**RESEARCH ARTICLE**

# An Analysis of the Effectiveness of Loyalty Program of Saudi Airlines

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## Abstract

The main aim of the study was to find out the effectiveness of loyalty program of Saudi Airlines. The study is based on primary data collected from 400 respondents living in Saudi Arabia. It is quantitative and descriptive study. The data was collected through structured close ended questionnaire. The intensity of the response on effectiveness was measured on five point Likert Scale. The questionnaire was developed in English and translated into Arabic language for high response rate as the respondents were mainly Arabic speakers. The findings showed that the Alfursan loyalty program was not very popular among the passengers of Saudi Airlines. More than half (57.8%) of the passengers do not have the membership. Those who are members were not happy with the services offered by the program. In comparison to non-members the Alfursan members were less satisfied for various services related to Saudi Airlines, such as airport services, onboard services, onboard employees' services, and online services. The management of Saudi Airlines need to make the loyalty program popular among the passengers through awareness campaigns and marketing programs. The procedure of getting membership should be made easy and promised services on membership should be fulfilled..

**Keywords:** *Saudi Airlines, Customer loyalty, Saudi Arabia.*

## Introduction

One of the biggest challenge for any business organization today is to retain the customers and maintaining the customer's loyalty. Attracting a customer involves lots of costs and efforts and ones he comes and gets loyal to the organization it benefits the organization in many ways such as repeat purchase, positive word of mouth, recommending a friend etc., on the other hand if leaves for any reason its' a big loss for the organization. Companies cannot afford to lose a customer in such a competitive environment. Saudi Airlines in Saudi Arabia till recently have been operating as government organization in monopoly environment. With the liberalization of the market for foreign airlines and for domestic investors, there will be competition and the passengers will get more and more options to travel. Like most of the big organization Saudi Airlines has a passenger's loyalty program named Alfursan with the main objective of retaining them and motivating them to travel by Saudi airlines again and again. Researches show that there is relationship between customer satisfaction, customer loyalty and customer retention. Customer satisfaction is direct determining factor in customer loyalty, which in turn, is a central determinant of customer retention. Each of the three constructs mentioned is affected by other factors. Thus, this study considers the above definition and relationship to analyze and measure the effectiveness of alfursan loyalty program.

## Review of Literature

Shaw in [1] said that customer loyalty is one of the most frequently used phrase in business today. The term customer loyalty has been defined by various authors, Inamullah [2] said it is the willingness of a consumer to purchase the same product and keep the same profitable relationship with a particular company. Kim and Yoon [3] defined customer loyalty as the willingness of customer to maintain their relations with a particular firm or service/product. Yet another author Mcllroy and Barnett, [4] said in reality loyalty should be explained as a customer commitment to deal with a particular firm, buying its products and services and referring it to colleagues. Due

to its' importance customer loyalty is the key factor under consideration of each and every firm [5]. Customer loyalty remained focus in the research and had been important concern for management due to competition especially in service industry [6].

Lots of studies had been conducted on customer loyalty such as Rust and Zahorik [7], [5,8-10] .These are just few among the long list of researches and researchers who studied customer loyalty from its various aspects such factors influencing customer loyalty, importance of customer loyalty, types of customer loyalty etc., Previous researches classified customer loyalty in two categories; first one is the consumer behaviour and the second one is consumer attitude [11]. Rauyruen & Miller [8] described in their study that customer loyalty may be because of either rational or emotional factors.

One of the biggest challenge for business earlier, today and in future is the retention of the customers. According to Guo et al., [12], for retention it is important to satisfy consumers, as unsatisfied consumers switch the company [13]. To enhance customer loyalty firms initiate many programs such as customer satisfaction [14], complaint management [15] and loyalty [16]. A firm can develop long lasting profitable associations with customer by developing customer loyalty [17]. Customer loyalty is vital element for the continued existence and operating of firms business [18]. It is the key and important competitive advantage in current market situations [19]. Loyalty can be measured by the intention of repurchase, recommending the product/services to other and patience towards price [18]. For customer loyalty it is important to make significant features in the product which can contribute for loyalty in consumers [20].

Researches show that a relation exist between customer satisfaction, customer loyalty, and profitability. However, it is important to clarify the definition of each. Satisfaction refers to customers' overall evaluation of their purchase and consumption experience. Another definition defined the satisfaction in terms of customer

evaluation of a specific product transaction or service experience. Loyalty is defined as a customers' intention or predisposition to repurchase from the same firm again. A satisfied customer becomes loyal to the brand and a loyal customer is profitable in many ways. The researches pertaining to the relationship among customer satisfaction, customer loyalty, and profitability can be divided into two groups. The first service management literature, proposes that customer satisfaction influences customer loyalty, which in turn influences profitability. Proponents of this theory are Anderson and Fornell [15]; Gummesson [21]; Heskett et al., [22]; Heskett et al., [23]; Reicheld and Sasser [16]; Rust et al., [7]; Schneider and Bowen [24]; Storbacka et al., [25], and Zeithalm et al., [26]. Another study by Nykamp [27] show that the critical result of the customer behaviour and satisfaction is the customer loyalty. However, it is worth mentioning that though customer loyalty is important for the business it is not easy make consumers loyal to a company and its products. Consumer satisfaction depends upon the level of supply that meets the level of expectations or fall above/below the expectations [20]. Consumer satisfaction indicates possible future revenue [28]. According to Guo et al., [12] customer satisfaction is the necessary foundation for the company to retain existing customers. Some other researches supporting the construct said customer satisfaction refers to the psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience [29]. Also it is often considered as an important determinant of repurchase intention [30] and loyalty [31].

Thus the above review of literature indicates that customer loyalty had been focus of study among the researchers due to its importance for the business organizations. The study of customer loyalty became even more important due to the globalization, and invent of the information technology which influenced and remains influencing the behaviour of the customers and consumers.

The present environment especially the internet has increased the competition

among the companies and has opened the international market for the customers just a click away. In this study the researcher investigated the effectiveness of the customer loyalty program (Alfursan customer loyalty program) of Saudi Airlines.

## Hypothesis

Null Hypotheses: The loyalty program of Saudi Airlines was effective.

Alternate Hypotheses: The loyalty program of Saudi Airlines was not effective.

Null Hypotheses: There is no difference in satisfaction level of passengers on airport services of Saudi Airlines by Membership of AlFursan

Alternate Hypothesis: There is significant difference in satisfaction level of passengers on airport services of Saudi Airlines by membership of Alfursan

Null Hypothesis: There is no difference in satisfaction level of passengers on onboard services (inside the plane) of Saudi Airlines by membership of Alfursan

Alternate Hypothesis: There is significant difference in satisfaction level of passengers on onboard services (inside the plane) of Saudi Airlines by membership of Alfursan.

Null Hypothesis: There is no difference in satisfaction level of passengers on onboard employees' services of Saudi Airlines by membership of Alfursan

Alternate Hypothesis: There is significant difference in satisfaction level of passengers on onboard employees' services by membership of Alfursan

Null Hypothesis: There is no significant difference in satisfaction level of passengers on online services of Saudi Airlines by membership of Alfursan

Alternate Hypothesis: There is no significant difference in satisfaction level of passengers on online services of Saudi Airlines by membership of Alfursan

## Objective

The main objective of the study was to find out the effectiveness of the customer loyalty program (Alfursan) of Saudi Airlines.

## Methodology

The study is quantitative research and descriptive in nature. It is empirical study based on primary data collected from the passengers of Saudi Airlines. The questionnaire was close ended originally developed in English and translated into Arabic language to encourage participants response as the official language of the country is Arabic. The response was measured in five point Likert scale.

The questionnaire was divided into three sections first part focusing on the general information of the respondents, second part measuring the effectiveness of the Alfursan loyalty program on ten variables given in table 1. Besides effectiveness of the loyalty program a comparison of the satisfaction level of the passengers across Alfursan members and non-members on various services of the Saudi Airlines done. The services included; airport services, onboard services, onboard employees services, and online services.

Convenience sampling methodology was used to administer the questionnaires. The population of the study were the people of Saudi Arabia including Saudis and non-Saudis with focus in Jeddah. The respondents were the students at king Abdulaziz University pursuing bachelor degree in business through the part time program who came from all over the country for counselling classes and final exam. Frequencies, percentages, mean, and ANOVA analysis and t-test were used for results and Cronbach Alpha measured the reliability of data.

## Empirical Results

Cronbach Alpha value presented in Table 1, was .857, which represented high reliability of the collected data, thus the results of the study.

**Table 1: Reliability test**

| Loyalty Program AlFursan | .857 |
|---|---|
| Easy to get the membership of Al Fursan | |
| Al Fursan program does not response in time | |
| Satisfied with the services of the Al Fursan program | |
| Motivates in traveling by Saudi Airlines | |
| You get preference in seat selection | |
| Preference in ticket booking | |
| Preference in ticket cancellation | |
| Like the extra luggage facility | |
| Easiness in Redemption of points | |
| Al Fursan Program is very good | |

## Profile Analysis of Respondents

Table 2 presents the results of respondents profile across the following variables namely nationality, class of travel, destination of travel, years of experience of travelling, experience of Travelling by other airlines. The results show that the respondents were mainly Saudis 91.2%, and Non Saudi were only 8.8%. Large number of respondents was economy class travelers (57.3%), only 9.8% were regular travelers of business class and 33% travelled in business class as well as economy class. Regarding the destination of travelling 47.3% said they travelled locally in Saudi Arabia, and 11% travelled to international destinations. There were 41.7% respondents who travelled to local and international destinations by Saudi Airlines.

The experiences of travelling by Saudi Airlines were as follows, 1 to 5 years 41.2%, 6 to 10 years 26.3%, and more than 10 years 32.5%. In response to the experience of travelling by other airlines, 67.5% said that they travelled by other airlines. Table 3, show the results of membership of Alfursan loyalty program. Only 42.2% respondents said they were member of the loyalty program of Saudi Airlines.

**Table 2: Profile analysis of the respondents**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| **Nationality** | | | | |
| Saudi | 365 | 91.2 | 91.2 | 91.2 |
| Non Saudi | 35 | 8.8 | 8.8 | 100.0 |
| Total | 400 | 100.0 | 100.0 | |
| **Class of Travel** | | | | |
| Business Class | 39 | 9.8 | 9.8 | 9.8 |
| Economy | 229 | 57.2 | 57.2 | 67.0 |
| Both | 132 | 33.0 | 33.0 | 100.0 |
| Total | 400 | 100.0 | 100.0 | |
| **Destination of Travel** | | | | |
| Domestic | 189 | 47.3 | 47.3 | 47.3 |
| International | 44 | 11.0 | 11.0 | 58.3 |
| Both | 167 | 41.7 | 41.7 | 100.0 |
| Total | 400 | 100.0 | 100.0 | |
| **Years of Experience** | | | | |
| 1 to 5 years | 165 | 41.2 | 41.2 | 41.2 |
| 6 to 10 years | 105 | 26.3 | 26.3 | 67.5 |
| More than 10 years | 130 | 32.5 | 32.5 | 100.0 |
| Total | 400 | 100.0 | 100.0 | |
| **Travelled by Other Airlines** | | | | |
| Yes | 270 | 67.5 | 67.5 | 67.5 |
| No | 130 | 32.5 | 32.5 | 100.0 |
| Total | 400 | 100.0 | 100.0 | |
| **Member of Alfursan loyalty program** | | | | |
| Yes | 169 | 42.2 | 42.2 | 42.2 |
| No | 231 | 57.8 | 57.8 | 100.0 |
| Total | 400 | 100.0 | 100.0 | |

## Satisfaction of Alfursan Members

Table 3, table 4 and figure 1 present the effectiveness of Alfursan loyalty program of Saudi Airlines. There were nine variables to measure the effectiveness of the loyalty program. Getting Alfursan membership itself is not very easy, only 33.7% respondents agreed that it is '*easy to get Alfursan membership*', 12.5% somewhat agreed and majority (53.8%) disagreed that it is easy to get the membership of the AlFursan program. Response time seems to be another problem faced by the members. The current members in response to *'Alfursan do not response in time'* 38.5% agreed that they do not response in time and 21.9% also somewhat agree that they not response in time, together 60.4% agree that the response time of the Alfursan program is not good, however 39.6%, disagreed to this or they were satisfied with the time taken to respond. 41.45% respondents were satisfied with the services of the Alfursan and 19.6% were somewhat satisfied with its services, and 39% were dissatisfied with the services. One of the main objective of any loyalty program is to motivate the customers (passengers in this case) to buy again and again from the same company. Only 38.4% respondents agreed that Alfursan program motivates them in travelling by Saudi Airlines, 20.2% said it somewhat motivates and 41.4% disagreed that it motivates them in any way in travelling by Saudi Airlines.

For a large number of Alfursan members it makes no use. The members get preference in seat selection 31.4% agreed, 17.2% somewhat agreed, and 51.4% disagree that they get any preference. Even in booking

tickets Alfursan members do not see any preference (52%), whereas 28.4% said they get preference in booking tickets, and 19.6% said that somewhat they agree that they get preferences in booking tickets. Alfursan members around 36.7% said they get preference in cancellation of tickets whereas 45.5% said they do not get any preference in cancellation of tickets, 17.8% somewhat agreed that they get preference in ticket cancellation. Even the extra luggage allowed to the Alfursan members does not seem to be motivate them much more than half (50.8%) said they disagree that they like the extra luggage facility, only 29.6% liked it whereas 19.6% somewhat liked it. Redeeming the

points collected by travelling on Saudi Airlines is something the members always may be interested but the results show that only 31.3% of the members agree that it is easy to redeem the collected points in contrast 41.4% disagreed that it is easy to redeem the collected points, 27.3% somewhat agreed that it is easy to redeem the collected points to avail the promised benefits. The last variable enquired about how strongly they agree that *'Alfursan program is good'*. Majority 44.9% said they disagreed that Alfursan is a good program, only 32% agreed that it is a good program, and 23.1% said that they somewhat agreed that it is a good program. In figure 1, the grey line represents the disagreement of the respondents and it is very clearly above the agreed and somewhat agreed lines for almost all the points (variables). It would be worth mentioning here that the passengers who somewhat agree are vulnerable, they may move either in agreed category or may easily join the disagreed group.

**Table 3: Satisfaction level with the Alfursan Program**

| Variables | SA | A | SA | DA | SDA | Total |
|---|---|---|---|---|---|---|
| Easy to get  AlFursan Membership | 44 | 13 | 21 | 29 | 62 | 169 |
| AlFursan do not response in time | 42 | 23 | 37 | 23 | 44 | 169 |
| Satisfied with the services of the AlFursan | 36 | 34 | 33 | 19 | 47 | 169 |
| Motivates in travelling by Saudi Airlines | 42 | 23 | 34 | 25 | 45 | 169 |
| You get preference in seat selection | 36 | 17 | 29 | 36 | 51 | 169 |
| Preference in ticket booking | 33 | 15 | 33 | 29 | 59 | 169 |
| Preference in ticket cancellation | 37 | 25 | 30 | 22 | 55 | 169 |
| Like the extra luggage facility | 35 | 15 | 33 | 35 | 51 | 169 |
| Easiness in redemption of points | 34 | 19 | 46 | 30 | 40 | 169 |
| AlFursan program is very good | 30 | 24 | 39 | 27 | 49 | 169 |
| SA= Strongly Agree; A=Agree; SA=Somewhat Agree; DA=Disagree; SDA=Strongly Disagree | | | | | | |

**Table 4: Satisfaction level with the Alfursan Program**

| Variables | Agree | Somewhat Agree | Disagree | Total |
|---|---|---|---|---|
| Easy to get AlFursan Membership | 33.7 | 12.5 | 53.8 | 100 |
| AlFursan do not response in time | 38.5 | 21.9 | 39.6 | 100 |
| Satisfied with the services of the AlFursan | 41.4 | 19.6 | 39.0 | 100 |
| Motivates in travelling by Saudi Airlines | 38.4 | 20.2 | 41.4 | 100 |
| You get preference in seat selection | 31.4 | 17.2 | 51.4 | 100 |
| Preference in ticket booking | 28.4 | 19.6 | 52.0 | 100 |
| Preference in ticket cancellation | 36.7 | 17.8 | 45.5 | 100 |
| Like the extra luggage facility | 29.6 | 19.6 | 50.8 | 100 |
| Easiness in redemption of points | 31.3 | 27.3 | 41.4 | 100 |
| AlFursan program is very good | 32.0 | 23.1 | 44.9 | 100 |
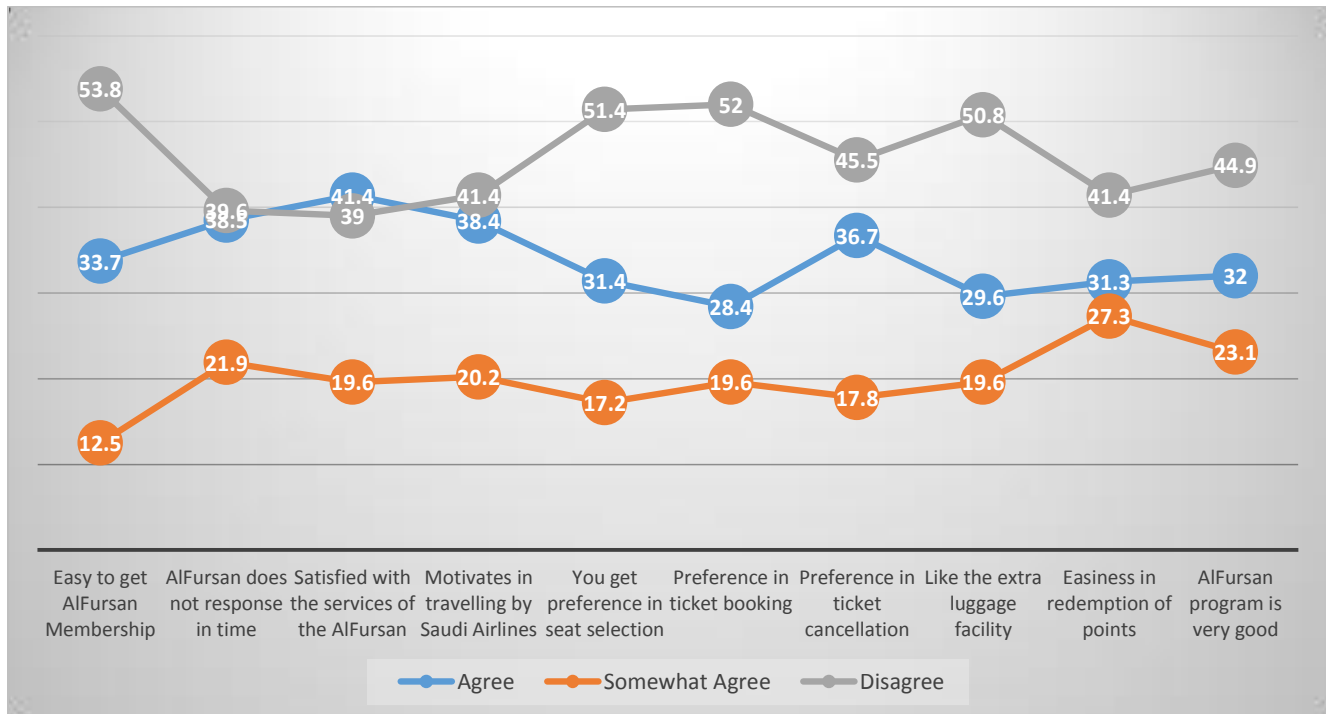


**Figure 1: Effectivess of Alfursan Loyalty Program**

## Analysis of Satisfaction on Various Aspects of Saudi Airlines Services across Alursan Members And Non Members

In the following sections from table 5 through table 8, the satisfaction of Alfursan members and non-members is presented across the following services namely; Airport services, onboard services (inside the plane), employees behaviour inside the air plane, and online services.

### Satisfaction on Airport services across Alfursan members and non-members

Table 5, presents a comparison of the satisfaction level between Alfursan members and non-members for the services at King Abdulaziz Airport, Jeddah. The results in table 5 and graphs in figure two indicated that in comparison to Alfursan members the non-members are more satisfied though marginally. For all the variables studying the airport services the mean value representing the satisfaction level of the passengers for non-members are more than Alfursan members. For all the variables Alfursan members mean value is less than 3 indicating their dissatisfaction from the airport services, on the other hand the non-members were satisfied with some of the services of the airport indicated by mean values more than 3 namely; cleanliness at the airport 3.30; baggage delivery 3.13; arrival services 3.11; friendliness of the ground staff 3.07; efficiency of ground staff 3.06. The comparative low level of satisfaction of the Alfursan members may be due to high expectations that they may have developed due to the membership.

**Table 5: ANOVA-Customer satisfaction on Airport services (King Abdulaziz International Airport, Jeddah)**

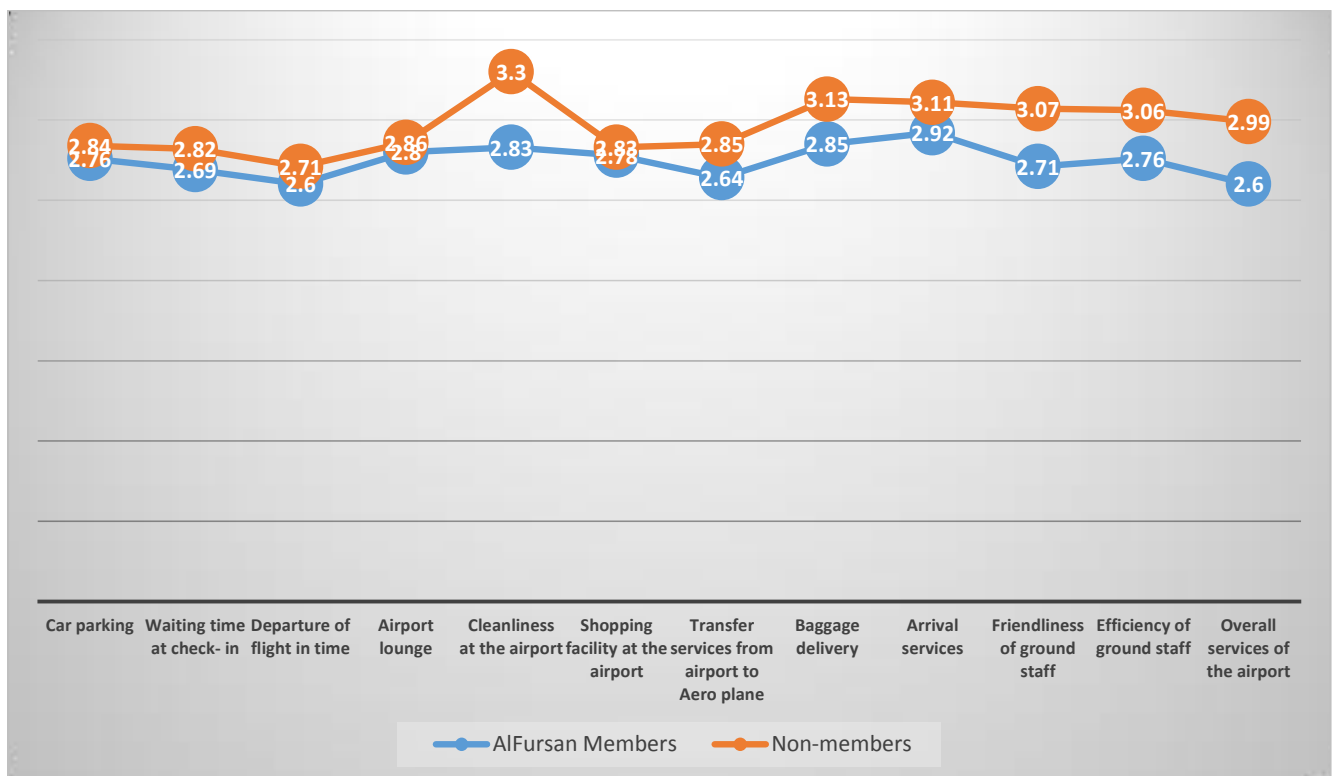| Services | Fursan Member | | | Non Fursan Member | | | F | df | Sig. |
|---|---|---|---|---|---|---|---|---|---|
| | N | Mean | Std. Dev | N | Mean | Std. Dev | | | |
| Car parking | 169 | 2.76 | 1.501 | 231 | 2.84 | 1.439 | .297 | 1 | .586 |
| Waiting time at check- in | 169 | 2.69 | 1.350 | 231 | 2.82 | 1.285 | 1.049 | 1 | .306 |
| Departure of flight in time | 169 | 2.60 | 1.292 | 231 | 2.71 | 1.278 | .670 | 1 | .413 |
| Airport lounge | 169 | 2.80 | 1.374 | 231 | 2.86 | 1.347 | .208 | 1 | .649 |
| Cleanliness at the airport | 169 | 2.83 | 1.366 | 231 | 3.30 | 1.287 | 12.294 | 1 | .001 |
| Shopping facility at the airport | 169 | 2.78 | 1.375 | 231 | 2.83 | 1.291 | .148 | 1 | .701 |
| Transfer services from airport to Aero plane | 169 | 2.64 | 1.482 | 231 | 2.85 | 1.369 | 2.219 | 1 | .137 |
| Baggage delivery | 169 | 2.85 | 1.406 | 231 | 3.13 | 1.330 | 4.362 | 1 | .037 |
| Arrival services | 169 | 2.92 | 1.334 | 231 | 3.11 | 1.259 | 2.138 | 1 | .144 |
| Friendliness of ground staff | 169 | 2.71 | 1.316 | 231 | 3.07 | 1.304 | 7.352 | 1 | .007 |
| Efficiency of ground staff | 169 | 2.76 | 1.333 | 231 | 3.06 | 1.255 | 5.045 | 1 | .025 |
| Overall services of the airport | 169 | 2.60 | 1.310 | 231 | 2.99 | 1.267 | 8.688 | 1 | .003 |



**Figure 2: Satisfaction level of Alfursan members and non-member**

## Satisfaction on Onboard Services across Alfursan Members and Non-members

Table 6 and figure 3, present a comparison of passengers' satisfaction for onboard services of Saudi Airlines between Alfursan members and non-members. The results showed that Alfursan members were comparatively less satisfied that the non-members. As for the satisfaction from

onboard services the Alfursan members were satisfied with six variables indicated by mean value of more than for the following; cooperation from the crew members 3.44; seat number 3.45; cleanliness of the cabin 3.28; safety instructions 3.56; emergency services 3.46; sky sales 3.18; cabin ambience 3.12. The non-members were satisfied for nine variables representing the onboard services namely; cooperation from the crew

members 3.65; seat number 3.50; seat comfort 3.02; cleanliness of the cabin 3.57; reading materials 3.04; Airline magazine 3.05; safety instructions 3.64; emergency services 3.52; sky sales 3.15; cabin ambience 3.28.

Besides the above, passengers in both the groups were not satisfied with the following;

inflight entertainment standards Alfursan members 2.47 and non-members 2.53; audio/movie programming Alfursan members 2.47 and non-members 2.78; meal choices Alfursan members 2.68 and non-members 2.77; food quantity Alfursan members 2.71 and non-members 2.71; food quality members 2.76 and non-members 2.85.

**Table 6: ANOVA-Customer satisfaction on onboard services (inside the plane) of Saudi Airlines**

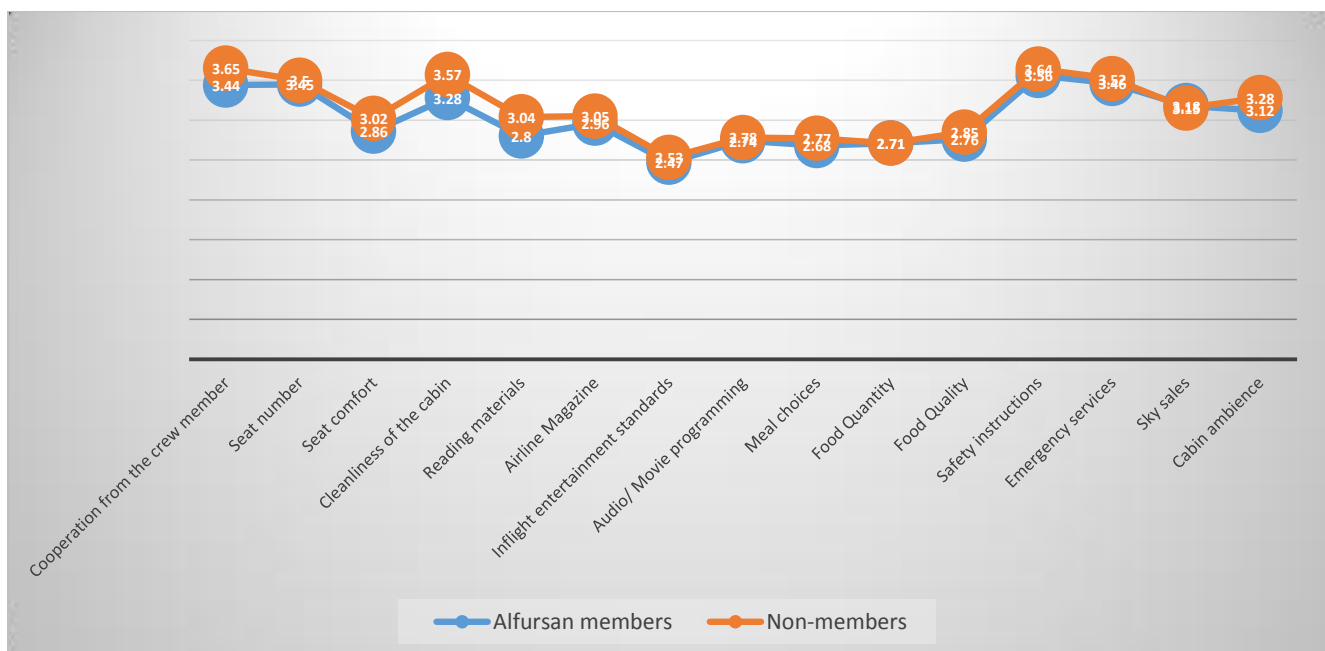| Services | AlFursan Member | | | Non Fursan Member | | | F | df | Sig. |
|---|---|---|---|---|---|---|---|---|---|
| | N | Mean | Std. Dev | N | Mean | Std. Dev | | | |
| Cooperation from the crew member | 169 | 3.44 | 1.243 | 231 | 3.65 | 1.061 | 3.033 | 1 | .082 |
| Seat number | 169 | 3.45 | 1.253 | 231 | 3.50 | 1.212 | .150 | 1 | .699 |
| Seat comfort | 169 | 2.86 | 1.239 | 231 | 3.02 | 1.239 | 1.582 | 1 | .209 |
| Cleanliness of the cabin | 169 | 3.28 | 1.259 | 231 | 3.57 | 1.181 | 5.467 | 1 | .020 |
| Reading materials | 169 | 2.80 | 1.365 | 231 | 3.04 | 1.290 | 3.219 | 1 | .074 |
| Airline Magazine | 169 | 2.96 | 1.336 | 231 | 3.05 | 1.238 | .411 | 1 | .522 |
| Inflight entertainment standards | 169 | 2.47 | 1.380 | 231 | 2.53 | 1.281 | .194 | 1 | .659 |
| Audio/ Movie programming | 169 | 2.74 | 1.373 | 231 | 2.78 | 1.311 | .105 | 1 | .746 |
| Meal choices | 169 | 2.68 | 1.320 | 231 | 2.77 | 1.267 | .431 | 1 | .512 |
| Food Quantity | 169 | 2.71 | 1.316 | 231 | 2.71 | 1.274 | .000 | 1 | .999 |
| Food Quality | 169 | 2.76 | 1.378 | 231 | 2.85 | 1.290 | .504 | 1 | .478 |
| Safety instructions | 169 | 3.56 | 1.362 | 231 | 3.64 | 1.197 | .334 | 1 | .564 |
| Emergency services | 169 | 3.46 | 1.345 | 231 | 3.52 | 1.212 | .235 | 1 | .628 |
| Sky sales | 169 | 3.18 | 1.246 | 231 | 3.15 | 1.233 | .043 | 1 | .836 |
| Cabin ambience | 169 | 3.12 | 1.226 | 231 | 3.28 | 1.199 | 1.645 | 1 | .200 |



**Figure 3: Satisfaction level of Alfursan members and nonmembers**

## Satisfaction on Onboard Employees Services across Alfursan Members and Non-Members

Table 7 and figure 4 present the results of comparison of satisfaction level on onboard employee's services between Alfursan members and non-members. The employee's services represented by eight variables. In contrast to the earlier services such as airport services and onboard services the passengers were satisfied from onboard employee's services indicated by mean value higher than 3 for all the variables in both the groups namely Alfursan members and non-members. However, it is again worth noting that the satisfaction level of Alfursan members was less in comparison to non-members. The results were not statistically significant except for availability of employees.

**Table 7: ANOVA-Customer satisfaction on onboard employees services (Crew members) of Saudi Airlines**

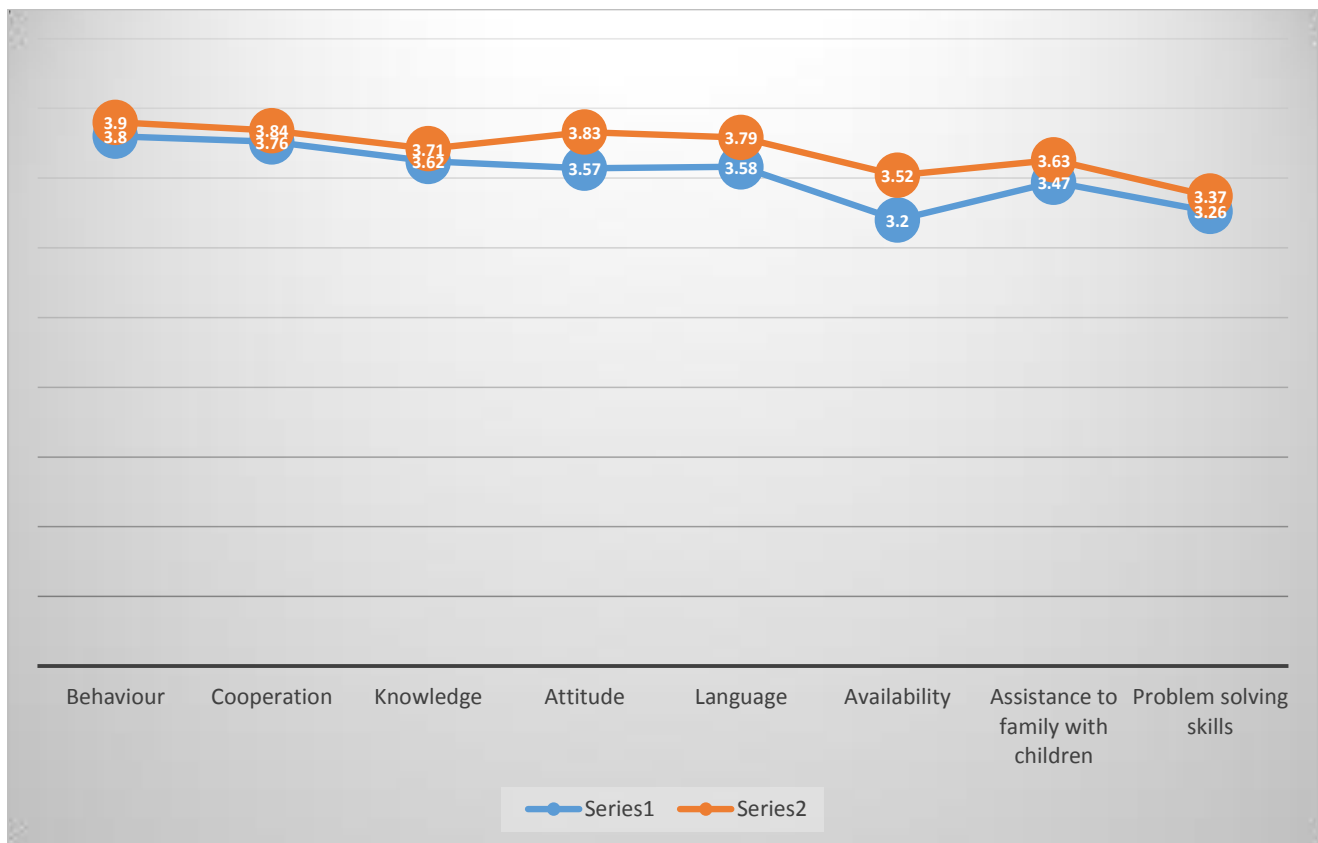| Services | Fursan Member | | | Non Fursan Member | | | F | df | Sig. |
|---|---|---|---|---|---|---|---|---|---|
| | N | Mean | Std. Dev | N | Mean | Std. Dev | | | |
| Behaviour | 169 | 3.80 | 1.197 | 231 | 3.90 | 1.137 | .603 | 1 | .438 |
| Cooperation | 169 | 3.76 | 1.141 | 231 | 3.84 | 1.122 | .398 | 1 | .528 |
| Knowledge | 169 | 3.62 | 1.190 | 231 | 3.71 | 1.140 | .626 | 1 | .429 |
| Attitude | 169 | 3.57 | 1.238 | 231 | 3.83 | 1.162 | 4.526 | 1 | .034 |
| Language | 169 | 3.58 | 1.266 | 231 | 3.79 | 1.158 | 2.909 | 1 | .089 |
| Availability | 169 | 3.20 | 1.207 | 231 | 3.52 | 1.205 | 6.874 | 1 | .009 |
| Assistance to family with children | 169 | 3.47 | 1.244 | 231 | 3.63 | 1.219 | 1.748 | 1 | .187 |
| Problem solving skills | 169 | 3.26 | 1.329 | 231 | 3.37 | 1.237 | .751 | 1 | .387 |



**Figure 4: Satisfaction level of Alfursan members and non-members**

## Satisfaction on Online Services across Alfursan Members and Non-members

Table 8 and figure 5 present the results of comparison of satisfaction level on online services of Saudi Airlines. The results showed that Alfursan members were satisfied from the online services for all the variables representing online services of the Saudi Airlines indicated by mean value more than 3 except for 'refund on cancellation of

tickets' indicated by mean value 2.63. The satisfaction level for the online services among the Alfursan members and non-members is mixed. For some of the variables Alfursan members were comparative more satisfied than non-members such getting ticket online, payment online, and selecting seats online. However the for refund on cancellation of tickets the Alfursan members were not satisfied mean 2.63, whereas the non-members were satisfied 3.26 and the different was statistically significant.

**Table 8: ANOVA - Customer satisfaction on online services of Saudi Airlines**

| Services | Fursan Member | | | Non Fursan Member | | | F | df | Sig. |
|---|---|---|---|---|---|---|---|---|---|
| | N | Mean | Std. Dev | N | Mean | Std. Dev | | | |
| Speed of online services | 169 | 3.24 | 1.377 | 231 | 3.29 | 1.275 | .187 | 1 | .666 |
| Getting ticket online | 169 | 3.63 | 1.308 | 231 | 3.46 | 1.200 | 1.813 | 1 | .179 |
| Payment online | 169 | 3.67 | 1.280 | 231 | 3.56 | 1.174 | .885 | 1 | .348 |
| Getting online boarding pass | 169 | 3.54 | 1.336 | 231 | 3.57 | 1.162 | .033 | 1 | .856 |
| Selecting seats online | 169 | 3.59 | 1.275 | 231 | 3.47 | 1.171 | .923 | 1 | .337 |
| Cancellation of tickets online | 169 | 3.11 | 1.359 | 231 | 3.43 | 1.245 | 6.044 | 1 | .014 |
| Refund on online cancellation of tickets | 169 | 2.63 | 1.349 | 231 | 3.26 | 1.252 | 23.337 | 1 | .000 |
| Overall standard of the website | 169 | 3.30 | 1.247 | 231 | 3.39 | 1.189 | .637 | 1 | .425 |
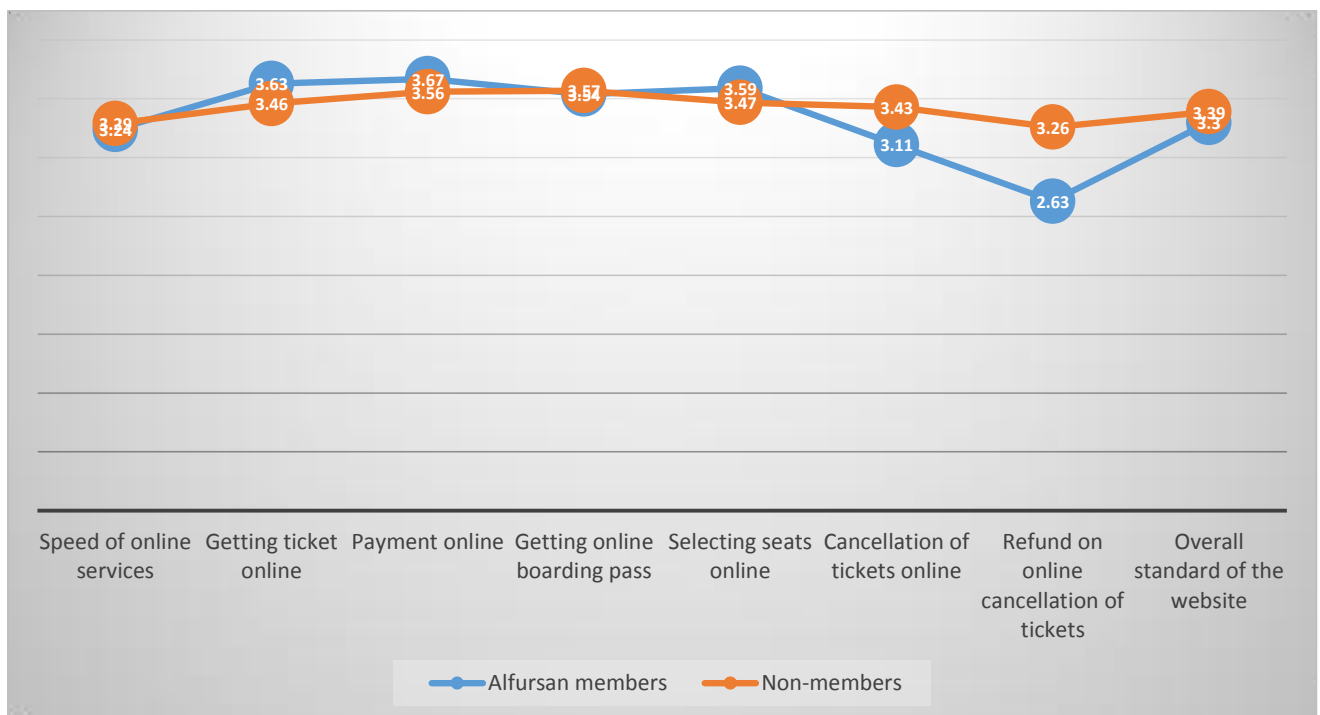


**Figure 5: Satisfaction level Alfursan members and non-members**

## Discussions

The study was conducted with the main objective of finding out the effectiveness of loyalty program (Alfursan) of Saudi Airlines. The effectiveness of the program was studied in two parts. First part investigated the opinion (strength of agreement on five point Likert scale) of the respondents for ten variables measuring the loyalty program. In the Second part a comparative study of the passenger's satisfaction on various services was undertaken between Alfursan members and non-members.

The results of the study were based on 400 respondents. In the first place the result showed that from 400 respondents only 169 had membership. The low membership indicated that the alfursan loyalty program of the Saudi Airlines seems to be not very effective. The low membership may be due to number of reasons such as no awareness among the passengers. The results in table showed that majority of the current members 53.1% said that getting membership of Alfursan not easy, 38.5% said alfursan do not response in time, 39% said they are not satisfied with the services of alfursan, 41% disagreed that alfursan motivates them in travelling by Saudi airlines and 20.2% only somewhat agreed that alfursan motivates them in travelling by Saudi airlines; More than 50% disagreed that they get preference in seat selection and ticket booking; 45.5% disagreed that they get any preference in ticket cancellation; 50.8% disagreed that they like the extra luggage facility; 41.3% said it is not easy to redeem the collected point as alfursan member against the promised benefits; and 44.9% disagreed that alfursan is very good program.

Apart from these results a high percentage is in somewhat agree category who may needs to converted into loyal customers by satisfying their expectation or they may also move in dissatisfied category and thus do not remain loyal. These results strongly suggest that the awareness, perception about alfursan is not very good, and the members are largely not satisfied with the services provided under alfursan program.

Thus, based on the results null hypothesis 1 *'the alfursan loyalty program of Saudi airlines is effective'* is rejected and alternate hypothesis *'the loyalty program of Saudi airlines was not effective'*, is accepted.

Further the results in table 5 showed that there is difference in satisfaction level between alfursan members and non-members. The Alfursan members were less satisfied than the non-members for airport services. In fact the members of the alfursan were dissatisfied indicated by low mean value less than 3 for all the variables representing various service interaction at the airport gone by the passengers. Thus the null hypothesis 2 *'there was no difference in satisfaction on Airport services between alfursan members and non-members is rejected'* is rejected and the alter hypotheses that there is difference is accepted. The results in table 6, showed same pattern for the onboard services. The alfursan members were not satisfied for many of the onboard services and were comparatively less satisfied than non-members for the onboard services. Thus rejecting the null hypotheses 3 which state *'there was no difference in satisfaction level of passengers on onboard services of Saudi airlines by alfursan membership'*, and accepting the alternate hypotheses 3 which states there is difference is satisfaction level. Null hypotheses 4, stated that *'there was no difference in satisfaction level of passengers on onboard employees services of Saudi airlines by membership'*.

The results in table 7 suggested that the alfursan members and non-members both were satisfied with the onboard employees services, however when compared to each other the alfursan members were less satisfied than the non-members. Thus the null hypotheses 4 are rejected and alternate 4, hypotheses is accepted. The fifth null hypotheses stated, *'there was no difference in satisfaction level on online between alfursan members and non-members'*. The results in table 8 showed that there was not much difference in the satisfaction level of the alfursan members and non-members except for the variable 'refund on online cancellation of the tickets' for the alfursan members were not satisfied and the non-

members were satisfied. For all the other variables in online services both type of passengers were satisfied and there was not much difference. Thus, based on the results the null hypotheses is partially accepted.

It is worth noting from the above results and discussion that in general the alfursan members were not satisfied for most of the services and in comparison to the non-members they were less satisfied. One of the important reason for this may be that the

members form wrong expectations. Their expectation due to membership increases and therefore for the same level of services the non-members were either satisfied or more satisfied than the members.

## Findings and Suggestions

In the following table a summary of the major findings and suggestions to answer the current issues of alfursan loyalty program is presented.

**Table 9: Summarized findings and suggestions**

| | |
|---|---|
| Low rate of membership | Creating awareness among passengers through marketing communication |
| Passengers complain that getting alfursan membership is not easy | Membership procedure should be simplified |
| Members complain about the response time | Procedure should be made efficient |
| For most of the variables under comparative study alfursan members were less satisfied | A study in needed to understand the impact of alfursan membership on the expectations of the members, may be the expectations increase unrealistically |

## Conclusion

The main objective of the study was to find out the effectiveness of the alfursan loyalty program of the Saudi Airlines. The results show that the program is not effective in general. Instead of playing positive role, it is enhancing the expectations of the passengers and leading to their dissatisfaction. Also it is evident from the results that most of the passengers do not have alfursan members and those who have the membership they are not satisfied with it and say it is not easy to get the

membership, the response time is not good, and the redemption of the points for receiving the benefits is not easy. Thus, the alfursan program needs to be strengthened and shall be promoted among the passengers.

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