

## ABSTRACT

*In order to capture maximum market share in today's harsh competitive world, airlines are paying close attention in evaluating and implementing effective services to improve customer satisfaction and in turn customer retention. The purpose of this study is to consolidate the service elements of the airline industry and examine the impact of service elements on customer satisfaction and customer loyalty, i.e. attitudinal and behavioural loyalty. Nine service elements were identified, including frequent flyer program, check-in services, schedules & punctuality, employee behaviour, complaint handling, caring, seat comfort, in-flight facilities and food. A conceptual framework is being formed addressing the possible relationships between service elements, customer satisfaction and customer loyalty. This study has explored the possibility of customer satisfaction acting as a mediator between service elements and attitudinal loyalty; attitudinal loyalty acting as a mediator between customer satisfaction and behavioural loyalty. It also explored the possibility of customer satisfaction and attitudinal loyalty as serial multiple-mediation between service elements and behavioural loyalty. Therefore, this study unwinds a wide array of directions for researchers to examine the relationships between service elements, customer satisfaction and customer loyalty. It has been established in this study that schedule & punctuality, complaint handling, caring, seat comfort, in-flight facilities, food and beverages has a direct positive impact on customer satisfaction. Apart from this, the service elements have serial multiple mediation effect on behavioural loyalty. Similarly, moderating effects and moderated mediation effect were also examined, but they fail to qualify the criteria to become part of the conceptual framework. This study concludes that the impact of attitudinal loyalty on behavioural loyalty is direct, positive and high.*

**Keywords:** *Service elements, customer satisfaction, customer loyalty, attitudinal loyalty, behavioural loyalty, airline industry.*