Investigating the Effect of Satisfaction on Repurchase Intention

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ABSTRACT

Background: managers and marketers always want their customers to repurchase their products in near future. That is reason for numerous uses of words like repurchase intention and switching barriers in marketing literature.

Objective: This research aims to address the deficiencies in predicting Customer repurchase intention by investigating factors influencing (determinants) of customer repurchase intention. With regards to determinants of customer repurchase intention, many past studies have found a very strong relationship between customer satisfactions and repurchase intention. Customer satisfaction is viewed as the most important factor leading to repurchase intent. It is stated that the higher satisfaction, the more likely for customer to repurchase. However, there are other researchers who have argued that Customer satisfaction should not be sufficient used as determinant of Repurchase intention, there should be other variables relevant to the relationship of these two constructs. It is in this context that Switching barrier was proposed as moderating variable, which may have effects in between two constructs. Switching barrier is defined as any factor that makes it difficult or costly for customers to change providers. Previous studies investigating the influence of satisfaction on repurchase intentions have focused on linear, additive models, however, this study represents as one of the few efforts at conceptualizing switching barriers, and one of the first attempt to empirically testing their influencing on direct effect and indirect effect (both moderating effect and mediating effect) on Satisfaction and Repurchase intentions relationship.

INTRODUCTION

The concept of repurchase intention is adopted and modified from both social psychology and marketing perspectives. In social psychology, the intention to continue/ to stay in a relationship is referred to as relationship maintenance by Social Exchange Theory [78] and also by Investment Model of Commitment [64].

Customers’ repurchase intention or customer retention is referred to as a key to Defensive Marketing strategies and business success in general [19]. As competition and costs of attracting new customers increase, companies are focusing on defensive strategies [6]. They focus on protecting the current customer or making them to repurchase rather than primarily concentrate on the Offensive Marketing Strategies [28] which focus on acquiring new customers and increasing market share.

By following this key to a Defensive Strategy, it is important for academic researchers to understand the significance of factor influence or determinants of repurchase intentions/ customer retention (Dow, 2006). This area of study was focused in this research, with the objective to investigate customer satisfaction and the switching barriers as main, moderating and mediating determinant/ variables which may have an effect on of customer repurchase intention.

This research focuses on customer satisfaction as the main determinant (independent variable) to repurchase intention (dependent variable) since many researchers have found a very strong relationship between customer satisfactions and repurchase intention. Some researchers indicated that customer satisfaction is a stronger indicator and more indicative of actual customer repurchase behavior and retention than other determinants which have already been mentioned. It was stated that the higher their satisfaction, the more likely for customers to repurchase [69].

Keywords: Repurchase Intention, Customers Satisfaction, Switching Barriers, Low cost airline industry, Iran
It is in this concept that switching barriers was proposed as *Moderator or Moderating variable*, which has effects in between two constructs [35,59]. According to Aiken and West, a moderator is a variable that affects the direction and/or strength of relationship between an independent/predictor variable (Satisfaction) and a dependent/criterion variable (Repurchase Intention).

As defined by Jones *et al.*, [42], switching barrier is any factor that makes it difficult or costly for customers to change providers. Though several researchers have emphasized that the role of switching barriers is important, because they prevent customers from defecting to another service providers [49], still have not received much attention in marketing literature [81]. As one of few efforts to address the deficiencies in predicting repurchase intention, therefore, this research is set to investigate the effect/influence of switching barriers on customer satisfaction and repurchase intention relationship. The research questions and the hypotheses have predicted the main effects (direct effects) of switching barriers on repurchase intentions and moderating effects and mediating (indirect effects) on the relationship (See Figure-1).

![Diagram](https://via.placeholder.com/150)

**Fig. 1: General Model.**

In this research, there are 4 types of switching barriers to be tested in the model based on prior research studies and theoretical foundation: social exchange theory [78], Investment model [64], Disconfirmation Theories [54], and Bonding Theory [79]. These four switching barriers are considered to be associated with airline industry service [8,48]. They are: *Interpersonal Relation, Attractiveness of Alternative, Switching Cost, and Service Recovery Evaluation*.

The proposed model and hypotheses were tested in the Low Cost Airline (LCA) service Industry in Iran, with questionnaire survey administrated at the airport. This industry is chosen for several reasons:

- Firstly, according to Street (1994) the airline industry is a service industry which fulfills the main criteria of heterogeneity, intangibility and perishability, thus there seems to be a high degree of interaction between the service providers and the customers.
- Secondly, the Low cost airline industry is recognized as a new emerging market in Southeast Asia [47]. In Iran, private airlines were allowed to traffic rights which had been held exclusively by Thai Airways International. This started a new era of air industry competition and led to the emerging of a number of new airline operators, especially low cost airlines in to the Thai sky market [39].
- Thirdly, though there is evidence that shows the low cost airline market share was drastically increased [25], it appears that the nature of *Low Fare* characteristic service itself may be the temptation for the customers to easily switch their purchase intention to other service providers (referred from the study of Lawton and Solomko, 2005) “*When being the lowest cost is not enough*”.

2. Literature and Theoretical Background:

2.1 Repurchase intention and Customer Retention:

Repurchase intention refers to the likelihood of using a service provider again in the future [30]. Jackson [40] views “repurchase intent” as a “consumer behavioral intention” that measures the tendency to continue, increase, or decrease the amount of service from a current supplier.

The measures of repurchase intention are usually obtained from surveys of current customers assessing their tendency to purchase the same brand, same product/service, from the same company. Cronin *et al.*, [19] has treated “behavioral intentions” and “repurchase intention” and as synonymous constructs. Ranaweera and Prabhu [59] defined “future behavioral intentions” as the future propensity of a customer to continue or to stay with their service provider, while some researchers have used the term “customer retention” to describe the construct with this definition [85].
2.1.1 Importance of Repurchase intention and Customer retention:

As stated by Jones and Sasser [44], customer repeat purchase or retention is the most vital goal for company success and probably the most important concept in marketing. According to Rosenberg and Czepiel [63], than the cost of generating a new customer is believed to be approximately “six times”, the cost of keeping an existing customer. As a result, firms are refocusing their efforts on keeping existing customers or making them repurchase, rather than focusing entirely on gaining new customers [23].

2.1.2 Determinants/Antecedents of Repurchase intention:

Existing research from Marketing and Tourism literature has yielded several key antecedents as influencing a customer’s intent to revisit or repurchase [55]. Variables are for example 1.) Consumer satisfaction, 2.) Past experience/ behavior, 3.) Brand loyalty, and 4.) Quality and Service quality. All have been addressed in the literature.

Numbers of researchers have stated that traditionally customer satisfaction is viewed as the most important factor leading to repurchase intent [69]. Therefore, this study primarily focuses on the consumer satisfaction as the antecedent of repurchase intention.

3. Customer Satisfaction:

Customer Satisfaction is an overall evaluation of performance based on all prior experiences with a firm [2]. Bitner and Hubbert [11] refer it to the consumer's overall dis/satisfaction with the organization based on all encounters and experiences with that particular organization.

3.1 Importance of Satisfaction:

A number of research studies have indicated the importance of customer satisfaction to marketers that the satisfied consumers have positive impact or influence on repeat purchase behavior and word-of-mouth [87]. It is supported that satisfied consumers are more likely to make repeat purchases and to buy more in future transactions, than dissatisfied customers[61,87].

3.2 Measuring Satisfaction: (Dis) Satisfaction Theories/Disconfirmation Theories:

With a closer examination of the customer satisfaction literature, the theoretical basis for models of satisfaction/dissatisfaction arises from consumer psychology and especially from the Theory of Disconfirmation [54]. Empirical studies reveal that this Disconfirmation paradigm explains that customer satisfaction consists of many determinants/ antecedents. They are expectations, perceived performance and the resultant satisfaction/dissatisfaction [54]. If performance exceeds expectations, the customer is highly satisfied, or delighted [68].

3.3 Relationship between repurchase intention and customer satisfaction:

Customer satisfaction as antecedent/predictor of repurchases intention:

In general, there are number of previous research studies which support a strong, positive relationship between satisfaction and repurchase intentions. [1,2]. Sharma and Patterson [69] also support that it is an established fact that satisfaction has a significant impact on customer repurchase intentions.(see Table-1).

Table-1: A Proportion of Prior Studies Support (Pro) and Argue (Con) on the Strong Relationship between Customers Satisfaction and Repurchase Intention

<table>
<thead>
<tr>
<th>Determinant/Indicator</th>
<th>Pro</th>
<th>Con</th>
</tr>
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<tbody>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Repurchase Intention</td>
<td>Oliver (1980); Churchill and Suprenant (1982); Bearden and Teel, (1983); LaBarbera and Mazursky (1983) ; Oliver and Swan, (1989); Daly, (1989); Yi, (1990); Cronin and Taylor (1992); Fornell, (1992); Anderson and Sullivan, (1993); Rust and Zahorik, (1993); / Anderson and Fornell (1994); Sharma and Patterson (2000).</td>
<td></td>
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4. Argument on using ‘Customer Satisfaction’ as predictor/ antecedent of repurchase intention:

While satisfaction (from early studies) may be one important driver of repurchase intention, there are other studies providing arguments concerning this positive influence of satisfaction on repurchase intentions in the service industry and product markets [1,45,66]. Several recent studies have presented their argument that though customer satisfaction is a necessity, it does not seem to be a sufficient condition.(See Table-1).

5. Switching Barriers :
As defined by Jones et al., [42] ‘switching barrier’ is any factor that makes it difficult or costly for customers to change providers. It also represents the customers’ service evaluation of the way companies handle complaints and service failure [80].

Previous studies have supported that switching barriers come in several shapes and forms and are classified differently by many researchers. For example, Ping classified switching barriers into: a.) switching cost, b.) alternative attractiveness, c.) investment,) uniqueness of investment in the wholesaler. Jones et al., [42] divide them into: a.) interpersonal relationship b.) switching cost, and c.) attractiveness of alternatives.

5.1 Switching Barrier and Repurchase Intention:
Aside from customer satisfaction, Fornell [28] states that switching barriers are another means to encourage customer repurchase intention. The link between switching barriers and customer retention in the past has been recognized in the business-to-business marketing literature [40]. Some recent research studies also support the view with regard to the influence of switching barriers and repurchase intention that switching barriers may have interactive effects on repurchase intention [33,3].

5.2 Switching barriers associated with Customer Satisfaction and Repurchase Intention:
Based on the review of prior research and on theoretical foundations, this research focuses on four main switching barriers, which are believed to be important variables in retaining customers or customer repurchases intention. These four barriers are selected because they are also considered to be associated with airline industry [8,48]. And four types of Switching Barriers are selected based on theoretical support are discussed as follows:

5.2.1) Interpersonal relationships:
Interpersonal relationships refer to the strength of personal bonds that develop between customers and their service (provider’s) employees (Berry and Parasuraman, 1991). For example, Greenler (1995) used the term interpersonal bond to refer to the “degree to which a customer perceives having a personal or sociable relationship with a service provider employee(s)”.

5.2.2) Attractiveness of Alternatives:
In service marketing context, the “attractiveness of alternatives” refers to the level of service expected in one’s best available alternative to the present service provider (Rusbult, 1980). “Alternative attractiveness” is also conceptualized as the client’s estimate of the likely satisfaction available from an alternative relationship (Ping, 1993).

5.2.3) Switching Costs:
Switching cost [57] is formally defined as the cost involved in changing from one service provider to another. These costs can be real, perceived, monetary and/or non monetary [32]. These are consistent with the findings in social psychology and marketing management concept, which explain that many customers may not switch service providers because the expense of doing so is too high.

5.2.4) Service recovery evaluation from customers’ complaint and service failure Handling:
Referring to Theory of Disconfirmation [52] reviewed in the previous section, Negative disconfirmation results when a product or service performance is less than the customer’s expectations, and it will create complaint and negative words of mouth [87]. On the other hand, Barlow and Moller [5] view a “complaint” as “a gift” to the firm, because they give firms an opportunity to find out what customers problems are, so companies can solve them.

6. Research Questions and Hypothesis Formulation:
For this research study, there are 13 hypotheses to be tested. The proposed hypotheses are developed based on theoretical reviews and prior research reviews.

Research questions and Hypothesis Formulation: Referring to research objectives which aim to investigate the effect/influence of switching barriers on the relation of customer satisfaction and repurchase intention, the problem statement and research questions are set in accordance with this objective, and they are discussed as follows.

- The intervention between customer satisfaction and repurchase Intention:
According to Heillers there is a need to define more accurately the intervening component between satisfactions and repurchase intention. With regard to the relationship between satisfaction and repurchase
intention, some researchers have supported the positive strong relationship between the two constructs (Cronin and Taylor, 1992), while some others still question this relationship [66] (see: Table-I).

- Notion of Low Cost Airline in Asia and in Iran:

  As for the notion of low cost airlines (LCA), it is found that even though studies related to low cost airlines business do exist [25], they are mostly conducted in the West, with few perspectives for Asia and very few in the Thai context [39]. Thus, by combining two problems statements above, the research questions are set: as follows.

**Research Question (RQ1):**

RQ1: What is the effect/influence of (Low Cost airline) customer satisfaction on the repurchase intention?

- **Hypothesis formulation for Research Question 1 - Satisfactions as driver of repurchase intention (direct effect of satisfaction on repurchase Intention):**

  As discussed in the previous section, several research studies have supported the view that satisfied consumers are more likely to make repeat purchases or to buy more in future transactions than dissatisfied customers [61,87]. Empirically, considerable number of research studies support the strong linkage between satisfaction and retention, or positive influence on purchase intention [32, 76]. Thus, in line with previous researches, the following hypothesis is offered.

**H1:** The higher the level of satisfaction, the higher the level of customer repurchase intention:

- The role and influence of Switching barrier:

  Some researchers [42,2] have indicated that the role of switching barriers has received relatively little attention in marketing. Anderson and Fornell [2] has stated that switching barrier is an important variable which may have effect/influence on the satisfaction and the repurchase intention. Moreover, they have also indicated a need to examine not only direct effect of the switching barriers but also their moderating effects and mediating effects (indirect effect) which may also play an important role in the relationship between customer satisfactions and repurchase intention. Thus, the research questions are set, as follows:

**Research Question (RQ2 and RQ3):**

RQ2: What is the direct effect of switching barriers on repurchase intention?

RQ3: What is the moderating effect and mediating effect (indirect effect) of switching barriers on the relationship between Low Cost Airline customer satisfaction and repurchase intention?

- **Hypothesis formulation for Research Question: 2 and 3-**

  - **Switching Barriers:**

    The following discussion offers several switching barriers which are hypothesized to have a direct effect (A) on repurchase intentions as well as a moderating influence (B) and a mediating influence (C) on the satisfaction/repurchase intentions relationship. By testing them in different service settings of low cost airline service, it is believed that the result will help reveal valuable information which will provide more understanding about the relationship between satisfaction and repurchase intentions,

    (A) “Switching barrier” as driver of customer repurchase intention/ direct effect (a) of switching barriers on repurchase intention:

    “Switching barrier” is any factor that makes it difficult or costly for customers to change providers [42]. Keaveney has conducted a critical incident study, which was one of the first to examine switching barriers as a determinant of customer switching behavior.

    (B)-(C) “Switching Barriers” as moderating (b) and mediator influencer (c)/indirect effect on the satisfaction/repurchase intentions relationship:

    While the main effect of switching barriers on retention has been empirically validated in a number of settings [35] and employer-to-employee relationships, there are few studies which have tested the moderating effects or indirect effect of switching barriers on the link between satisfaction and retention [59].

- **Four Switching Barriers are:**
  1.) Interpersonal Relationships
  2.) Attractiveness of Alternative
  3.) Switching Costs, and
  4.) Service Recovery from Service failure and complaint
Switching Barrier: No. 1) Interpersonal relationships:

(A) Direct Effect of “Interpersonal Relationships” on “Repurchase intention” Interpersonal relationships refer to the strength of personal bonds that develop between customers and their service employees [10,79]. From the study of Jones et al. [42] the results suggest that interactions between customers and service employees can lead to personal relationships that bind customers and service providers. Thus, it is hypothesized that:

H2(a): The higher the level of interpersonal relationship, the higher level of the repurchase intention:

(B)-(C): Moderating effect and mediating effect of “Interpersonal relationship” on “Satisfaction/Repurchase Intention relationship” Jones et al. [42] discovered that, in situations of low customer satisfaction, strong interpersonal relationships positively influence the extent to which customers intend to repurchase. Thus, it is hypothesized that:

H2(b): For a given level of customer satisfaction, the higher the level of interpersonal relationship, the weaker the relationship between satisfaction and repurchase intention:

Anderson and Fornell [2] have also indicated a need to examine not only the direct effects of the switching barriers but also their moderating and indirect effects (mediating effects) which may also play an important role in the relationship between customer satisfaction and repurchase intention. Thus, it is hypothesized that H2(c):

H2(c): Interpersonal relationship mediates relationship between customer satisfaction and repurchase intention:

Switching Barrier No:  2) Attractiveness of Alternatives:

(A): Direct Effect of “Attractiveness of alternatives” on “Repurchase intention”. Attractiveness of alternatives refers to customer perceptions regarding the extent to which viable competing alternatives are available in the marketplace. When consumers perceive few viable alternatives, the perceived benefits of defecting should be relatively low, resulting in higher levels of retention. Ping, supports the view that when viable alternatives are lacking, the probability of terminating an existing relationship decreases. Thus it is hypothesized that:

H3(a): The lower the level of attractiveness of alternatives, the higher level of repurchase intention:

(B)-(C): Moderating effect and mediating effect of “attractiveness of alternative” on “satisfaction/repurchase relation”. Ping also provided empirical support for the interaction between satisfaction and the attractiveness of alternatives when predicting retention in a channels context. Thus, this research suggests that the attractiveness of alternatives may moderate the influence of satisfaction on retention. Consistent with marketing channels research but in a services marketing context, Jones et al., [42] suggests that if there are few attractive service providers from which to choose (i.e., low attractiveness of alternatives), the customer is less likely to change service providers despite low or moderate levels of satisfaction with the current provider. Thus, it is hypothesized that:

H3(b): For a given level of customer satisfaction, the lower the level of attractiveness of alternatives, the weaker the relationship between satisfaction and repurchase intention:

According to Ranaweera and Prabhu (2003) there are few studies which tested indirect effects/(mediating effect) of switching barriers on the link between satisfaction and retention. Thus, it is hypothesized H2(c) that:

H3(c): Alternative of attractiveness mediates relationship between customer satisfaction and repurchase intention:

Switching Barrier: No 3.) Switching Costs:

(A): Direct Effect of “Switching costs” on “Repurchase intention” According to Jones [43], switching costs refers to the costs associated with changing service providers and include the following specific types of costs: continuity costs, contractual costs, learning cost, search costs, setup cost, and sunk costs. From the study of Patterson and Smith, the relational switching costs are found to be an antecedent to commitment or “retention”. Therefore, it is hypothesized that:

H4(a): The higher the level of switching costs, the higher level of repurchase intention:

(B)-(C): Moderating effect and mediating effect of “Switching Cost” on “Satisfaction/Repurchase intention relation”. According to Steenkamp & Baumgartner, it might well be that a customer stays with a service supplier, not because they are very satisfied with the service offering, but rather because the costs of switching are too high. Thus, it is hypothesized that:
H4(b): For a given level of customer satisfaction, the higher the level of perceived switching cost, the weaker the relationship between customer satisfaction and repurchase intention:

Prior researchers [59,35] have stated that switching barriers may have an indirect effect in between customer satisfaction and repurchase intention. Thus, it is hypothesized H4(c) that:

H4(c): Switching costs mediate relationship between customer satisfaction and repurchase intention:

Switching Barrier No. 4.) Service recovery evaluation:

(A): Direct Effect of “service recovery evaluation” on “repurchase intention”. According previous researchers, service recovery is recognized as a significant determinant of customer retention [32,77]. And according to the study of Vincent 2004, the study result reveal that a customer who has experienced a prior failure with the service provider is more likely to be impressed by superb recovery than a customer who has never encountered a problem with a service provider. Thus to be in line with the previous research, the following hypothesis is proposed.

H5(a): The higher the level of service recovery evaluation, the higher level of customer repurchase intention:

(B)-(C): Moderating effect and mediating effect of “Service recovery evaluation” on “Satisfaction/Repurchase Intention Relation” Valenzuela et al., [80] has mentioned as quoted in the previous section, that the relationship between service recovery evaluation and switching barriers is not known. This implies that marketers do not know if switching barriers has a positive or negative effect on the customers’ evaluation of the way that firms are handling complaints [80]. Therefore, the moderating and mediating effect of switching barrier (service recovery) should be tested. Thus, hypotheses (b) and (c) are proposed:

H5(b): For a given level of customer satisfaction, the higher the level of service recovery, the weaker the relationship between customer satisfaction and repurchase intention:

H5(c): Service recovery mediates the relationship between customer satisfaction and repurchase intention:

7. Conceptual Model:

The proposed model represents one of the attempts to better understand the relationship between satisfactions and repurchase intention by investigating possible moderating influence/effect of switching barriers. The proposed combination of the model (see: Fig-2) represents an effort to better understand and to address the deficiencies in predicting repurchase intentions (Dependent variable or Criterion variable) by using satisfaction as antecedent (Independent variable).

This model shows hypothesis test links between satisfaction-customer repurchase intention and also hypothesizes test of four kind of switching barriers as moderating/mediator variables. They are interpersonal relationships, switching costs, attractiveness of alternatives, and service recovery. The hypothesis will predict the main effects or moderating effects (directly/indirectly effect) of these four barriers on repurchase intentions. These four barriers are selected because they are considered to associate with airline industry [8,48,]. The airline industry is the chosen industry to test the model because, according to Street (1994) who supports that “an airline industry” is a service industry which fulfilling the main criteria of heterogeneity, intangibility and perishability, thus there seems to be high degree of interactions between the service provider and the customers. Thus, it may be suite to test the proposed model.

8. Methods:

8.1 Quantitative study Method:

Quantitative study method was adopted and quantitative data was collected for this research. Due to the nature of the research questions proposed, the researcher is required to see or to obtain a clear/degree of measurement or an indicative scale for each factor (variables), including their relation and correlations between variables.

8.2 Data collection and Research Instrument/Tool:

Moreover, the review of the methodology utilized in the prior research shows that “all” of researchers in this area of study chose quantitative method to conduct their studies and to test their hypotheses. Therefore, quantitative method was adopted for this research study.

The model and hypotheses were tested in the low cost airline industry in Iran. The data was collected from airline passengers who are waiting for their flight at airports of Iran, with official permission from the Airport Authority of Iran to access customers at the Airport. The survey was administrated approximately 3 weeks from the last week of January 2005 until the second week of February 2008.

8.3 Reliability and Validity Test:
After the pre-test stage, the reliability & validity tests for the questionnaire were conducted. According to Sproull, Validity and reliability are usually estimated or tested by using correlation coefficients. Therefore, in this process, the Cronbach Alpha Coefficient was used as a tool assessing the reliability of scale [67] in order to test the reliability and validity of the questionnaire.

**Fig. 2:** Conceptual Model of Satisfaction, four type Switching Barriers, and Repurchase Intention.

### 8.4 Pre-test:
Data from 30 Thai questionnaires for the Pre-test were collected to test the reliability of the questionnaire. The data were processed or entered into SPSS program version 16.0 and the data were analyzed to get the reliability coefficient of the questionnaires.

The result showed that each set of variables gave a Cronbach Alpha value range between 0.729 - 0.884 which indicated good reliability for this set of questionnaires and feasible to use as the research tool in main study.

After the pre-test stage, the questionnaire was revised and edited for “Thai wording” to make it more comprehensible for the passengers. Next stage, the Final questionnaire was developed in order to use as the survey tool in the main study.

### 8.5 Determination of Scales and Format of Measurement in the Questionnaire:
For the measurement scale of construct (used in questionnaire), two measurement scales were proposed in this research. Due to the fact that all of data collected are considered as Interval scale (Satisfaction, Repurchase Intention and switching barriers), Two measurement scales were applied: (Bi-polar) Semantics Differential scale and Likert scale with those interval variables. Moreover, as mentioned in the prior studies of e.g. Jones et al., Colgate Lang and Ranaweera and Prabhu the researchers have also supported the use of these two scales in their studies.

From the previous research reviews, it is found that, in the study of Jones et al., [42], seven-point semantic differential scale was used to measure the customer satisfaction and repurchase intentions, while a seven-point likert scale was used as a tool to measure “the effect of switching barriers”. In the study of Colgate and Lang (2001) who had used 5 point likert scale in the study of “The effect of switching barriers (4 types) on customer intention to stay with service provide”.

### 9. Data Collection and sample characteristic: Data Sampling and Target population:
The total number of questionnaires sampled was allocated to each airline based on Quota sampling. And the number of sample size for each airline would vary on proportion or percentage of actual customers from 3 low cost airlines operators in Iran.

As for scope of target population in this research, this research focus on the passenger who was Decision Maker for the airline ticket and also on Leisure traveler/passenger rather than business passenger. Because several literature reviews or studies had presented that a leisure product/service performance may be the crucial determinant of future purchase intentions including positive word of mouth.

Main Survey Administration: The field surveys were conducted with Low cost passengers at the airports for approximately 2 weeks. 750 questionnaires were distributed to three airline passengers based on quota sampling. Total number of complete questionnaires collected was 600 and the survey was conducted within a controlled period. This aimed to minimize interferences from high seasonal, sale promotion and other social influences.
With this face to face interview method, the result yielded 83% of passenger participation, including incomplete questionnaires or missing data value. The percentage for complete questionnaires was 80%. This method had also been effectively used in both prior related studies and with the airline studies: Chang and Chen, [14] and Bejou and Palmer [8].

10. Results:
10.1 Results from Confirming factor Analysis (CFA):
After employing item-total correlations and alpha coefficient were computed for each variable and each aggregate level.

The confirmatory factor analysis demonstrated a reasonable fit of the data to the six-factor measurement model on several criteria. The model has the Chi-square of 626.13 with 379 degree of freedom, GFI of .937, AGFI of .918 and RMSEA of .033.

The RMSEA less than .05 which indicates good fit. (RMSEA=0.0 indicates exact fit, from .08 to .10 indicates mediocre fit, greater than .10 indicates poor fit [86].

The CMIN/DF of 1.65, indicating a good fit model of the data. CMIN/DF in the range of 2 to 1 or 3 to 1 indicate acceptable fit between the hypothetical model and the sample data. Different researchers have recommended using ratio as low as 2 or as high as 5 to indicate a reasonable fit. Chi-square/df ratio values lower than 2 are widely considered to represent a minimally plausible model [13].

10.2 Hypothesis Testing and Result Analysis:
The Hypotheses were tested with SEM resulted from AMOS version 7.0. The full model in this study was a combination of six measurement and a structural model. However, the most important part was its structural model. The structural model was constructed by the thirteen hypotheses. (See Table-2)

10.2.1 Relation of Satisfaction (SAT) and Repurchase Intention (REP):
Hypothesis 1 (SAT→ REP) stated that the higher the level of satisfaction, the higher level of customer repurchase intention. This hypothesis was shown as the path from SAT to REP (Table-2). The standardized coefficient of this path was .834. The t-value was 11.403, which was significant at a = .001. The significant coefficient provided evidence of support for Hypothesis 1.

10.2.2 Direct and Indirect Effect (Moderating and Mediating Effect) of 4 type Switching Barriers on Satisfaction (SAT) and Repurchase Intention (REP) Relationship:

Interpersonal Relationship (INR):
Hypothesis 2(a) explored the relationship between interpersonal relationship and repurchase intention, the direct effect, was shown as the path from INR to (→) REP in Table-XIII)

Hypothesis 2(a) was not supported since the t-test for the path coefficient was not significant (t-value of 1.025) indicating that interpersonal relationship did not influence the repurchase intention.

Hypothesis 2(b), exploring the moderating effect of INR on satisfaction and repurchase intention relationships, H2(b) was hypothesized that for a given level of customer satisfaction, the higher level of interpersonal relationship, the weaker the relationship between satisfaction and repurchase intention. This relationship, indicated by the path from (INR x SAT) to REP, shown was found to be not significant, with a t-value of .770, so hypothesis 2(b) was not supported.

Hypothesis 2(c), exploring the mediating effect/indirect effect of INR on satisfaction and repurchase intention relationship, H2(c) stated that interpersonal relationship mediates relationship between customer satisfaction and repurchase intention. This hypothesis was shown as the path from SAT → INR → REP. The standardized coefficient for this path (indirect effect) was .019. The t-value of the path from SAT → INR was 9.236 and, the t-value of the path from INR→REP was 1.025 which was not significant at a = .05. The insignificant coefficient provided evidence of no support for hypothesis 2(c).

Hypothesis 3(b) stated that for a given level of customer satisfaction, the lower the level of attractiveness of alternatives, the weaker the relationship between satisfaction and repurchase intention. This relationship, indicated by the path from (ATA x SAT) to REP was found to be insignificant at an alpha level of a = .005, with a t-value of - .989, so hypothesis 3(b) was not supported.

Attractiveness of Alternative (ATA):
Hypothesis 3(a) hypothesized that the lower the level of attractiveness of alternative, the higher level of repurchase intention (direct effect of ATA → REP). This relationship, indicated by the path from ATA to REP, was found to be insignificant at an alpha level of a = .05, with a t-value of .871, so hypothesis 3(a) was rejected.

Hypothesis 3(c) stated that the alternative of attractiveness mediates relationship between customer satisfaction. This hypothesis was shown as the path from SAT→ATA→REP. The standardized coefficient for
this path (indirect effect) was .005. The t-value of the path from SAT → ATA was -3.432 and, the t-value of the path from ATA → REP was .871 which was not significant at a = .05. The insignificant coefficient provided evidence of no support for hypothesis 3(c).

Switching Costs (SWC):
Hypothesis 4(a) explored the relationship between switching costs and repurchase intention shown as the path from SWC to REP (direct effect of SWC → REP). shown in Table-2, Hypothesis 4(a) was supported since the t-test for the path coefficient was significant (t-value of 2.442), indicating switching costs influenced the repurchase intention.

Table 2: Summary of Hypothesis Testing for SEM Full Model.

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<tr>
<th>Effect</th>
<th>H</th>
<th>Structural Path Relationship</th>
<th>t</th>
<th>p</th>
<th>p &lt; .05</th>
<th>Standardized Regression Coefficient (Hypothesis Test)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td></td>
<td>SAT → REP</td>
<td>11.403</td>
<td>.000</td>
<td>.834</td>
<td>Supported</td>
</tr>
<tr>
<td>H2(a)</td>
<td></td>
<td>INR → REP</td>
<td>1.025</td>
<td>.306</td>
<td>.040</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H3(a)</td>
<td></td>
<td>ATA → REP</td>
<td>.871</td>
<td>.384</td>
<td>.030</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H4(a)</td>
<td></td>
<td>SWC → REP</td>
<td>2.442</td>
<td>.015</td>
<td>.093</td>
<td>Supported</td>
</tr>
<tr>
<td>H5(a)</td>
<td></td>
<td>SVR → REP</td>
<td>-1.149</td>
<td>.822</td>
<td>- .006</td>
<td>Not Supported</td>
</tr>
<tr>
<td>Moderating Effect</td>
<td></td>
<td>(INR X SAT) → REP</td>
<td>-.770</td>
<td>.441</td>
<td>-</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H2(b)</td>
<td></td>
<td>(ATA X SAT) → REP</td>
<td>-.989</td>
<td>.323</td>
<td>-</td>
<td>Not Supported</td>
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<tr>
<td>H3(b)</td>
<td></td>
<td>(SWC X SAT) → REP</td>
<td>-.720</td>
<td>.472</td>
<td>-</td>
<td>Not Supported</td>
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<tr>
<td>H4(b)</td>
<td></td>
<td>(SVR X SAT) → REP</td>
<td>-1.302</td>
<td>.194</td>
<td>-</td>
<td>Not Supported</td>
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<tr>
<td>H5(b)</td>
<td></td>
<td>SAT → INR INR → REP</td>
<td>9.236</td>
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<td>.479</td>
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<td>H2(c)</td>
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<td>-.3432</td>
<td>.871</td>
<td>-.163</td>
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<td>Mediating Effect</td>
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<td>SAT → INR INR → REP</td>
<td>-</td>
<td>-</td>
<td>.019</td>
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<tr>
<td>H3(c)</td>
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<td>SAT → ATA ATA → REP</td>
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<td>-</td>
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<td>H4(c)</td>
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<td>.000</td>
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<td>H4(b)</td>
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<td>H5(b)</td>
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<td>SAT → SVR SVR → REP</td>
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</tbody>
</table>

Hypothesis 4(b) hypothesized that for a given level of customer satisfaction, the higher the level of perceived switching cost, the weaker the relationship between customer satisfaction and customer repurchase intention. This relationship indicated by the path from (SWC x SAT) to REP was found to be not significant, with a t-value of -.720, so hypothesis 4(b) was not supported.

Fig. 3: Standardized parameters from Analysis of Structural Equation Model (SEM) of the Full Revised Model.
Hypothesis 4(c) stated that switching cost mediate relationship between customer satisfaction and repurchase intention. This hypothesis was shown as the path from SAT -> SWC -> REP. The standardized coefficient for this path (indirect effect) was .026. The t-value of the path from SAT -> SWC was 5.475 and, the t-value of the path from SWC to REP was 2.442 which was significant at α = .001. Thus, the significant coefficient provided evidence of support for hypothesis 4(c).

-Service Recovery from Service Failure and Complaint (SVR):
  Hypothesis 5(a) stated that the higher level of service recovery evaluation, the higher level of customer repurchase intention (direct effect of SVR -> REP) was shown as the path from SVR -> REP. Hypothesis 5(a) was not supported since the t-test for the path coefficient was significant (t-value of -1.49) indicating service recovery evaluation did not influence the repurchase intention.

  Hypothesis 5(b) was hypothesized that for a given level of customer satisfaction, the higher level of service recovery, the weaker the relationship between customer satisfaction and customer repurchase intention. This relationship indicated by the path from (SVR x SAT) to REP was found to be not significant, with a t-value of 1.302, indicating service recovery evaluation did not influence the repurchase intention so hypothesis 5(b) was not supported.

  Hypothesis 5(c) stated that service recovery evaluation mediates relationship between customer satisfaction and repurchase intention. This hypothesis was shown as the path from SAT -> SVR -> REP. The standardized coefficient for this path (indirect effect) was .004. The t-value of the path from SAT -> SVR was 12.557 and, the t-value of the path from SVR to REP was -1.49 which was insignificant at α = .05. The insignificant coefficient provided evidence of no support for hypothesis 5(c).

11. Discussion:
  The objective of this research is to investigate the effect/influence of switching barriers on customer satisfaction and repurchase intention relationship. Many studies assume that relationship between satisfaction is strong and certain, however results vary as to the strength and magnitude of relationship in different industries. Previous studies had focused their investigation mainly on direct effect or moderating effect of switching barriers.

  This dissertation provides one of the first attempts to investigate conceptualizing switching barriers, and empirically test on 3 types of their influence i.) direct effect ii.) moderating effect and iii.) mediating effect on the satisfaction and repurchase intention relationship.

  The results from hypothesis testing, not surprisingly and consistently with Hypothesis-1, Satisfaction was found to have a strong influences on repurchase intentions. Respondents who report high levels of satisfaction with the airlines were likely to have high repurchase intentions.

  “Satisfaction”, was found to have the main effect or direct effect on repurchase intention. And, among 4 types of switching barriers (interpersonal relationships, the attractiveness of alternatives, switching costs, and service recovery.), only “Switching Cost” was found to have main effect/direct effect on repurchase intentions. Thus, Hypotheses (2a), (3a), and (5a), were not supported. Only hypothesis 4(a) was supported (the higher level of switching costs, the higher level of repurchase intentions).

  As for moderating effect of 4 types of switching barriers on the relationship of satisfaction and repurchase intention, these were inconsistency with hypothesis 2(b), 3(b), 4(b) and 5(b), none of the four switching barriers performed their role as “moderator” on satisfaction and repurchase intention relation.

  For the mediating effect of 4 types of switching barriers on the relationship of satisfaction and repurchase intention, only one out of four Hypotheses (2c, 3c, 4c, and 5c) was supported. Only hypothesis 4(c) was supported, predicting that ‘switching costs’ mediate relationships between satisfactions and repurchase intention. Switching costs, again, besides its direct effect on satisfaction/repurchase intention relation, were found to have mediating influence on repurchase intention. It appears that when switching costs is high, repurchase intentions remained relatively high, despite the lower levels of satisfaction.

  In conclusion, these results showed that from Low Fare samples, three out of the thirteen hypotheses were supported, and ten hypotheses were rejected. Consistent with hypothesis, Customer Satisfaction was found to have a strong influences on repurchase Intentions. Respondents who report high levels of satisfaction with the airlines were likely to have high repurchase intentions. The hypotheses testing on Switching Barriers indicated that when customer were highly satisfied, only “Switching costs” was found to have a positively direct influence and mediating effect on repurchase intention.

12. Implications:
  The theoretical implications from this study are numerous. This current study has addressed critical issues that have received inadequate attention in literature such as: i) defining more accurately the role of satisfaction on repurchase ii) defining the intervention between customer satisfaction and repurchase intention, and iii) identifying the role of the switching barriers and determining their influence both direct effect and indirect effect.
on repurchase intention. The findings from this dissertation are also relevant to practitioners. It also helps extend the notion of Low cost airline and identifying the customer behaviour or variable/antecedents leads to repeat purchase in low cost industry.

Therefore, for the practitioners, it is quite clear in this low fare service that overall satisfaction and switching costs can be important factors in retaining customers. For developing customer retention strategies, then, the effort should be put on most satisfying their customers and creating a high level of switching costs in order to achieve the highest level of repurchase intention and subsequent of retention.

13. Limitations:
There are some limitations in this research. Firstly, the body of knowledge related to low cost airline itself may still be considered limited as Thais are not yet quite acquainted with the nature of this business and the nature of business is not yet normalized to Thais (the low cost airline business has started in Iran in 2004). Customer perception and knowledge may still be limited. Secondly, there are other factors which may influence customer retention apart from factors suggested in this study, such as demographic characteristics of customer, service life cycle, and usage pattern of airline service. Due to the fact that this research focuses on the Thai context and will be tested in a field setting of national scope, for generalization, in order to apply it to other cultures, the cross-cultural effects have to be taken into account as well.

14. Future research Directions:
The findings of this dissertation provide several research implications for future research directions in a number of areas.
Firstly, a future study can be designed to investigate other multi-sample differences such as; by gathering a larger sample and comparing high and low repurchase intent groups.
Secondly, future research can further examine the behavioral outcomes of repurchase intention. This type of research can incorporate relationship stability, willingness to accommodate willingness to recommend, and complaint behavior to enrich our understanding of business-to-customer relationships and how these relationships impact repurchase behavior.
Next, research should also test the model using consumers in other demographical segmentation, such as customers living in smaller to mid-size cities. It seems possible for low fare service that switching barriers might have a greater effect for consumers living in smaller cities where the choice of service providers are much less than the choice in larger cities. Furthermore, the study of switching barriers should be extended to other industries such as hotels and fast food restaurants services, then appropriate theories developed should also reconfirm these findings and enhance generalizability.

REFERENCES
[67] Santos, R.A., 1999. Extension Information Technology Texas Agricultural Extension service, Texas A & M University College Station, Texas, USA.


