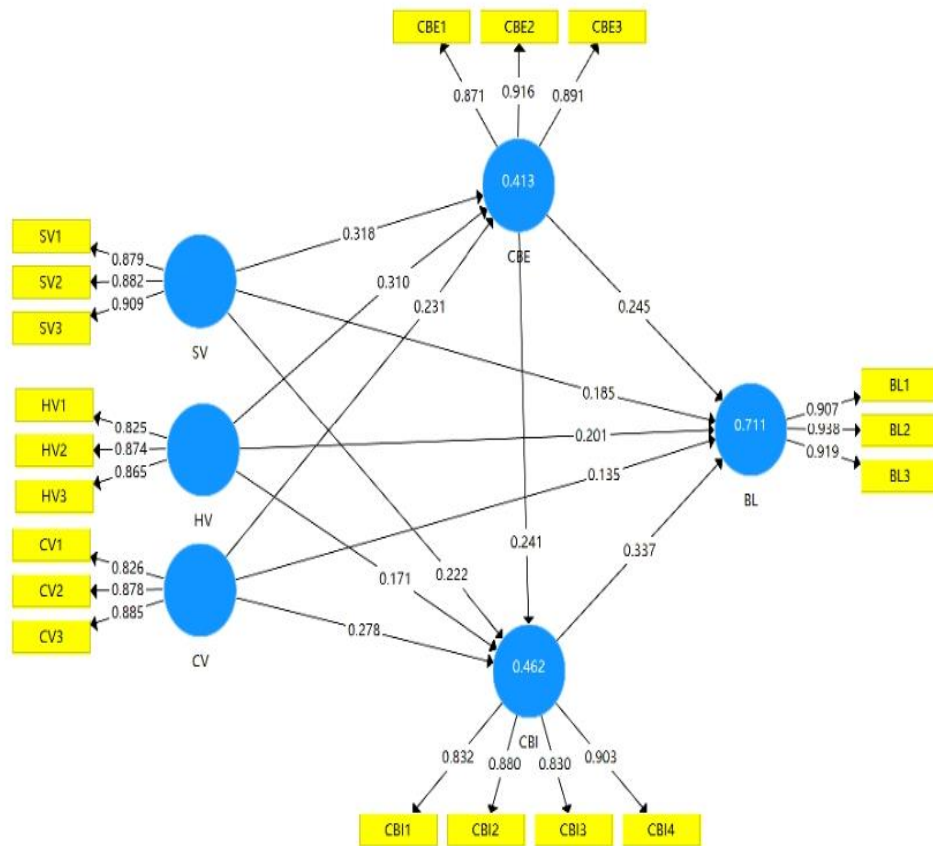


Figure 3: Coefficient model diagram of structural equation modeling

Table 7 : Path Coefficients

path	β	STDEV	T	p
CBE -> BL	0.245	0.082	2.988	0.003
CBE -> CBI	0.241	0.105	2.288	0.022
CBI -> BL	0.337	0.104	3.242	0.001
CV -> BL	0.135	0.065	2.079	0.038
CV -> CBE	0.231	0.086	2.684	0.007
CV -> CBI	0.278	0.102	2.725	0.006
HV -> BL	0.201	0.060	3.376	0.001
HV -> CBE	0.310	0.096	3.229	0.001
HV -> CBI	0.171	0.080	2.122	0.034
SV -> BL	0.185	0.077	2.394	0.017

Discussion

1. Theoretical implications

Firstly, the purpose of this study is to provide a better understanding of the relationship between perceived value and airline brand loyalty in the airline industry. The findings show that safety value, hedonic value as well as cost value positively influence airline brand loyalty. By comparing the path coefficients and p-values between these three perceived value dimensions and brand loyalty, it was found that hedonic value ($\beta=0.214$, $p<0.01$) showed a significant direct effect on brand loyalty, indicating the hedonic value is the strongest predictor of repetitive purchase and WOM recommendation for airline brands. Despite safety and cost being key consumer concerns in air travelling, very little research has examined the correlation that exists between perceived safety and perceived cost on airline brand loyalty in air travelling. By showing the positive impact of safety value (H1a) and cost value (H1c) on airline brand loyalty, this study fills this research gap. However, the direct impact of cost value ($\beta = 0.135$, $p<0.05$) and safety value ($\beta = 0.158$, $p<0.05$) on airline brand loyalty was slightly deficient compared to hedonic value.

Secondly, the findings of our research show that perceived value can ultimately result in customer loyalty by influencing customer brand engagement and customer brand identification (Leckie et al., 2017; Lin et al., 2017). The path analysis results show that the perceived value of the customer is positively and significantly correlated with customer brand engagement and customer brand identification. It is evident that the cost dimension ($p<0.01$) and the safety dimension ($p<0.01$) of perceived value have a more substantial effect on customer brand engagement and customer brand identification. Such an impact may be due to the specific nature of the airline industry. In the case of airline industry consumption, the recognition of the safety and price (or other cost-related benefits) of products and services can lead to a more motivated customer engagement in brand activities and to further awareness of the relevance and consistency of the positioning or strengths of the airline brand with their social values, thus increasing loyalty to the airline brand.

Thirdly, the present study discovered that both customer brand engagement and customer brand identification were beneficial in increasing brand loyalty (Rather & Camilleri, 2019), which proves that providing an immersive and interactive environment for customers and creating a brand identity that is recognized by more customers is needed to develop loyal customers for the continued growth and profitability of the company. In the pursuit of financial goals, companies often aggressively improve service quality to

optimise the perceived value of their brand to customers, leaving other possibilities such as brand engagement and brand identification to be overlooked.

Furthermore, this study has an important theoretical contribution. Based on a social psychology and relationship marketing perspective, this study explains the antecedents of customer brand identification and its influence on following brand loyalty. Although previous researchers have suggested the effect of customer engagement and brand identification on brand loyalty (Berrozpe et al., 2019; M. W. Li et al., 2020; Rather et al., 2020), only a limited number of studies have examined the process of how these factors transform into loyalty, and the role of airline brand engagement in building customer brand identification is even less recognized. This study applies Hollebeek's (2014) cognitive process-affection-activation framework to describe the different stages of customer engagement with an airline brand. The findings suggest that customer brand engagement ($p < 0.01$) has a significant and positive impact on customer brand identification, which is in line with the findings of the previous study (Hollebeek et al., 2014). Our findings suggest that the contribution of customer brand engagement to customer brand identification applies not only to service industries (Acharya, 2021; Harrigan et al., 2018; Rather, 2020) such as destinations and online shopping but also to the airline industry.

Finally, the empirical analysis of this study was conducted in an emerging country (Malaysia) with great potential for growth, which brings new insights to the airline brand marketing literature in the context of the tourism industry.

2. Practical implications

Businesses with foresight value customer loyalty and see loyal customers as their great market resource. Loyalty not only generates significant profits but also reduces marketing costs, as obtaining a new customer costs more than keeping a repeat customer. In addition to this, loyal customers have a high tolerance for negative information about a brand, thus securing the brand's competitive position in the market. Consequently, it is imperative to address the key factors associated with customer loyalty. Three key factors, namely customer perceived value, customer brand engagement and customer brand identification, have been selected for this study to investigate the methods and paths to enhance airline brand loyalty in Malaysia.

Initially introduced in the airline industry, the Frequent Flyer Programme is now used across a wide range of industries. Not only does it lead to a higher perception of brand value, but it also makes customers feel rewarded for their loyalty and is worth remaining loyal to the brand. When launching a frequent flyer rewards programme, other than exchanging first-class tickets or enjoying free flights, customers can also be offered other discounted products such as car rental services, hotel services, destination shopping, destination resort programs, to name a few. Offering cost-related benefits to customers can make them more engaged with airline brands.

In addition, when carrying out product and service planning, airline companies should focus on the needs of travellers and provide them with diversified products and services. Combined with brand marketing purposes, interesting designs for aircraft exteriors or boarding passes around a specific theme can increase the intimacy of the brand and bring travellers closer to the brand in terms of visual impression. Alternatively, airline companies can launch offline blind box activities for lucky participants to win airline brand-related gifts, such as calendars, model aircraft, and dolls during the flight or while waiting in the lounge. This will reduce insecurity when travelling by air and make for a more enjoyable consumption experience for passengers, thus increasing the perceived value of the brand to customers. By inviting customers who scan the code to participate in the campaign and share it on social networks to witness the surprise and joy with their loved ones and friends, it can help spread the word of mouth about the brand. Focusing on passengers' travel experience, keeping an eye on trends and fashions, and creating

personalised products and services will enable airlines to stand out in a challenging market. To conclude, airlines should focus on customer perceptions of airline brand hedonic features and value for money in order to increase customer brand loyalty.

In comparison to other industries, airlines should attach particular importance to the handling of unforeseen events when it comes to brand management. Despite many uncontrollable factors, flight delays, cancellations and safety incidents still occur frequently. Based on the critical effect of safety values on brand engagement and brand identification in this study, airlines should raise their public relations awareness and develop an effective emergency response mechanism to maintain the airline brand image.

Finally, given that customers' positive cognition and investment in interaction with the brand is beneficial in enhancing their brand identification, airline companies should use online and offline platforms to actively identify and adopt customers' ideas and opinions on brand decision-making. This is actually a process in which customers and brands co-create value. In the case of companies, the process can assist in the sustainable development of the brand, and as far as customers are concerned, it can bring them non-material benefits such as social status and emotional well-being. Customer loyalty is achieved, when customers' social identities and values are intrinsically linked to the identity of the airline brand.

Conclusion

Admittedly, there are still some limitations in this study. As such, a number of research recommendations are offered. To begin with, the scenario for the present investigation focuses on the airline industry, but the level of customer intervention and perceived consumer value will differ in different industries; therefore, the generalisability of the model in this study to other industries is yet to be verified. Furthermore, this study has not yet managed to investigate what factors constitute perceived value in airline brand consumption from the customer's perspective, so future research could further develop this aspect, for example, by using face-to-face interviews, user-generated content and using content analysis to diversify the dimensions and measurements of perceived value. Finally, due to time constraints, the different dimensions of customer brand engagement and customer brand identification were not fully analysed in the model for this study. We believe that the inclusion of more specific dimensions would greatly enrich the relevant theory and expand the boundaries of the industry to which it applies.

References

- Acharya, A. (2021). The impact of brand familiarity, customer brand engagement and self-identification on word-of-mouth. *South Asian Journal of Business Studies*, 10(1), 29–48. <https://doi.org/10.1108/SAJBS-07-2019-0126>
- Agyei, J., Sun, S., Penney, E. K., Abrokwah, E., & Ofori-Boafo, R. (2021). Linking CSR and Customer Engagement: The Role of Customer-Brand Identification and Customer Satisfaction. *SAGE Open*, 11(3). <https://doi.org/10.1177/21582440211040113>
- Ahn, J., & Kwon, J. (2020). Green hotel brands in Malaysia: perceived value, cost, anticipated emotion, and revisit intention. *Current Issues in Tourism*, 23(12), 1559–1574. <https://doi.org/10.1080/13683500.2019.1646715>
- Alnawas, I., & Altarifi, S. (2016). Exploring the role of brand identification and brand love in generating higher levels of brand loyalty. *Journal of Vacation Marketing*, 22(2), 111–128. <https://doi.org/10.1177/1356766715604663>
- Amankwah-Amoah, J., Khan, Z., & Osabutey, E. L. C. (2021). COVID-19 and business renewal: Lessons and insights from the global airline industry. *International Business Review*, 30(3), 1–36. <https://doi.org/10.1016/j.ibusrev.2021.101802>

- Azad, N., & Sadeghifar, M. (2019). The effect of service quality on customer loyalty, given the mediating role of customer engagement and perceived value (case study: Taban airline, Mashhad, Iran). *International Journal of Business Innovation and Research*, 20(1), 129–144. <https://doi.org/10.1504/IJBIR.2019.101693>
- Baek, W. Y., Kim, K., Kim, D. H., & Byon, K. K. (2020). The impacts of the perceived golf course brand globalness on customer loyalty through multidimensional perceived values. *Sustainability (Switzerland)*, 12(3). <https://doi.org/10.3390/su12030978>
- Berrozpe, A., Campo, S., & Yagüe, M. J. (2019). Am I Ibiza? Measuring brand identification in the tourism context. *Journal of Destination Marketing and Management*, 11(April), 240–250. <https://doi.org/10.1016/j.jdmm.2018.04.005>
- Bhattacharya, C. B., & Sen, S. (2003). Consumer-company identification: A framework for understanding consumers' relationships with companies. *Journal of Marketing*, 67(2), 76–88. <https://doi.org/10.1509/jmkg.67.2.76.18609>
- Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer engagement: Conceptual domain, fundamental propositions, and implications for research. *Journal of Service Research*, 14(3), 252–271. <https://doi.org/10.1177/1094670511411703>
- Cheung, M. L., Pires, G. D., Rosenberger, P. J., Leung, W. K. S., & Ting, H. (2021). Investigating the role of social media marketing on value co-creation and engagement: An empirical study in China and Hong Kong. *Australasian Marketing Journal*, 29(2), 118–131. <https://doi.org/10.1016/j.ausmj.2020.03.006>
- Chin, T. A., Muharam, F. M., Lai, L. Y., Sulaiman, Z., Tat, H. H., & Choon, T. L. (2018). Perceived value and customer brand engagement of transportation network company facebook fan page. *AIP Conference Proceedings*, 2044. <https://doi.org/10.1063/1.5080058>
- Chin, W. W. (1998). The Partial Least Squares Approach to Structural Equation Modeling. *Modern Methods for Business Research*, 295(2), 295–336.
- Coelho, P. S., Rita, P., & Santos, Z. R. (2018). On the relationship between consumer-brand identification, brand community, and brand loyalty. *Journal of Retailing and Consumer Services*, 43(March), 101–110. <https://doi.org/10.1016/j.jretconser.2018.03.011>
- Dwivedi, A. (2014). Self-Brand Connection With Service Brands: Examining Relationships With Performance Satisfaction, Perceived Value, and Brand Relationship Quality. *Services Marketing Quarterly*, 35(1), 37–53. <https://doi.org/10.1080/15332969.2014.856738>
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39. <https://doi.org/10.2307/3151312>
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis* (6th ed.). Upper Saddle River, NJ: Pearson University Press.
- Harrigan, P., Evers, U., Miles, M. P., & Daly, T. (2018). Customer engagement and the relationship between involvement, engagement, self-brand connection and brand usage intent. *Journal of Business Research*, 88(June), 388–396. <https://doi.org/10.1016/j.jbusres.2017.11.046>
- Hinson, R., Boateng, H., Renner, A., & Kosiba, J. P. B. (2019). Antecedents and consequences of customer engagement on Facebook: An attachment theory perspective. *Journal of Research in Interactive Marketing*, 13(2), 204–226. <https://doi.org/10.1108/JRIM-04-2018-0059>
- Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of Interactive Marketing*, 28(2), 149–165. <https://doi.org/10.1016/j.intmar.2013.12.002>
- Itani, O. S., Kassar, A. N., & Loureiro, S. M. C. (2019). Value get, value give: The relationships among perceived value, relationship quality, customer engagement, and value consciousness. *International Journal of Hospitality Management*, 80(January), 78–90. <https://doi.org/10.1016/j.ijhm.2019.01.014>
- Jiang, Y., & Hong, F. (2021). Examining the relationship between customer-perceived value of night-time tourism and destination attachment among Generation Z tourists in China. *Tourism Recreation Research*, 0(0), 1–14. <https://doi.org/10.1080/02508281.2021.1915621>

- Kaur, H., Paruthi, M., Islam, J. U., & Hollebeek, L. D. (2020). The role of brand community identification and reward on consumer brand engagement and brand loyalty in virtual brand communities. *Telematics and Informatics*, 46(November 2019), 101321. <https://doi.org/10.1016/j.tele.2019.101321>
- Kim, S., Ham, S., Moon, H., Chua, B. L., & Han, H. (2019). Experience, brand prestige, perceived value (functional, hedonic, social, and financial), and loyalty among GROCERANT customers. *International Journal of Hospitality Management*, 77(June), 169–177. <https://doi.org/10.1016/j.ijhm.2018.06.026>
- Kumar, V., Rajan, B., Gupta, S., & Pozza, I. D. (2019). Customer engagement in service. *Journal of the Academy of Marketing Science*, 47(1), 138–160. <https://doi.org/10.1007/s11747-017-0565-2>
- Kumar, Vikas, & Kaushik, A. K. (2018). Destination brand experience and visitor behavior: the mediating role of destination brand identification. *Journal of Travel and Tourism Marketing*, 35(5), 649–663. <https://doi.org/10.1080/10548408.2017.1401032>
- Leckie, C., Nyadzayo, M. W., & Johnson, L. W. (2017). Promoting brand engagement behaviors and loyalty through perceived service value and innovativeness. *Journal of Services Marketing*, 32(1), 70–82. <https://doi.org/10.1108/JSM-01-2017-0035>
- Li, J. (2021). Impact of tourists' perceived value on brand loyalty: a case study of Xixi National Wetland Park. *Asia Pacific Journal of Tourism Research*, 26(3), 262–276. <https://doi.org/10.1080/10941665.2020.1862882>
- Li, M. W., Teng, H. Y., & Chen, C. Y. (2020). Unlocking the customer engagement-brand loyalty relationship in tourism social media: The roles of brand attachment and customer trust. *Journal of Hospitality and Tourism Management*, 44(June), 184–192. <https://doi.org/10.1016/j.jhtm.2020.06.015>
- Lim, W. M., Rasul, T., Kumar, S., & Ala, M. (2022). Past, present, and future of customer engagement. *Journal of Business Research*, 140(November 2021), 439–458. <https://doi.org/10.1016/j.jbusres.2021.11.014>
- Lin, J., Lobo, A., & Leckie, C. (2017). The role of benefits and transparency in shaping consumers' green perceived value, self-brand connection and brand loyalty. *Journal of Retailing and Consumer Services*, 35(October 2016), 133–141. <https://doi.org/10.1016/j.jretconser.2016.12.011>
- Malaysian Airlines. (2022). Awards Our accolades from the industry. Malaysia Airlines. <https://www.malaysiaairlines.com/my/en/about-us/awards.html>
- Mohd-Any, A. A., Mutum, D. S., Ghazali, E. M., & Mohamed-Zulkifli, L. (2019). To fly or not to fly? An empirical study of trust, post-recovery satisfaction and loyalty of Malaysia Airlines passengers. *Journal of Service Theory and Practice*, 29(5–6), 661–690. <https://doi.org/10.1108/JSTP-10-2018-0223>
- Nyadzayo, M. W., Leckie, C., & Johnson, L. W. (2020). The impact of relational drivers on customer brand engagement and brand outcomes. *Journal of Brand Management*, 27(5), 561–578. <https://doi.org/10.1057/s41262-020-00198-3>
- Parasuraman, A., & Grewal, D. (2000). The impact of technology on the quality-value-loyalty chain: A research agenda. *Journal of the Academy of Marketing Science*, 28(1), 168–174. <https://doi.org/10.1177/0092070300281015>
- Rather, R. A. (2020). Customer experience and engagement in tourism destinations: the experiential marketing perspective. *Journal of Travel and Tourism Marketing*, 37(1), 15–32. <https://doi.org/10.1080/10548408.2019.1686101>
- Rather, R. A., & Camilleri, M. A. (2019). The effects of service quality and consumer-brand value congruity on hospitality brand loyalty. *Anatolia*, 30(4), 547–559. <https://doi.org/10.1080/13032917.2019.1650289>
- Rather, R. A., & Hollebeek, L. D. (2019). Exploring and validating social identification and social exchange-based drivers of hospitality customer loyalty. *International Journal of*

Contemporary Hospitality Management, 31(3), 1432–1451. <https://doi.org/10.1108/IJCHM-10-2017-0627>

- Rather, R. A., Najar, A. H., & Jaziri, D. (2020). Destination branding in tourism: insights from social identification, attachment and experience theories. *Anatolia*, 31(2), 229–243. <https://doi.org/10.1080/13032917.2020.1747223>
- Rosado-Pinto, F., & Loureiro, S. M. C. (2020). The growing complexity of customer engagement: a systematic review. *EuroMed Journal of Business*, 15(2), 167–203. <https://doi.org/10.1108/EMJB-10-2019-0126>
- Sichtmann, C., Davvetas, V., & Diamantopoulos, A. (2019). The relational value of perceived brand globalness and localness. *Journal of Business Research*, 104(November 2017), 597–613. <https://doi.org/10.1016/j.jbusres.2018.10.025>
- So, K. K. F., King, C., Sparks, B., & Wang, Y. (2013). The influence of customer brand identification on hotel brand evaluation and loyalty development. *International Journal of Hospitality Management*, 34(1), 31–41. <https://doi.org/10.1016/j.ijhm.2013.02.002>
- So, K. K. F., Wu, L., Xiong, L., & King, C. (2018). Brand Management in the Era of Social Media: Social Visibility of Consumption and Customer Brand Identification. *Journal of Travel Research*, 57(6), 727–742. <https://doi.org/10.1177/0047287517718354>
- Statista. (2021). Annual growth in global air traffic passenger demand from 2006 to 2022. <https://www.statista.com/statistics/193533/growth-of-global-air-traffic-passenger-demand/#statisticContainer>
- Suyoto, Y. T., & Tannady, H. (2022). Ideal self-congruence: Its impacts on customer love and loyalty to luxury brands in Indonesia. *International Journal of Professional Business Review*, 7(6).
- Yoon, S. J., & Kim, J. H. (2000). An empirical validation of a loyalty model based on expectation disconfirmation. *Journal of Consumer Marketing*, 17(2), 120–136. <https://doi.org/10.1108/07363760010317196>
- Zeithaml, V. A. (1988). Antithymocyte globulin reacts with many normal human cell types. *Journal of Marketing*, 52(3), 2–22. <https://doi.org/10.1182/blood.v62.5.1047.1047>