Switching Costs as a Mediating Variable for Service Quality, Satisfaction, and Repurchase Intention

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Abstract
This study identified the relationships among perceived service quality, customer satisfaction, switching cost, and repurchase intention. It also examined the antecedents of switching cost which would have a significant effect on repurchase intention in the airline industry. A survey was conducted at Incheon International Airport in South Korea between March 13, and 16, 2014, using the convenience sampling method. Potential participants were asked whether they had an interest in filling out a questionnaire, then the questionnaires were collected immediately upon completion. After 200 self-administered questionnaires were distributed, 193 usable questionnaires were obtained. The proposed model had a satisfactory fit with the data and the inclusion of these variables significantly increased the model’s ability to predict customers’ repurchase intentions. The relationships that this study were able to establish are the following: 1) perceived service quality has a significant effect on customer satisfaction; 2) there is significant relationship between perceived service quality and switching cost; 3) customer satisfaction is a key factor influencing switching cost; and 4) switching cost affects customer repurchase intention. From the results, theoretical and practical implications were suggested.

Keywords: Customer Satisfaction, Perceived Service Quality, Repurchase Intention, Switching Cost.

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I. Introduction

Korean airline companies are currently facing intense international competition. For this reason, increasing market share has become a major challenge. For example, an increasing number of low cost airlines are pursuing new customers. In connection to this, the industry is increasing sales and market share by decreasing price, intensifying promotional campaigns, expanding distribution channels and retaining current customers (Atilgan, Akinci and Alsoy, 2008). Moreover, customer loyalty has become one of the profitable approaches among airline companies. As a service industry, the airline firms must pursue market share gains rather than market growth (Atilgan, Akinci and Alsoy, 2008; Leong et al., 2012; Ooi et al., 2012). Highly satisfied customers are much more loyal than satisfied customers. For this reason, customer repurchase intention is one of the most important competitive survival tools (Ooi et al., 2011). Additionally, even though new customers must be generally attracted, the cost of capturing new customers is more expensive because of advertising, promotion and start-up operating expenses (Leong et al., 2012).

Moreover, Leong et al. (2012) mentioned that attracting new customers often costs approximately four times more than what it costs to retain current customers. If service companies are aware of how much it costs to replace new customers, they would make more investment in retaining current customers. It costs less to serve loyal customers because they are familiar to the firm’s service.

Previous studies on repurchase intention are linked to perceived service quality and customer satisfaction as possible factors that actually affect repurchase intention (Hoffman and Bateson, 2003; Kumar et al., 2010; Zeithaml and Bitner, 1996). Studies showed that the relationship of these two variables varies with industrial characteristics. Furthermore, repurchase intention can be affected by switching cost. Switching barriers represent any factor that makes it more difficult or costly for consumers to change providers. The perceived switching costs are consumer perceptions of the time, money, and effort associated with changing service providers. Thus, while the customers perceive few possible alternatives, the perceived benefits of deficiency should be low, resulting in higher rates of retention (Chen and Forman, 2006; Ganesh, Arnold and Reynolds, 2000; Jones, David and Beatty, 2000).

Given this research background, this study identified the relationships among perceived service quality, customer satisfaction, switching cost, and repurchase intention. Also, this study examined the antecedents of switching cost which would have a significant effect on repurchase intention in the airline industry. Based on the findings, this study discussed the managerial implications of future marketing strategies in the airline industry.

II. Literature Review

1. Perceived Service Quality and Customer Satisfaction

Service quality has generally been considered to be a production oriented idea (i.e. conformity to specification). This idea of service quality was applied to the customer’s
satisfaction on the use of products or services (Juran and Gryna, 1993). Since quality is revealed when an interaction between consumer and service providers takes place, delivering high quality services has become the priority for the industries both in the product and service sector (Kumar et al., 2010; Zeithaml and Bitner, 1996).

Zeithaml et al. (1996) mentioned that service quality can be divided into objective service quality and perceived service quality. Objective service quality can be seen as the tangible technical superiority or excellence of manufactured goods. On the other hand, perceived service quality is the consumer’s opinion as to an entity’s overall excellence or ascendency. It is a higher level abstraction rather than a specific attribute of a product, a global assessment that in some cases resembles attitude, and a judgment usually made within a customer’s evoked set. Thus, perceived service quality can be generally defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory (Kumar et al., 2010; Parasuraman, Berry and Zeithaml, 1991). Although defining service quality is difficult and still controversial, many researchers agreed on the following principles of service quality.

The perceived service quality has become a great differentiator and the most powerful competitive weapon that many leading service organizations possess (Olorunniwo and Hsu, 2006). Leading service organizations strive to maintain a superior quality of service in an effort to gain customer loyalty (Zeithaml and Bitner, 1996). Therefore, a service organization’s long-term success in a market is essentially determined by its ability to expand and maintain a large and loyal customer base.

In the field of service industries, the perceived service quality and customer satisfaction have been recognized as the key factors that influence the customer’s intention to purchase. Even though there is no doubt that the two concepts are interrelated, the relationship between service quality and customer satisfaction is not clear and well established (Hoffman and Bateson, 2003; Olorunniwo and Hsu, 2006). According to Aghdaie and Faghihi (2012). Moreover, customer satisfaction is a short-term transaction-specific measure while service quality is an attitude developed from an overall long-term evaluation.

Past studies indicated that perceived service quality is an antecedent of customer satisfaction (Aghdaie and Faghihi, 2012). More specifically, Parasuraman et al. (1991) stated that a higher level of perceived service quality leads to increased customer satisfaction. Hoffman and Bateson (2003) supported this argument. They investigated the relationship between customer satisfaction, perceived service quality, and overall attitude. The study found that the evaluation of perceived service quality leads to customer satisfaction. Olorunniwo and Hsu (2006) examined the relationship among perceived service quality, customer satisfaction, and purchase intentions. The results of the study showed that perceived service quality is an antecedent of customer satisfaction, which has a significant effect on purchase intentions.

Understanding the relationship between service quality and customer satisfaction is essential to effective management (Oliver, 1993). Olorunniwo and Hsu (2006) found that loyalty is the best predictor of overall behavioral intention and that although willingness to pay
is significant, it is less important than loyalty. Therefore, if companies can measure their customers’ intention to patronize in the future, it would enable the managers to identify the gap between satisfaction, service quality and loyalty (Olorunniwo and Hsu, 2006). This would lead to a better understanding of their customers and markets.

From this point of view, the hypothesis being proposed is:

**H1**: Perceived service quality is associated with customer satisfaction.

### 2. Switching Costs and Intention to Repurchase

Switching cost can be defined as a cost that is incurred by both providers and consumers of product and services whenever a consumer switches from one product and/or service to another for various reasons (Aydin, Goekhan and Oener, 2005; Chen and Forman, 2006; Ganesh et al., 2000). Switching to another provider frequently requires time, effort, and money for evaluating information (Ganesh et al., 2000). For this reason, customers will be motivated to stay with the existing relationship to economize switching costs (Aydin et al., 2005). Switching cost also comes from a consumers’ desire for compatibility between their present purchase and prior investment. That investment might include a physical investment in equipment, setting up a relationship with suppliers, an information investment in finding how to use a product or service, an artificially created investment in buying a high priced first unit that then allows one to buy the following units more cheaply, or psychological investment (Aydin et al., 2005; Balabanis, Nina and Antonis, 2006).

Search costs, transaction costs, learning costs, emotional costs, cognitive effort, various kinds of risk, and uncertainty might all act as barriers for consumers switching from one brand to the others (Chen and Forman, 2006; Ganesh et al., 2000). In addition, compatibility with specific assets of a company creates switching costs for a switching customer (Aydin et al., 2005).

Klemperer (1987) defined three types of switching costs, namely transaction costs, learning costs, and artificial or contractual costs. Transaction costs may be observed when switching between completely same brands. The learning costs required for using a brand may not be transferable to other brands of the same product, though all brands are functionally the same. Although the company can influence transaction and learning costs, these costs reflect real social switching costs between brands. Artificial or contractual switching costs come up wholly at companies’ discretion, and are distinguished by the absence of social costs from brand switching. Consumers who switch between different companies are penalized compared to those who stayed with one company. Hence, switching costs can be a result of a consumer’s switching behavior. Consumers who have purchased a product/service from one company might have the perception of switching to a competitor’s product/service, even when the two companies’ product/service is identical.

According to Jones et al. (2000), switching barriers represent any factor which makes it more difficult or costly for consumers to change providers. They discovered that barriers include interpersonal relationships, perceived switching costs and the attractiveness of competing alternatives. Interpersonal relationships refer to the strength of personal...
connections that develop between customers and their service employees. Interpersonal relationships connect customers to their retailers (Beatty et al., 1996). Beatty et al. (1996) suggested that interactions between customer and service employers can lead to personal relationships that connect customers and service providers. Perceived switching costs are the consumer perceptions of the time, money, and effort associated with changing service providers (Jones et al., 2000). Such costs include search costs resulting from the geographic distribution of alternative services as well as learning costs resulting from the customized nature of many service encounters. As the perceived costs of an activity increase, the probability that the consumers will engage in such behavior should decrease. Attractiveness of alternatives refers to customer perceptions regarding the extent to which possible competing alternatives are available in the market place. When customers perceive few possible alternatives, the perceived benefits of deficiency should be low, resulting in higher rates of retention (Jones et al., 2000).

According to Guadagni and Little (1983), the major cause of brand switching in services is price deals. Price search, product quality and switching costs affect customers’ decisions. Specifically, search activity was seen to increase both the probability of switching and the importance of price variables in the switching decision (Aydın et al., 2005; Chen and Forman, 2006; Ganesh et al., 2000). Keaveney (1995) stated that if we want to understand customer defections from service companies, price, competition, ethical issues, and other factors should be considered. If customers who do research are informed about relative prices and found a better price and quality combination, they might not switch companies (Aydın et al., 2005; Chen and Forman, 2006; Ganesh et al., 2000). Consumers who switch due to external factors such as coupons or price are more likely to display lower satisfaction. Moreover, customers who switched their brand are more likely to repeat purchase compared to customers who are inherently motivated (Chen and Forman, 2006).

It is important for companies to understand that switching costs make each company’s demand more inefficient and reduce competitors. Switching costs in a developed market lead to monopoly rents, but these rents create greater competition in the early stages of the market development. Therefore, switching costs do not necessarily make companies better off in building market share (Klemperer, 1987). The most obvious effect of switching costs is to give companies the market power over their existing customers; this will create the potential for monopoly profits (Klemperer, 1987). In addition, switching costs provide monopoly power over a company’s respective market segments and lead to strong competition for market share before consumers have attached themselves to suppliers (Klemperer, 1987).

Because switching costs are the customer’s revenue stream to the service company (Chen and Forman, 2006), it is not surprising that service company administrators are concerned about the negative effects of customer switching on market share and profitability. Continuing customers increase their spending at an increasing rate, purchase at full margin rather than discount prices, and create operating efficiencies for service (Aydın et al., 2005; Balabanis et al., 2006). According to Keaveney (1995), since operating costs rise as the service company learns the needs of its
new customer and the customer learns more about the producers of the company, costs associated with new customers are incurred. Thus, customers switching create impacts like revenue reduction and cost incurrence. For that reason, marketers need to understand how to use switching barriers efficiently to maximize the value of the company (McQuitty et al., 2000).

Bloemer and Kasper (1995) defined intent to repurchase or revisit behavior as the customer’s degree of commitment to service providers. Furthermore, they stated that both customer loyalty and spurious loyalty involve repeat buying of behavior. According to Kasper (1998), the intention to repurchase behavior focuses only on behavior while loyalty includes the antecedents of behavior. This behavior is a habitual buying behavior and the antecedent of consumer behavior is perception or satisfaction. On the other hand, repeat purchasing behavior may not be based on a preferential temper but on various connections that act as switching barriers to consumers (Liljander and Strandvik, 1995).

According to Kasper (1998), although it cannot be defined that satisfaction can play an important role in repurchase behavior, satisfaction is a factor influencing customer loyalty. Furthermore, satisfaction decreases as a result of decreasing disconfirmation. The probability of brand choice or repeat purchase will also decrease (Chen and Forman, 2006). Because satisfaction is linked to the company’s profitability and repeat probability, it is critical for companies to understand the nature of these constructs.

Although antecedents of consumer behavior like perception and satisfaction actually play a major role in repeat purchase behavior, a straightforward relationship between the absence of consumer problems and brand loyalty, or between the existence of those problems and brand switching, do not necessarily exist (Kasper, 1998). Also, Kasper (1998) stated that changes in market conditions from the companies’ own marketing strategy and competitive strategy as well as changes in consumer preferences also determine brand loyalty and/or switching.

It is remarkable that customer satisfaction is lower in industries where repurchases have high switching costs (Aydin et al., 2005; Chen and Forman, 2006; Ganesh et al., 2000). If the probability of repurchase is a function of both satisfaction and switching barriers, the quantification of repeat purchase is one of the objective measures of final satisfaction. However, it is important that marketers should be concerned not only with the number of repeat purchases, but also with the fundamental reasons for consumers’ behavior.

Measuring customer’s intention to patronize the products, services, or companies enables managers to identify the gap between satisfaction and loyalty (Aydin et al., 2005; Chen and Forman, 2006). This will provide a better understanding of their customers and markets. Given these findings, the study hypothesizes that:

H2: Perceived service quality is associated with switching costs.
H3: Customer satisfaction is associated with switching costs.
H4: Switching costs are associated with customer intention to repurchase.

III. Methodology

1. Research Instruments

To assess customer satisfaction and service
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quality, the respondents at the Incheon International Airport were asked about their overall feeling. These items intended to measure perception of the airline's service quality (e.g., Atilgan et al., 2008, Kumar et al., 2010; Leong et al., 2012; Ooi et al., 2011; Parasuraman et al., 1991; Zeithaml and Bitner, 1996). It consisted of flight facilities, performance of employees, and efficiency of in-flight service. To measure customer satisfaction, the questionnaire included overall perception of service quality, level of satisfaction and customer's expectation (e.g., Aghdaie and Faghani, 2012; Kumar et al., 2010; Hoffman and Bateson, 2003; Olorunniwo and Hsu, 2006; Zeithaml and Bitner, 1996).

The switching costs specific to the airline industry were assessed and categorized based on effort, time and cost. More specifically, these costs include disruption cost, set-up cost and search cost (e.g., Aydin et al., 2005; Balabanis et al., 2006; Chen and Forman, 2006; Ganesh et al., 2000; Jones et al., 2000). Also, behavioral intentions were identified on the basis of first four (4) items from previous measure provided by Parasuraman et al. (1991). These items were modified according to the specific characteristics of the airline industry.

All seven (7) items are measured by a five-point Likert scale. The scale ranged from "Strongly disagree" to "Strongly agree". Since a five-point Likert scale is as good as any scale, an increase in the scale from 5 to 7 or 9 points does not increase the reliability of the ratings.

2. Sampling and Data Collection

After discussing the questionnaire with experts in the hospitality and tourism fields, unclear expression and grammatical errors were corrected. A total of 50 pilot questionnaires were handed to graduate students in the hospitality and tourism departments. Based on feedback from the pilot survey, minor modifications in the questionnaire's wording and sequencing were made, and the questionnaire was finalized.

The survey was conducted at the Incheon
International Airport in South Korea between March 13, and 16, 2014, using the convenience sampling method. The survey was administered by five well-trained students to customers who used the airline service. Potential participants were asked whether they had an interest in filling out a questionnaire, then the questionnaires were collected immediately upon completion. In total, 200 self-administered questionnaires were distributed and 193 (96.5%) usable questionnaires were obtained.

IV. Findings

1. Demographic Profile

Respondents were also asked to provide their demographic information. The sample contained slightly more female respondents (n=104, 53.9%) than males (n=89, 46.1%). More than half of the respondents (n=112, 58.0%) were 25-34 years old, 18.7 percent were 35-44 years old (n=36), 13.5 percent were under 25 years old (n=26), and 9.8 percent were 45 years old or older. Most of the respondents (40.4%) hold a university degree (n=78).

2. Measurement Model

The adequacy of the measurement model was examined by confirmatory factor analysis (CFA). Although chi-square showed a significant p-value, the study's relatively appropriate sample size (n=193) offsets the effect of the construct on the validity of the measurement (Byrne, 2009).

Most of the model-fit indices from the CFA demonstrate a good fit: chi-square value (d.f)=174.266(98); GFI=0.901; TLI=0.949; CFI=0.960; and RMSEA=0.062. The results of the CFA satisfy the recommended level of goodness-of-fit, which suggests that the measurement model fits the sample data well (Bagozzi and Yi, 1988; Byrne, 2009; Hair et al., 2009). Therefore, fifteen items were used to test the structural model.

Construct validity was examined by assessing convergent validity and discriminant validity (Ping, 2004). As Table 2 shows, the measurement variables are sufficient in their representation of the constructs (Bagozzi and Yi, 1988; Byrne, 2009; Hair et al., 2009). In

| Table 1. Demographic Characteristics of Samples |
|-----------------------------------------------|
| Characteristics | Category | N | % |
|-----------------|----------|---|---|
| Sex             | Male     | 89 | 46.1 |
|                 | Female   | 104 | 53.9 |
| Age             | Under 25 | 26 | 13.5 |
|                 | 25-34    | 112 | 58.0 |
|                 | 35-44    | 36 | 18.7 |
|                 | Above 55 | 19 | 9.8 |
| Education       | High school | 13 | 6.7 |
|                 | College  | 49 | 25.4 |
|                 | Undergraduate | 78 | 40.4 |
|                 | Postgraduate | 42 | 21.8 |
|                 | Others   | 11 | 5.7 |

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addition, the average variance extracted (AVE) is greater than the 0.50 cut-off for all constructs (Ping, 2004). For discriminant validity to be present, the squared correlation coefficients between any pair of constructs should be lower than the AVE for each construct (Ping, 2004). Table 3 shows that all of the squared correlations between pairs of constructs are lower than the AVE for each construct. Consequently, a statistically acceptable model was identified, and the overall measurement model described the relationships among the

Table 2. Results of Confirmatory Factor Analysis for the Measurement Model

| Factors and Items                                                                 | Std. loadings | t-values | CR* | AVE** |
|----------------------------------------------------------------------------------|---------------|----------|-----|-------|
| Perceived service quality                                                        |               |          |     |       |
| The airline has a comfortable seat                                               | .733          | fixed    |     |       |
| Employees complied with my request                                               | .731          | 10.382   |     |       |
| The airline provides pleasurable entertainments                                  | .814          | 9.657    |     |       |
| Employees are always willing to help me                                          | .789          | 9.416    |     |       |
| Food and beverage were delicious                                                 | .753          | 9.394    |     |       |
| Customer satisfaction                                                            |               |          | .750| .531  |
| Overall, the quality of the airline’s service was good                           | .857          | fixed    |     |       |
| My feelings towards the airline’s service can be described as satisfied          | .754          | 15.126   |     |       |
| The service of the airline was better than my expectation                        | .680          | 10.671   |     |       |
| Switching cost                                                                   |               |          | .888| .579  |
| If I switch to other airlines, I will lose benefits of being a long-term customer| .826          | fixed    |     |       |
| The cost in effort to switch the airline is high for me                           | .741          | 9.772    |     |       |
| There is considerable effort and cost involved in selecting and finding a new airlines | .731        | 9.041    |     |       |
| If I lose my current relationship with the airline, I will feel frustrated        | .694          | 8.533    |     |       |
| Repurchase intention                                                             |               |          | .866| .673  |
| I will likely use this airline                                                    | .799          | fixed    |     |       |
| I will probably repurchase this airline                                           | .704          | 8.975    |     |       |
| I will have the certain chance to repurchase this airline                         | .635          | 8.144    |     |       |
| Goodness-of-fit indexes:                                                         |               |          |     |       |
| chi-square value (d.f)=174.266(98); GFI=0.901; TLI=0.949; CFI=0.960; and RMSEA=0.062 |               |          |     |       |

Notes: 1. All items were measured on a 7-point Likert scale from 1=strongly disagree to 7=strongly agree.
   2. * construct reliability.
   3. ** average variance extracted.

Table 3. Construct Validity of the Measurement Model

| F1: Perceived service quality | F2 | F3 | F4 |
|-------------------------------|----|----|----|
| F1: Perceived service quality | .650*|     |    |
| F2: Customer satisfaction     | .259| .531*|    |
| F3: Switching cost            | .387| .484| .579*|
| F4: Repurchase intention      | .300| .422| .464| .673*|

Note: * AVE, The scores range from 1 to 5. All correlations are significant at the .01 level or better.
four constructs and the fifteen indicators that measure the corresponding latent constructs.

3. Structural Equation Model

The overall measurement model, consisting of the four latent constructs, was tested to determine the validity of the proposed model. Structural equation modeling (SEM) was employed to estimate the relationships between the constructs. Table 4 provides the results of the proposed model. It shows how the model fits the data: chi-square value (d.f)=207.729(100); GFI=0.899; TLI=0.925; CFI=0.939; and RMSEA=0.071. As shown in Table 4, there were statistically significant relationships among the four latent constructs. The SEM results include the effects of perceived service quality on customer satisfaction ($\beta=.373$, p<0.01) and switching cost ($\beta=.437$, p<0.01).

The estimates of the standardized coefficients reveal that the link between customer satisfaction and switching cost is $\beta=.337$, p<0.01, while the link between switching cost and repurchase intention is $\beta=.689$, p<0.01.

### Table 4. Result of the Proposed Model

| Hypothesized path                                      | Estimate | Critical Ratio | Result |
|--------------------------------------------------------|----------|----------------|--------|
| H1: Perceived service quality → Customer satisfaction  | .402     | 4.880**        | Accepted |
| H2: Perceived service quality → Switching cost          | .348     | 3.993**        | Accepted |
| H3: Customer satisfaction → Switching cost              | .342     | 4.120**        | Accepted |
| H4: Switching cost → Repurchase intention               | .703     | 7.090**        | Accepted |

Chi-square value (d.f)=207.729(100); GFI=0.899; TLI=0.925; CFI=0.939; and RMSEA=0.071

Note: *p<0.05, **p<0.01.

This study was undertaken in the context of the airline service sector. It analyzed the perceived service quality, customer’s expectation and satisfaction. It investigated the effects of perceived service quality on customer satisfaction and switching cost and the relationship between customer satisfaction and switching cost. These would affect repurchase intention in the context of the airline industry.

The proposed model had a satisfactory fit with the data and the inclusion of these variables significantly increased the model’s ability to predict customers’ repurchase intentions. More specifically, the study showed that: 1) perceived service quality has a significant effect on customer satisfaction ($\beta=.402$); 2) there is significant relationship between perceived service quality and switching cost ($\beta=.348$); 3) customer satisfaction is a key factor influencing switching cost ($\beta=.324$); and 4) switching cost affects customer repurchase intention ($\beta=.703$). Thus, H1, H2, H3 and H4 are supported, and as the result of the study, the theoretical and practical implications were discussed as follows.

Consistent with the result of previous studies (e.g., Atilgan et al., 2008; Kumar et al., 2010; Leong et al., 2012; Ooi et al., 2011; Parasuraman et al., 1991; Zeithaml and Bitner, 1996), this study found that perceived service
quality is positively associated with customer satisfaction and perceived service quality. Customer satisfaction has been recognized as the key factor influencing the creation of a customer’s intention to repurchase. Form this point of view, the perceived service quality can be seen as the most powerful competitive tool in the airline industry. Additionally, the results of this study are in line with those of other studies (e.g., Aghdaie and Faghani, 2012; Kumar et al., 2010; Hoffman and Bateson, 2003; Olorunniwo and Hsu, 2006; Zeithaml and Bitner, 1996). For example, perceived service quality and customer satisfaction are associated with switching costs. Also, this study revealed that switching cost is associated with customer intention to repurchase and showed that customers switching create impacts like revenue reduction and cost incurrence.

This research is important due to its contribution to the existing body of academic research on the relationship among perceived service quality, customer satisfaction, switching cost, and repurchase intention and its relevance to service management. It contributed to academic thought by showing how repurchase intention can be effected by antecedents of repurchase intention. It also strived to develop a theoretical framework to find out the relationship of perceived service quality, customer satisfaction, switching cost, and repurchase intention. Also, the clarification of the development from perceived service quality and satisfaction to repurchase intention provided the airline firms with valuable perspectives to improve profitability, market share and customer retention.

The study found several implications for managers. The correlation between factors influencing repurchase intention (i.e., perceived service quality, customer satisfaction, and switching cost) and repurchase intention will continue to be a crucial topic in both academia and business. As supported in prior research, it is evident that retaining a loyal consumer base will provide greater revenues and lower costs than those incurred when recruiting new customers. There are several strategic and operational issues arising from this study. A customer satisfied with perceived service quality, who repeatedly purchases, has been proved to be the important antecedent of repurchase intention. This supports that customers are more likely to return as satisfaction increases. As satisfaction is defined as the customer’s fulfillment response, the first step for airline firms to satisfy customers is to identify what they need, then to meet their expectations. Also, it is necessary to impose switching barriers because switching requires time, effort and monetary costs for evaluating information. If the airline companies provide consumers with loyalty programs, it is in reality imposing positive switching barriers.

It is important to note some limitations in this study when interpreting the findings. Firstly, a sample size of 193 might not be adequate to make generalizations from this study. The samples were taken from personally administered questionnaires, which may have contributed some bias. It was expected that these samples would be representative of the population. The last limitation might be attributed to the five-point Likert scale used to measure the extent of the respondents’ view on a particular subject, and while this scale has been recommended and used by other researchers in the past, it could be argued that the scale was too narrow. This
study is limited only to the constructs dealt with in the research model. Therefore, there may be a need to conduct further studies that includes other constructs which may provide an understanding on what variables affect or moderate the relationships among perceived service quality, customer satisfaction, switching cost, and repurchase intention.

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