

THE INFLUENCE OF SERVICE QUALITY AND CORPORATE IMAGE OF ROYAL BRUNEI AIRLINES: A PARTIAL LEAST SQUARE APPROACH

Tak-Jie Chan*

Faculty of Applied Communication, Multimedia University, Malaysia

Nurin Zahiah Irwan

Faculty of Education, Languages & Psychology, SEGi University, Malaysia

Nor Azura Adzharuddin

Faculty of Modern Languages and Communication, Universiti Putra Malaysia, Malaysia

Hon-Tat Huam

Putra Business School, Malaysia

ABSTRACT

The hospitality and tourism industries have become the pivotal industries that contribute to the growth of the nation's economy. However, fewer studies pay attention to the aviation industry where this industry has faced a lot of challenges and crises in the past decade. Hence, this study aims to examine the effects of service quality on the corporate image of Royal Brunei Airlines. The study utilized the SERVQUAL model to guide the study. A quantitative (survey) research design was employed using a total of 178 completed questionnaires obtained from the customers of Royal Brunei Airlines through purposive sampling. The data were then analyzed using Partial Least Squares Structural Equation Modelling through Smart-PLS 3.2.7. The results revealed that three (3) dimension of SERVQUAL (assurance, responsiveness, tangibles) has a positive and significant relationship with corporate image. However, empathy and reliability were found not significant to corporate image. Conclusion, implications, and suggestions for future study were also discussed.

Keywords: Airline industry, service quality, SERVQUAL, corporate image, Brunei.

Received: 8 January 2021

Accepted: 29 April 2022

<https://doi.org/10.33736/ijbs.4852.2022>

* Corresponding author: Faculty of Applied Communication, Multimedia University, Persiaran Multimedia, 63100, Cyberjaya, Selangor. Email: tjchan@mmu.edu.my

1. INTRODUCTION

Today's tourism industry is not possible without air transport, modern airport infrastructure, efficient safe airline services, and worldwide aviation networks (Camilleri, 2018; Spasojevic et al., 2017). Inevitable, the aviation industry has become one of the most prominent industries globally (Vikaliana & Evitha, 2019). According to the data from CEIC (n. d.), in Brunei, air transport services achieved 6.169 BND mn in December 2021, where it records an increase from the previous number of 2.507 BND mn from September 2021. This showed that the tourism industry's performance portrayed a positive development, which has helped to support the aviation industry. Hence, service quality plays a pivotal role, especially in the airline industry, as its performance and quality of services will directly affect the image of the company (Agyapong, 2011). This has further supported the notion of Hapsari et al. (2016) that service quality has been globally recognized as an important attribute in many industries worldwide as it aids in enhancing a company's profit and retaining consumers. According to Archana and Subha (2012), if the customers are unsatisfied with the service quality, they might hesitate to travel with the company in the future. Therefore, this will surely affect the business of the company.

In Asia, the airline industry has faced a lot of peaks and troughs in the past decade. Among the unfortunate events include the increase in fuel prices, an increase in security insurance, and natural disaster that ranges from disease outbreak such as COVID-19 to volcano eruption in neighboring countries that interferes the operation of the air travel industry (Florida-Benítez, 2021; Mohd Ayob & Masron, 2014; Wong & Musa, 2011). In addition, mushrooming of airline companies in the region with different brands and better prices has caused the competition to increase in the aviation industry (Spicer, 2018). Besides, the most notable ones are the cases of the MH370 and MH17 crises that shook the entire world in 2014 whereby up to 30,000 cancellations of tickets occurred after the MH370 went missing because it has caused a severe loss of trust among the fliers toward Malaysia's airline companies as a whole (Chan et al., 2020; Worlu & Ahmad, 2019). In recent, one of the crises faced by Royal Brunei Airlines was related to the explosion of the power bank in the flight (The Straits Times, 2019), although there was no harm to the passengers, it has somehow affected their image as a trusted airline company operating in Asia countries, in which it was aligned with the study of Sylva and Amah (2021) that the safety, security and environmental issues are challenges faced by aviation operations that will affect the financial performance in the long run (Fardnia et al., 2021). Since crises related to the aviation industry are inevitable, hence, managing the corporate image as part of the company's strategic policy implementation is crucial to ensure the survival of the industry (Imad et al., 2021).

In addition, although airline companies strive to deliver high service quality to all their customers, they most often fail to do so because it is unable to fulfill the expectations of various types of passengers (Kandampully et al., 2015). This is because customers are particular about their needs and the likelihood of switching to the rivals that provide better services is high.

Although there are many challenges faced by the airline industry, Hasim et al. (2018) argued that airline transportation demands were still existing despite the unforeseen tragedies and economic crises. There is an increment in airline passenger escalated from 6.0% in 2014 to 7.4% in 2015 based on the compound annual growth rate (International Air Transport Association, 2019). According to Delbari (2016), due to the emergence of tough competitors and unforeseeable crises, airline companies have to think about how to improvise the quality of their service to ensure

customers are satisfied and a favorable corporate image can be built (Gupta, 2018). Undeniably, air travelers today are increasingly becoming more demanding in terms of their expectations of the quality of service offered by airline carriers (Akpyomare et al., 2016). Hence, operators must improve the service delivery to retain their satisfaction and make the customers feel the value of money (Atalik et al., 2019).

In this regard, many of the existing studies focus on the influence of service quality, and various outcomes have been found based in various industries such as banking (Ali & Raza, 2017; Felix, 2017; Pakurár et al., 2019), retail apparel (Chan & Goh, 2019); superstores (Alam & Mohd Noor, 2020), entertainment/ KTV (Khoo, 2020), and the airline industry have been found also (Jahmani, 2017; Mohamed & Zainol, 2017; Virappan & Chan, 2020). However, investigations that emphasize service quality and corporate image in the Brunei context are still scarce and require further investigation. Based on the issues highlighted, therefore, the current study aims to find out the predicting factors of service quality (tangibles, reliability, responsiveness, empathy, assurance) and the corporate image of Royal Brunei Airlines.

2. LITERATURE REVIEW

2.1. *Service Quality*

Agyapong (2011) and Fauzi (2018) defined service quality as consumers' effort to compare the service quality expected by customers with the actual quality of the service that was provided by a particular organization. This is aligned with the definition of Asubonteng et al. (1996), where service quality is the difference between customers' expectation of the performance before the services and their perception of the service received. Parasuraman et al. (1988) defined perceived service quality as "global judgment, or attitude, relating to the superiority of the service" (p. 16). Mauri et al. (2013) defined service quality as a multidimensional concept, assessed and perceived by consumers, according to a set of essential parts, grouped into five categories, namely: tangibility, reliability, responsiveness, assurance, and empathy. According to Mohd Suki (2014), service quality for airlines can be defined as the satisfactory level of interaction between passengers and airline employees while providing transportation services.

Based on the above definitions, Hapsari et al. (2016) asserted that when it comes to the airline industry and keeping up with the massive competition, the airline industry needs to ensure that they give good service quality as compared to their rivals. Felix (2017) further added that service quality is regarded as a significant prerequisite and the deciding factor of competitiveness to establish and retain a gratifying relationship with the customers.

Munusamy et al. (2011) said that the quality of service provided is highly crucial when trying to achieve customer satisfaction because the accumulation of bad and unjoyful experiences associated with the company will harm a customer's perception and the company's image. Therefore, it is visible that airlines need to improvise their service and technologies to upkeep the exclusive service quality and satisfy the customers, which in return will bring about the desired and solid corporate image.

2.2. Corporate Image

According to Adeniji et al. (2015), corporate image is defined as the consumer's response to the total offering and is defined as a sum of the belief, ideas, and impression that the public has toward an organization. Besides, Regina and Ugne (2011) stated that corporate image is described as an overall impression made on the minds of the public about an organization. Worcester (2009, p. 573) defines corporate image as "the net result of all experiences, impressions, beliefs, feelings, and knowledge people have about a company". Corporate image is the tangible and intangible associations interlinked with the notion of reputation. It is the sum of feelings, ideas, beliefs, knowledge, impressions, and values towards a corporation (Tran et al., 2015). The development and maintenance of a positive corporate image are seen as a vital role in the business successes today, as it generates an effect on the consumers' purchasing behaviors toward a company and its products and services.

2.3. Relationship Between Service Quality and Various Outcome Variables

Song et al. (2019) did an empirical study on the relationships between service quality, corporate image, customer trust, and corporate image of Airline in South Korea using the SERVQUAL model. The findings revealed that responsiveness and reliability affect significantly corporate image and customer trust, however, tangibles, empathy, and assurance are not the significant antecedents of corporate image and customer trust. However, it contrasted with the findings of Selamat and Tay (2020) that reliability was found not significantly related to the customer satisfaction, but responsiveness affects customer satisfaction positively in the online retail setting. This was consistent with the results of Misdan et al. (2020) that reliability was found to be the least predictor in influencing the perception of young users about online banking.

In addition, Wong et al. (2020) investigated the service quality and customer satisfaction of green hotels in Malaysia by applying the SERVQUAL model. The results indicated that three dimensions of SERVQUAL, namely tangibles, assurance, and responsiveness significantly related to the customer satisfaction of the green hotels, however, empathy and reliability were found not significantly related to the customer satisfaction. Besides, Chan and Goh's (2019) results showed that reliability has a negative relationship with customer satisfaction and assurance as one of the SERVQUAL dimensions was not significant with the customer satisfaction in the retail clothing industry.

Pechinthorn and Than Zin (2020) examined the service quality dimension based on SERVQUAL, company image, and customer satisfaction on the customer loyalty of commercial banks in Myanmar. The findings indicated that out of five dimensions of service quality, only, responsiveness and assurance positively influence corporate image significantly, whereas, reliability, empathy, and tangibles were not the factors that influence corporate image. This was aligned with the study of Li (2020), that the empathy dimension of SERVQUAL was found not significantly related to the customer satisfaction in the luxury hotels in Malaysia.

Besides, Neupane and Devkota (2017) investigated the service quality dimension based on SERVQUAL and patient satisfaction in a private hospital in Nepal. The results found that all the five dimensions of SERVQUAL, namely tangibles, reliability, responsiveness, assurance, and empathy have a positive and significant influence on patient satisfaction. Virappan and Chan (2020)

aimed to investigate the service quality and reputation of the airline industry in Malaysia. The study utilized SERVQUAL 5 dimension, and these facets have a positive and significant relationship with reputation, but only three dimensions, namely responsiveness, assurance, and empathy were the predicting factors to the corporate reputation.

Maulina and Poernomo (2016) investigated the effect of service quality and corporate image and student loyalty in Jakarta's colleges. The findings of the study have proven that there is a positive and significant effect on service quality, and corporate image partially influences the students' loyalty which also aligned with the study of Sukirno and Poernomo (2020). In a similar vein, Lunarindiah (2016) investigate the effect of corporate image, service quality, and perceived value on student satisfaction and student loyalty. The results of the study showed that corporate image, service quality, and perceived value proved to have a positive and significant effect on student satisfaction and student loyalty. However, student satisfaction and student loyalty were found not significant.

In the telecommunication industry, Hermawan et al. (2017) examined the influence of service quality and price on corporate image, customer satisfaction, and customer loyalty in the city of Makassar. The data from the valid 225 respondents showed that the quality of the service positively influences the corporate image and customer satisfaction and other consequences variables (price and loyalty).

Meanwhile, Dewi and Suprati (2019) investigated the effect of service quality and corporate image on satisfaction and word of mouth of the internet service provider in Indonesia. The findings showed that service quality, corporate image, and satisfaction have a positive and significant influence on word of mouth and satisfaction. Satisfaction as a mediating variable partially mediates the effect between service quality and the corporate image on word-of-mouth. This was congruent with the study of Setiari et al. (2020) who investigated the service quality of a logistic company in Bali. The results revealed that service quality has a positive effect on customer satisfaction, image, and loyalty. However, the study found that corporate image was not the mediator between service quality and customer loyalty. This was also aligned with the study of Khoo (2020) where she found that corporate image was not able to mediate the relationship between service quality and revisit intention of the KTV, whereas the relationship between service quality and the corporate image was established positively.

In the banking industry, Cholisati et al. (2019) aim to test the effect of service quality and corporate image on customer loyalty mediates through customer satisfaction in the banking industry. The findings of this study showed that all variables have direct significant influences. In addition, customer satisfaction was proven to mediate the relationship between service quality, corporate image, and customer loyalty, which is congruent with the study of Sari (2018), however, it is contrasted with the findings of Krisnanto and Novianti (2019) who found that corporate image negatively related to customer loyalty.

In addition, Hassan et al. (2019) measured the relationship between service quality, corporate image, student satisfaction, and loyalty of students in TVET higher education institutions. The study utilized the Stimulus- Organism- Response (SOR) model and the results revealed that there is a significant effect between service quality, corporate image, student satisfaction, and student loyalty in the HEIs context. This has also yielded the similar outcomes with numerous past studies

that examined service quality of the various services industry (Ashraf et al., 2018), such as travel companies (Maria et al., 2020), restaurants (Martey et al., 2018), supermarkets (Dam & Dam, 2021).

Based on past research discussed, it was proven that service quality has been applied in different industries depending on the nature of the organizations. Nonetheless, the current study is focusing on Royal Brunei Airlines in the Asian context. Based on the above discussion, the current study has hypothesized that:

H₁: There is a positive relationship between assurance and corporate image.

H₂: There is a positive relationship between empathy and corporate image.

H₃: There is a positive relationship between reliability and corporate image

H₄: There is a positive relationship between responsiveness and corporate image.

H₅: There is a positive relationship between tangible and corporate image.

3. METHODOLOGY

3.1. Research Design

Aliaga and Gunderson (2002) defined quantitative research as an explanation of a phenomenon done by collecting numerical data that are analyzed using mathematical techniques. According to Babbie (2015), survey design is a suitable method to apply in this study as it allows the researchers effectively to measure the attitudes and opinions of respondents in a large population. The survey method was selected because it was more cost-effective and time-efficient to gather large responses from the identified population (de Leeuw, 2008).

3.2. Population and Sampling Procedures

For this study, the purposive sampling method was implemented. Purposive sampling concentrated on a certain characteristic of a population that the researchers are interested in (Ping, 2012). Specific criteria have been accomplished, wherein the targeted respondents have to be a customer of Royal Brunei Airlines that have taken a flight at least once in the past 12 months. These criteria were aligned with the study by Wong and Musa (2011). By having these experiences, the customers would have a better understanding of the quality of the services portrays by the airline company. Regarding the sample size, Beavers et al. (2013) stated that a sample of about 150 to 300 respondents as total sample size is considered suitable. In addition, Sekaran and Bougie (2016), stated that a sample size ranging from 30 to 500 is sufficient and acceptable for social science studies. In addition, to know the sample size for the current study, researchers used the A-priori sample size technique (Memon et al., 2020) via the power analysis as it is a prominent analysis in most business and social sciences research as suggested by Hair et al. (2017), and the sample size via the G*Power 3.1.9.2 software indicated that the minimum sample size for the current study is 138 (effect size: 0.15; power: 80; number of predictors: 5). Based on the scholars' views stated above, a total of 178 samples was deemed appropriate for statistical analysis.

3.3. Measurement

The questionnaire comprised of close-ended questions and was divided into three (3) sections. Section A covers the demographic profile of the respondents such as gender, age, race, education level, and frequency of travel with Royal Brunei Airlines. Section B comprised the five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy which were adapted and modified from (Parasuraman et al., 1988; Sriyam, 2010). Section C covers the items of corporate image (Fombrum, 1996; van Bruggen, 2014).

The items were measured using a Likert-type scale, ranging from (1) Strongly Disagree (2) Disagree; (3) Slightly Agree; (4) Agree, and (5) Strongly Agree to measure the variables. Both the service quality (exogenous variables) and corporate image (endogenous variable) were measured using interval data. Meanwhile, the demographic variables which are gender, age, race, and educational level were measured by using nominal and ordinal data.

3.4. Statistical analysis and significance

The main purpose of the study is to examine the relationship between service quality and corporate image from the customers' viewpoints. Hence, structural equation modeling (SEM) is deemed a suitable statistical tool for this study as PLS-SEM can handle complex models where there are many numbers of latent variables and constructs (Henseler et al., 2009). This research has six variables with 32 indicators which can be considered a complex model. In addition, PLS-SEM can also handle the small and non-normal distribution data (Awang et al., 2015; Hair et al., 2019). Most significantly, the current study implied to test the theoretical framework based on the perspective of prediction which justifies the use of PLS-SEM (Hair et al., 2019). This has further supported the notion of Rigdon (2016), that the prediction analysis is timely in research as it provides new observations within and outside of the sample.

4. RESULTS AND DISCUSSION

Based on Table 1, more than half of the respondents were females (66.3%) and the rest are male respondents (33.7%). In terms of age group, almost half of the respondents fall under the age group of 20 to 25 years old (51.5%). In terms of education level, the data showed that more than half of the respondents are Bachelor's degree holders (57.3 %). In addition, around 32% of the respondents had traveled twice using Royal Brunei Airlines in the past 12 months.

Table 1: Demographic Profile of Respondents (n=178)

Variable(s)	<i>f</i>	%
Gender		
Male	60	33.7
Female	118	66.3
Age		
<20	36	20.2
20-25	91	51.5
26-30	9	5.1
31-35	5	2.8

36-40	3	1.7
>40	34	19.1
Race		
Malay	151	84.8
Chinese	15	8.4
Indian	5	2.8
Others	7	3.9
Education Level		
Diploma/ Foundation	62	34.8
Bachelor Degree	102	57.3
Master Degree	12	6.7
Ph.D	2	1.1
How often did you use Royal Brunei Airlines in the past 12 months?		
1 time	45	25.3
2 times	57	32.0
3 times	23	12.9
4 times and above	53	29.8

Before testing the model, this study examined the common method variance (CMV) which is the method bias or same source bias that may arise using self-report measures from a similar sample in the survey method (Podsakoff et al., 2003). In this study, the correlation matrix procedure was used as one of the methods to detect CMV (Bagozzi et al., 1991; Tehseen et al., 2017). CMV occurs when there is a substantially high correlation is found among latent variables ($r > 0.9$). The outcome of the correlation test indicated that none of the latent variables correlated more than 0.90 (See Table 2), and the application of detecting CMV using a correlations matrix has been done in the study by (Chan et al., 2020). In addition, researchers also performed Harman's single-factor test by applying the principal component analysis without rotation (Podsakoff et al., 2003) to test the CMV, where the first extracted factor explained the total variance (39.446%) which is less than 50%. Hence, the result assured that CMV was not an issue in this study.

Table 2: Correlation Matrix Among the Variables

Variable(s)	AS	E	Rel	Res	T	CI
Assurance	1					
Empathy	.726**	1				
Reliability	.686**	.690**	1			
Responsiveness	.710**	.692**	.648**	1		
Tangible	.602**	.610**	.540**	.537**	1	
Corporate image	.682**	.555**	.554**	.597**	.610**	1

Note: ** Correlation is significant at the 0.01 level (1-tailed).

4.1. Measurement Model

Two types of validity, convergent validity, and discriminant validity were assessed in the measurement model. The convergent validity of the measurement model was ascertained by examining factor loadings, average variance extracted (AVE), and composite reliability (CR) (Hair et al., 2017).

As shown in Table 3, the accepted values for factor loadings were all greater than 0.6 which was suggested by Bryne (2016). Items Rel4 and T1 were deleted as the loadings were less than 0.60. In addition, the AVE and CR obtained were all higher than 0.5 and 0.7 respectively (Bagozzi & Yi, 1988; Hair et al., 2017). Hence, convergent validity was ascertained.

Heterotrait-monotrait (HTMT) was used to assess the discriminant validity (Henseler et al., 2015). Discriminant validity is established if all the HTMT values obtained are less than the required threshold of HTMT_{.90} (Gold et al., 2001). As shown in Table 4, all the HTMT values were less than HTMT_{.90} indicating that discriminant validity is ascertained. The collinearity issue was assessed using the variance inflation factor (VIF) with a threshold value of 3.3 as suggested by Diamantopoulos and Siguaw (2006). The VIF values as presented in Table 6 were all less than 3.3 indicating no collinearity problem.

Table 3: Convergent Validity

Construct	Items	Items deleted	Loadings	Cronbach's alpha	CR	AVE
Assurance (As)	As1		0.807	0.873	0.908	0.665
	As2		0.832			
	As3		0.732			
	As4		0.856			
	As5		0.844			
Empathy (E)	E1		0.784	0.848	0.892	0.626
	E2		0.821			
	E3		0.838			
	E4		0.840			
	E5		0.658			
Reliability (Rel)	Rel1	Rel4	0.771	0.708	0.820	0.533
	Rel2		0.689			
	Rel3		0.760			
	Rel5		0.698			
Responsiveness (Res)	Res1		0.793	0.749	0.842	0.572
	Res2		0.738			
	Res3		0.778			
	Res4		0.712			
Tangible (T)	T2	T1	0.638	0.713	0.823	0.540
	T3		0.731			
	T4		0.764			
	T5		0.795			

Corporate Image (CI)	CI1	0.640	0.895	0.915	0.545
	CI2	0.658			
	CI3	0.743			
	CI4	0.756			
	CI5	0.814			
	CI6	0.770			
	CI7	0.780			
	CI8	0.733			
	CI9	0.734			

Notes: CR= Composite reliability; AVE = Average Variance Extracted.

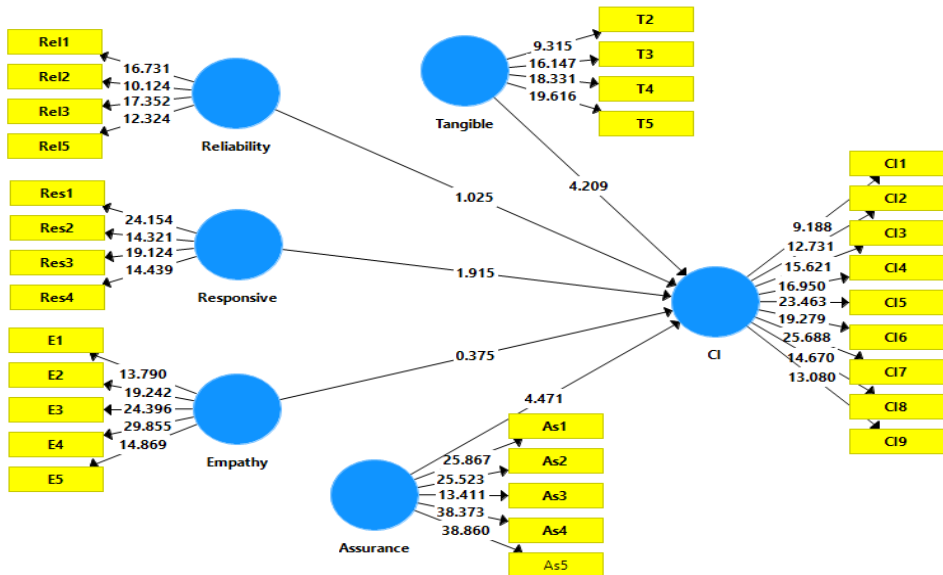
Table 4: Discriminant Validity Using HTMT Ratio

	Assurance	Corporate Image	Empathy	Reliability	Responsiveness	Tangible
Assurance						
Corporate Image	0.782					
Empathy	0.831	0.645				
Reliability	0.798	0.674	0.804			
Responsiveness	0.883	0.730	0.856	0.808		
Tangible	0.761	0.780	0.767	0.741	0.746	

4.2. Structural Model

The structural model was performed using bootstrapping procedure with a resample of 5,000 as suggested by Hair et al., (2017) for improving the accuracy level of the estimation. The structural model assesses all the relationships between the constructs, and their corresponding beta and t-values. The results are shown in Table 5.

Figure 1: Structural Model



The predictors of assurance ($\beta = 0.417$, $t = 4.471$, $f^2 = 0.146$), Responsiveness ($\beta = 0.136$, $t = 1.915$, $f^2 = 0.018$), and tangible ($\beta = 0.290$, $t = 4.209$, $f^2 = 0.113$) were found to have a significant positive relationship with corporate image. However, empathy ($\beta = -0.039$, $t = 0.375$, $f^2 = 0.001$) have a negative relationship with corporate image. The findings also revealed that empathy and reliability was not significant with corporate image. Hence, H₁, H₄, and H₅ is accepted, where H₂ and H₃ was rejected. The R^2 of 0.580 suggesting there is 58.0% of the variation in corporate image was explained by the service quality determinants as the exogenous variables.

Table 5: Direct Effects

	Relationship	Std. Beta	Std. Error	T-value	p-value	D	R ²	f ²	VIF
H ₁	As -> CI	0.417	0.093	4.471**	0.000	S	0.580	0.146	2.826
H ₂	E -> CI	-0.039	0.103	0.375	0.354	NS		0.001	2.634
H ₃	Rel -> CI	0.076	0.074	1.025	0.153	NS		0.007	1.926
H ₄	Res -> CI	0.136	0.071	1.915*	0.028	S		0.018	2.407
H ₅	T -> CI	0.290	0.069	4.209**	0.000	S		0.113	1.777

Notes: ** $p < 0.01$, * $p < 0.05$, 1-tailed test. D= Decision; S=Supported; NS = Not supported

Table 6: PLSpredict Assessment of Variables

Items	PLS-SEM		LM	PLS-SEM - LM
	RMSE	Q ² predict	RMSE	RMSE
CI6	0.640	0.294	0.681	-0.041
CI4	0.614	0.243	0.652	-0.038
CI9	0.598	0.222	0.634	-0.036
CI1	0.489	0.311	0.518	-0.029
CI2	0.856	0.186	0.916	-0.060
CI8	0.653	0.171	0.695	-0.042
CI5	0.580	0.297	0.628	-0.048
CI7	0.500	0.505	0.500	0.000
CI3	0.800	0.238	0.871	-0.071

PLSpredict was used to examine the predictive power of the model under study. Based on Table 6, the results of the PLS-SEM model are compared to the results of the naïve linear regression (LM) benchmark model. As all Q^2_{predict} values are more than zero, hence, it can proceed with the comparison of both models. The comparison of predictive power (PLS-SEM –LM) is carried out using the root mean squared error (RMSE), which has high symmetrically distributed prediction errors (Shmueli et al., 2019). When the RMSE statistical values of the PLS-SEM model are compared to the naïve LM benchmark model, the majority of the indicators show that the RMSE values of PLS-SEM are lesser than the RMSE values of the naïve LM benchmark. Therefore, it suggested that the model has medium predictive power for Corporate Image.

According to the result of the PLS-SEM analysis, it was found that only responsiveness, assurance, and tangible are the dimensions that contributed to corporate image. The current findings were contrasted with the findings of Ali and Raza (2017) as they found that empathy was the only dimension that had a low correlation with corporate image. In addition, the current results are also congruent with the numerous past studies (Pechinthorn & Thant Zin, 2020; Wong et al., 2020;

Song et al., 2019) where empathy was found not as the service quality attribute that influence the outcome variables.

In a different case, the empathy dimension which means to provide caring individualized attention to its customers was found to have a positive significant relationship with corporate image. Specifically, the empathy dimension includes tenderness, caring, and helpful airline staff who could sincerely display or give to their customers during their work (Lerrthaitrakul & Panjakajornsak, 2014). In all, by taking positive actions and understanding the customer experience through empathy, Royal Brunei Airlines can control the ways that customers experience them. In addition to increasing customer satisfaction and loyalty to the brand, airlines would benefit from a unique competitive advantage and a positive corporate image (Jurskyte, 2016). Indeed, this suggests that Royal Brunei Airlines' service quality has to focus more in terms of empathy and reliability in the future to be competitive and sustained while being financially stable and strong.

As the findings of the current study suggest that the responsiveness dimension is one of the predictor variables that contribute to the corporate image which aligned with the findings of Selamat and Tay (2020) and Virappan and Chan (2020). This situation can be explained through the demographic profile of the respondents wherein the majority of the respondents in this study fall under the age group of 20-25. Hence, it is clear that these young adults are extremely busy with their hectic lifestyles. Thus, to retain its corporate image, Royal Brunei Airlines should have the ability to deal effectively with complaints and promptness of its services.

Assurance is the level of confidence the customer has that the service will be performed adequately. Fundamentally, to infuse a positive corporate image, Royal Brunei Airlines should manage customers' expectations by not raising them with false or unrealistic promises. This is especially true in the present study as customers' expression of confidence in the low-cost carrier's safety standards is of utmost importance. Furthermore, customers' confidence to choose the same low-cost carrier usually depends on their satisfaction and trust (Deepa & Jayaraman, 2017; Hermawan et al., 2017; Maria et al., 2020).

In another situation, the reliability dimension refers to the ability to provide the pledged service on time, accurately, and dependably. As the customers are aware, the main reason why low-cost carriers are cheap is that they fundamentally do not offer high-cost features. In this context, at the time when consumers evaluate the reliability dimension of service quality, they always consider the price that will make them satisfied, where logically the cheaper they perceive the price, the lower should be their expectation of the ability to perform the promised service dependably and accurately by the Royal Brunei Airlines, which justified the non-significant of reliability dimension. As a whole, when the low-cost carriers can provide similar tangible aspects, managing the interaction processes becomes imperative from a service quality perception approach. In the present investigation, tangible, responsiveness, and assurance dimensions are likely to be treated by the Royal Brunei Airlines customers as more vital than empathy and reliability dimensions of service quality if the latter is at least of a sufficient standard.

5. CONCLUSION

In summary, the findings of the present research showed that all three (3) determinants of service quality have positive and significant relationships with corporate image. In addition, assurance was the strongest predictor of the corporate image of Royal Brunei Airlines.

This study has provided insights for airline companies to strive in an extremely competitive environment. Assurance, responsiveness, and tangible were found to have a significant influence on corporate image. Therefore, the Royal Brunei Airline management team needs to plan out their marketing strategies by focusing on the prominent three dimensions highlighted. In addition, the airline company should focus more on empathy as research findings show that empathy recorded a negative influence on corporate image.

Moreover, the management team should concentrate on improving their service quality such as working on delivering services at a quicker rate, hiring more knowledgeable employees, and provide better training for them, and most importantly maintaining the technicalities of the airplanes on regular checks to make passengers feel safe and secured to travel using Royal Brunei Airline. Investing in all these will certainly aid to build a better corporate image. In terms of theoretical implication, this finding has contributed some new insights into marketing literature and has proven the applicability of SERVQUAL in the Brunei aviation industry.

There are several limitations of the current study, particularly in the sampling techniques. Although the sample size of the study ($n=178$) has met the requirement to perform statistical analysis, however, the current results should not be generalized to the population due to the use of purposive sampling. Further study may consider other probability sampling techniques so that the findings can represent the population. Second, this study only focuses on an aviation company. Hence, it would be interesting for future studies to include more firms under the same sector or different industries to add varieties to increase its validity.

In addition, the sample was only limited to the customers who were having experience with Royal Brunei Airlines. Hence, future research can carry out similar studies by testing with foreign customers or various stakeholder groups such as employees and media to make a comparison between the stakeholder groups about their perception of the service quality of the company. Future studies may also include other variables such as perceived safety, trust, competitive advantage, and other demographic variables to test the moderating or mediating effects of the current framework to provide new perspectives to the body of knowledge in customer relationship management and marketing scholarship.

REFERENCES

- Adeniji, A. A., Osibanjo, A. O., Abiodun, Abolaji J., & Oni-Ojo, E. E. (2015). Corporate image: A strategy for enhancing customer loyalty and profitability. *Journal of South African Business Research*, 2015, 1-12.
- Agyapong, G. K. Q. (2011). The effect of service quality on customer satisfaction in the utility industry: A case of Vodafone (Ghana). *International Journal of Business Management*, 6(5), 203-210.

- Akpoyomare, O. B., Adeosun, L. P. K., & Ganiyu, R. A. (2016). Airline service quality dimensions and customer loyalty: Empirical evidence from air passengers' in Lagos State. *Czech Journal of Tourism*, 5(2), 155-171.
- Alam, M. M. D., & Mohd Noor, N. A. (2020). The relationship between service quality, corporate image, and customer loyalty of Generation Y: An application of S-O-R paradigm in the context of superstores in Bangladesh. *SAGE Open*, 10(2), 1-19.
- Ali, M., & Raza, S. A. (2017). Service quality perception and customer satisfaction in Islamic banks of Pakistan: The modified SERVQUAL model. *Total Quality Management and Business Excellence*, 28(5/6), 559-577.
- Aliaga, M., & Gunderson, B. (2002). *Interactive statistics*. Sage Publication.
- Archana, R., & Subha, M. V. (2012). A study on service quality and passenger satisfaction on Indian Airlines. *International Journal of Multidisciplinary Research*, 2(2), 50-63.
- Ashraf, S., Ilyas, R., Imtiaz, M., & Ahmad, S. (2018). Impact of service quality, corporate image and perceived value on brand loyalty with presence and absence of customer satisfaction: A study of four service sectors of Pakistan. *International Journal of Academic Research in Business and Social Sciences*, 8(2), 452-474.
- Asubonteng, P., McCleary, K. J., & Swan, J. E. (1996). SERVQUAL revisited: A critical review of service quality. *The Journal of Services Marketing*, 10(6), 62-81.
- Atalık, Ö., Bakır, M., & Akan, Ş. (2019). The role of in-flight service quality on value for money in business class: A logit model on the airline industry. *Administrative Sciences*, 26, 1-15.
- Awang, Z., Afthanorhan, A., & Asri, M. A. M. (2015). Parametric and non-parametric approach in structural equation modeling (SEM): The application of bootstrapping. *Modern Applied Science*, 9(9), 58-67.
- Babbie, E. R. (2015). *The practice of social research* (14th ed.). Cengage Learning.
- Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structure equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94.
- Bagozzi, R. P., Yi, Y., & Phillips, L. W. (1991). Assessing construct validity in organizational research. *Administrative Science Quarterly*, 36(3), 421-458.
- Beavers, G. A., Iwata, B. A., & Lerman, D. C. (2013). Thirty years of research on the functional analysis of problem behaviour. *Journal of Applied Behaviour Analysis*, 46(1), 1-21.
- Byrne, B. M. (2016). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. Routledge.
- Camilleri, M. A. (2018). *Travel marketing, tourism economics and the airline product: An introduction to theory and practice*. Springer Cham.
- CEIC (n. d). *Brunei GDP: Service: Air transport* [Data file]. <https://www.ceicdata.com/en/brunei/na08-gdp-by-production-current-price/gdp-services-air-transport>
- Chan, T. J., & Goh, M. L. (2019). Determinants of service quality and customer satisfaction of retail clothing company. *Journal of Business and Social Review in Emerging Economies*, 5(2), 295-304.
- Chan, T. J., Tay, S. L., Huam, H. T., & Adzharuddin, N. A. (2020). Identifying the mediating role of corporate reputation in the relationship between selected RepTrak™ facets and customer loyalty of Malaysia Airlines Berhad. *SEARCH Journal of Media and Communication Research*, 12(3), 19-35.
- Cholisati, N., Maesaroh, E. S., Rohman, F., & Puspaningrum, A. (2019). The role of customer satisfaction on the effect of service quality and corporate image on customer loyalty. *Management and Economics Journal*, 3(3), 255-264.

- Dam, S. M., & Dam, T. C. (2021). Relationships between service quality, brand image, customer satisfaction, and customer loyalty. *Journal of Asian Finance, Economics and Business*, 8(3), 0585–0593.
- de Leeuw, E. D. (2008). Choosing the method of data collection. In E. D. de Leeuw, J. J. Hox, & D. A. Dillman (Eds.), *International handbook of survey methodology* (pp. 113-135). Lawrence Erlbaum Associates.
- Deepa, M. V., & Jayaraman, K. (2017). Scale measurements for airline service quality to secure passenger confidence in air travel. *Quality Management Journal*, 24(3), 31-50.
- Delbari, S. A. (2016). *Key competitiveness indicators and drivers of full-service airlines operating in Malaysia* (Unpublished doctoral dissertation). Universiti Putra Malaysia.
- Dewi, I. G. A. C., & Suprpti, N. W. S. (2019). Influence of service quality and corporate image on satisfaction and word of mouth (study on Varnion customers in Bali-Indonesia). *International Journal of Economics, Commerce and Management*, 7(7), 307-330.
- Diamantopoulos, A., & Siguaw, J. A. (2006). Formative vs reflective indicators in measure development: Does the choice of indicators matter? *British Journal of Management*, 13(4), 263-282.
- Fardnia, P., Kaspereit, T., Walker, T., & Xu, S. (2021). Financial performance and safety in the aviation industry. *International Journal of Managerial Finance*, 17(1), 138-165.
- Fauzi, A. A. (2018). Electronic service quality on mobile application of online transportation services. *Jurnal Manajemen Indonesia*, 18(1), 13-27.
- Felix, R. (2017). Service quality and customer satisfaction in selected banks in Rwanda. *Journal of Business and Financial Affairs*, 6(1), 246-257.
- Florido-Benítez, L. (2021). The effects of COVID-19 on Andalusian tourism and aviation sector. *Tourism Review*, 76(4), 829-857.
- Fombrun, C. J. (1996) *Reputation: Realizing value from the corporate image*. Harvard Business School Press.
- Gold, A. H., Malhotra, A., & Segars, A. H. (2001). Knowledge management: An organizational capabilities perspective. *Journal of Management*, 18(1), 185-214.
- Gupta, H. (2018). Evaluating service quality of airline industry using hybrid best worst method and VIKOR. *Journal of Air Transport Management*, 68, 35-47.
- Hair, J. F., Hult, G., Tomas, M., Ringle, C. M., & Sarstedt, M. (2017). *A primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*: SAGE Publications Incorporated.
- Hair, J., Risher, J., Sarstedt, M., & Ringle, C. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24.
- Hapsari, R., Clemes, M., & Dean, D. (2016). The mediating role of perceived value on the relationship between service quality and customer satisfaction: Evidence from the Indonesian Airline passengers. *Procedia Economics and Finance*, 35, 388-395.
- Hasim, M. A., Shamsudin, M. F., & Ishak, M. F. (2018). Customer satisfaction and purchasing intention in airline service quality: A case study of Malaysia Airlines. *International Journal of Engineering and Technology*, 7(4.29), 150-153.
- Hassan, S., Shamsudin, M. F., & Mustapha, I. (2019). The effect of service quality and corporate image on student satisfaction and loyalty in TVET higher learning institutes (HLIs). *Journal of Technical Education and Training*, 11(4), 77-85.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115-135.

- Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least squares path modeling in international marketing. *Advances in International Marketing*, 20, 277-319.
- Hermawan, B., Basalamah, S., Djamereng, A., & Plyriadi, A. (2017). Effect of service quality and price perception on corporate image, customer satisfaction and customer loyalty among mobile telecommunication services provider. *IRA-International Journal of Management and Social Sciences*, 8(1), 62-73.
- Imad, A. R., Elbuzidi, K. J. S., & Chan, T. J. (2021). Crisis management and communication approach: A case of Boeing 737 MAX. *Journal of Arts and Social Sciences*, 4(2), 7-14.
- International Air Transport Association. (2019). *Economic Performance of the Airline Industry*. <https://www.iata.org/en/iata-repository/publications/economic-reports/airline-industry-economic-performance---june-2019---report/>
- Jahmani, A. (2017). The effect of Royal Jordanian airline service quality on passengers' satisfaction. *International Journal of Business and Society*, 18(S3), 519-530.
- Jurskyte, B. (2016). *Airline industry: Would you like a side of empathy with that?* <https://customerengagementmanagementintourism.wordpress.com/2016/09/26/airline-industry-would-you-like-a-side-of-empathy-with-that/>
- Kandampully, J., Zhang, T., & Bilgihan, A. (2015). Customer loyalty: A review and future directions with a special focus on the hospitality industry. *International Journal of Contemporary Hospitality Management*, 27(3), 379-414.
- Khoo, K. L. (2020). A study of service quality, corporate image, customer satisfaction, revisit intention and word-of-mouth: evidence from the KTV industry. *PSU Research Review*. Advance online publication.
- Krisnanto, U., & Novianti, R. (2019). Examining the relationships between service quality, corporate image, customer satisfaction, and customer loyalty for an Indonesian bank. *Expert Journal of Business and Management*, 7(1), 31-35.
- Lerrthairakul, W., & Panjakajornsak V. (2014). The impact of electronic word-of-mouth factors on consumers' buying decision-making processes in the low cost carriers: A conceptual framework. *International Journal of Trade, Economics and Finance*, 5(2), 142-146.
- Li, S. (2020). The impact of service quality, self-service technology, and the corporate image on customer satisfaction and customer revisit intention among luxury hotels in Kuala Lumpur, Malaysia. *International Journal of Services, Economics and Management*, 11(1), 48-70.
- Lunarindiah, G. (2016). The influence of corporate image, service quality, perceived value toward student satisfaction and student loyalty. *Jurnal Manajemen dan Pemasaran Jasa*, 9(2), 239-252.
- Maria, S., Permadi Hakim, Y., & Caisar Darma, D. (2020). Perceptions of service quality and corporate image against satisfaction and customer loyalty. *KnE Social Sciences*, 4(3), 9-25.
- Martey, E. M., Amoasi, R., & Aboagye, P. (2018). Exploratory study of service quality, corporate image, and customer loyalty in restaurants in Ghana. *International Journal of Scientific Research and Management*, 6(12), 904-911.
- Maulina, A., & Porrnomo, B. (2016). The effect of quality service and corporate image on students' loyalty: A case study of a business college in Jakarta. *International Journal of Humanities and Social Science*, 6(7), 218-224.
- Mauri, A. G., Minazzi, R., Muccio, S. (2013). A review of literature on the gaps model on service quality: A 3-decades period: 1985-2013. *International Business Research*, 6(12), 134-144.

- Memon, M. A., Ting, H., Cheah, J. H., Thurasamy, R., Chua, F., & Cham, T. H. (2020). Sample size for survey research: Review and recommendations. *Journal of Applied Structural Equation Modeling*, 4(2), i-xx.
- Misdan, N., Yahaya, S. N., Abdullah, M. M., & Bakar, M. H. (2020). Determinant service quality online banking towards young users in Melaka. *Journal of Technology Management and Technopreneurship*, 8(1), 109–116.
- Mohamed, M., & Zainol, Z. (2017). The effects of airline hospitality on the attitude of full service airline passengers: A preliminary study. *Journal of Tourism, Hospitality and Environment Management*, 2(4), 1-11.
- Mohd Ayob, N., & Masron, T. (2014). Issues of safety and security: New challenging to Malaysia tourism industry. *SHS Web of Conferences*, 12, 01083.
- Mohd Suki, N. (2014). Passenger satisfaction with airline service quality in Malaysia: A structural equation modeling approach. *Research in Transportation Business and Management*, 10, 26–32.
- Munusamy, J., Chelliah, S., & Pandian, S. (2011). Customer satisfaction delivery in airline industry in Malaysia: A case of low-cost carrier. *Australian Journal of Basic and Applied Sciences*, 5(11), 718-723.
- Neupane, R., & Devkota, M. (2017). Evaluation of the impacts of service quality dimensions on patient/customer satisfaction: A study of private hospitals in Nepal. *International Journal of Social Science and Management*, 4(3), 165-176.
- Pakurár, M., Haddad, H., Nagy, J., Popp, J., & Oláh, J. (2019). The service quality dimensions that affect customer satisfaction in the Jordanian banking sector. *Sustainability*, 11(4), 1113.
- Parasuraman, A., Zeithaml, V., & Berry, L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- Pechinthorn, K., & Thant Zin, K. S. (2020). The influences of service quality dimensions, corporate image and customer satisfaction on customer loyalty towards a commercial bank in Myanmar. *University of the Thai Chamber of Commerce Journal Humanities and Social Sciences*, 40(3), 155-170.
- Ping, C. Y. (2012). *Mastering research methods*. McGraw Hill Companies.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879–903.
- Regina, V., & Ugne, D. (2011). Corporate Social Responsibility in forming corporate image. *Inzinerine Ekonomika-Engineering Economics*, 22(5), 534-543.
- Rigdon, E. E. (2016). Choosing PLS path modeling as analytical method in European management research: A realist perspective. *European Management Journal*, 34(6), 598-605.
- Sari, N. (2018). Service quality, company image, trust and its influence on customers' satisfaction and loyalty at Bank Syariah Mandiri (BSM) Meulaboh branch office. *Jurnal Ilmiah Peuradeum*, 6(2), 235-252.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach* (7th ed.). John Willey and Sons Inc.
- Selamat, A. S., & Tay, Y. Y. (2020). The impact of online retail service quality on customer satisfaction. *The Journal of Technology Management and Technopreneurship*, 8(1), 32–51.
- Setiari, JMh, A. A. I., Agung A. A. P., Sujana I. W., & Landra N. (2020). Service quality, customer satisfaction, and company image towards customer loyalty at Pt. Gajah Gotra Bali. *International Journal of Contemporary Research and Review*, 11(9), 21884-21898.

- Shmueli, G., Sarstedt, M., Hair, J. F., Cheah, J. W., Ting, H., Vaithilingam, S., & Ringle, C. M. (2019). Predictive model assessment in PLS-SEM: Guidelines for using PLSpredict. *European Journal of Marketing*, 53(11), 2322-2347.
- Song, H. J., Ruan W., & Park, Y. (2019). Effects of service quality, corporate image, and customer trust on the corporate image of airlines. *Sustainability*, 11(12), 3302.
- Spasojevic, B., Lohmann, G., & Scott, N. (2017). Air transport and tourism – A systematic literature review (2000–2014). *Current Issues in Tourism*, 21(9), 975-997.
- Spicer, R. (2018). Driven by competition, the airline industry is taking off. <https://www.aviationpros.com/airlines/article/12419680/driven-by-competition-the-airline-industry-is-taking-off>
- Sriyam, A. (2010). *Customer satisfaction towards service quality of front office staff at the hotel* (Unpublished Master's Project). Srinakharinwirot University.
- Sukirno., M. A., & Poernomo, B. (2020). The influence of service quality and corporate image on student loyalty: Acase study in a school of business and management in Jakarta. *International Journal of Social Sciences Perspectives*, 4(1), 12-21.
- Sylva, W., & Amah, C. F. (2021). Challenges of airlines operations in Sub-Saharan Africa: An empirical investigation of the Nigerian civil aviation sector. *International Journal of Business and Management Invention*, 10(1), 13-30.
- Tehseen, S., Ramayah, T., & Sajilan, S. (2017). Testing and controlling for common method variance: A review of available methods. *Journal of Management Sciences*, 4(2), 146-175.
- The Straits Time (2019, January 4). Power bank explodes on Royal Brunei Airlines flight, passengers unharmed. *The Straits Times*. <https://www.straitstimes.com/asia/se-asia/power-bank-explodes-on-royal-brunei-airlines-flight-passengers-unharmed>
- Tran, M. A., Nguyen, B. Melewar, T. C., & Bodoh, J. (2015). Exploring the corporate image formation process. *Qualitative Market Research: An International Journal*, 18(1), 86-114.
- van Bruggen, M. (2014). *The corporate identity and corporate image of KLM: A gap analysis*. (Unpublished master's thesis). Erasmus University Rotterdam.
- Vikaliana, R., & Evitha, Y. (2019). Enhancing service quality to increase customer satisfaction: A phenomenological method of low-cost carrier airlines companies in Indonesia. *International Journal of Recent Technology and Engineering*, 8(2S9), 965-973.
- Virappan, T. M., & Chan, T. J. (2020). Predictors of corporate reputation through service quality: A study of Air Asia customers' perspectives. *Journal of Business and Social Review in Emerging Economies*, 6(2), 789-798.
- Wong, K. M., & Musa, G. (2011). Branding satisfaction in the airline industry: A comparative study of Malaysia Airlines and Royal Brunei Airline. *African Journal of Business Management*, 5(8), 3410-3423.
- Wong, P. Y. Rashid, N., & Abu Bakar, N. R. H. (2020). Analyzing customer satisfaction in service quality at the Malaysian green hotel. *The Journal of Technology Management and Technopreneurship*, 8(1), 96–108.
- Worcester, R. (2009). Reflections on corporate reputations. *Management Decision*, 47(4), 573-589.
- Worlu, O., & Ahmad, R. (2019). Does rebranding as name change rebuild or destroy brand equity (customer loyalty and brand reputation) after brand crisis?: The case of Malaysian Airline System (MAS). *Journal of Technology Management and Business*, 6(2), 11-22.