New Service Concept and Investor Satisfaction of Aviation Firms in Rivers State

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Abstract
The aim of this study was to ascertain the extent of the relationship between new service concept and investor satisfaction of aviation firms in Rivers State. This study adopted causal research, involving cross sectional survey design and used structured copies of questionnaire. The population of this study comprised of eight (8) airlines registered with the Rivers State ministry of commerce and industry. 20 Copies of questionnaire was distributed to management staff in each of the airlines. The total number of respondents for the study was one hundred and sixty (160). The hypotheses were tested using Spearman Ranking Order Correlation with the aid of SPSS Version 21.
The study unveiled a very strong relationship between new service concept and investor satisfaction. This study therefore concluded that increased investor satisfaction can be achieved if aviation firms in Rivers State provide new and innovative service concept.

Introduction

In the today's economy, due to fast changing consumer tastes as well as the growth of variety of consumer segments with diverse preferences, values, and shopping habits, firms aim to offer services and products at low costs, provide better value to customers and enhance service delivery strategies to boost sales and profits and cut down costs (Chen et al., 2009). Organizations are more likely in a position to catch the attention of new customers due to enhanced or excellent service quality as well as their capability to promote these improvements (Johnston & Clark, 2001). However, it is frequently asserted that majority of service firms like those of the aviation industry; currently deliver products and services to their customers by using very identical approaches.
The aviation industry is a vital service sector that supports other sectors of the economy such as (tourism, manufacturing, international commerce and business), as well as contributes to the national GDP (Ogunsanya, 2007). Air transport plays an important role in moving people and products from one location to another. Airlines operate in a market that is very competitive and a

country's economy benefits from aviation industry. Air transport promotes quality of life and living standards and impacts business growth. (Maishamu & Kadiri, 2012). Adiele and Etuk (2017) posit that air transport has become the safest mode of traveling in Nigeria considering the security situation in the country. Although it involves high costs, air transport is regarded as worthwhile even for relatively short distances given its speed.

Despite the enormous benefits of the airline sector, such as the promotion of trade, tourism, innovation and the creation of employment its growth and development in Nigeria, is far behind other countries (Megersa, 2013). Several factors have been attributed to the dismal performance of the airline industry of sub-Saharan Africa, including Nigeria. The challenges that pose threat to the survival of airlines identified in literature are: limited market access and low level of connectivity, exorbitant fares and costs, degraded airport infrastructure (including technological infrastructure), low level of service quality, responsiveness, innovation (Sylva, 2020), unhealthy government interference and multiple taxes, inadequate access to funds, low level of air navigation assistance, poor security and safety norms, ambiguous policy, poor strategy and implementation, poor corporate governance, corruption, brain drain, weak regulatory environment (Pam, 2012), low productivity, overstaffing, competitive disadvantage, and poorly maintained and old aircraft (Xu & Dioumessy, 2019). Umoh and Sylva (2016) also echoed that domestic airlines suffer from bottlenecks such as poor maintenance policy, insufficient funding, weak institutional ethics and low managerial and capacity planning skills. These challenges have resulted in reduction in economic activities and a negative balance sheet coupled with the inability of the industry to respond to growth opportunities.

However, firms' endeavor to pay attention to their customers, results in improving overall firms' reputations and positive images (Chen et al., 2009). Firms' achievement is extremely dependent on the degree to which it could incorporate its knowledge regarding her customers' wants, preferences and needs with their skills, creative potential and intellectual. As a result, competitive edge is acquired by means of intelligent recognition and satisfying customers through superior customer service tools that are swifter and better than rivals (Abiodun, 2008). When passengers appraise the positive aspects of service airlines, their mindset is affected, which in turn affects their purchasing behavior (Boey et al., 2012).

Study Variables and Research Framework

Study variables reveal the direction of the research work. They serve as the skeletal structure upon which the entire work is built upon. This study has two major variables; New service concept which is the predictor variable and investor satisfaction as the criterion variable with preference and investor engagement as measures.

Fig. 1 Conceptual framework of the relationship between New service concept and investor satisfaction of aviation firms in Rivers State.

Source: Desk Research, 2023

LITERATURE

New service concept

Service concept is also known as the service offering (Frei, 2008). The service concept or offering describes the value that is created by the service provider in collaboration with the customer. According to Johnston et al. (2012), the service concept is an attempt to create a clear, agreed, shared and articulated definition of the nature of the service provided and received, in order to ensure that the essence of the service is delivered. In this way, the service concept is a shared view and is articulated in detail so operations could know what they have to deliver and how it has to be delivered and the marketers could know what they are selling. Services typically require more interaction with and feedback from customers Service concept as an outcome of the employee's creativity directed towards customers to create added values (Pitra, 2016). New service concept as a facet of innovativeness has been provided by various authors as being new, beneficial in use and nontrivial, a business point of no return. Moreover, the services of an airline requires a continuous change and improvement in its service delivery areas as a result, in safety and navigational equipment, hours of operation, flexibility of service options, parking slots, reservations etc (Bitner et al., 2018).

Investor Satisfaction

Kotler (2000) defines satisfaction as the feelings of pleasure or disappointment suffered by a person after comparing the perceptions of performance or results of a product with its expectations. Investor satisfaction can be defined as the level of contentment or fulfillment experienced by investors with respect to their investment outcomes and experiences. This means that the satisfaction level of investors is the appreciation of investors. This means that the level of satisfaction will depend on the expectation and results received, when deciding to invest in an organization, investors act as customers using the organization's services. They will then compare the actual service with their expectations, and this will reflect the investor's level of satisfaction when investing.

Investor satisfaction can also be defined as the level of contentment or fulfillment experienced by investors with respect to their investment outcomes and experiences. It is the result of the comparison between investors' expectations and the actual results they achieved from their investments (Kozak, 2018). Investor satisfaction refers to the degree of contentment or happiness experienced by an investor in relation to their investment portfolio or a specific investment. It is a measure of how well the investor's expectations and goals have been met by their investments, and whether they feel that their investments have provided a satisfactory return (Chen, 2019).

Measures of investor satisfaction

In this study, we will use preference and investor engagement as dimensions of Investor satisfaction.

Preference

Preference refers to the subjective judgment and inclination of individuals towards specific products, services, or brands based on their personal needs, desires, and perceptions. Understanding individual preference is crucial for businesses to effectively meet customer expectations, tailor their offerings, and maintain a competitive edge in the market. Investor's preference can be defined as "the investor's subjective evaluation and choice among alternative consumption options based on their perceived utility and satisfaction" (Solomon et al., 2021). Several factors influence investor preference, including personal characteristics, such as demographics, lifestyle, and psychographics, as well as product attributes, price, quality, brand reputation, and social influence (Kotler et al., 2021).

Maslow's hierarchy of needs theory suggests that individual preferences are influenced by their underlying needs and motivations. According to this theory, individuals prioritize fulfilling their physiological needs, safety needs, social needs, esteem needs, and self-actualization needs, which in turn shape their preferences for specific products or services (Maslow, 1943).

Investor engagement

Investor engagement is defined as "the process of involving individuals and groups that either affect or are affected by the activities of the company" (Sloan. 2009). Investor engagement impacts how organizations develop new products, services and build strong supply chains, which yield a competitive advantage for the organizations (Sloan, 2009). d'Angella and Go (2009) added that the competitiveness of the destination and the stakeholders would be enhanced through collaboration. Investor engagements are becoming complementary alternatives to both market instruments and regulations for negotiated solutions. As such, it is suggested that corporations should consider the interests of their investors, whether for ethical reasons or for the achievement of strategic and economic objectives (Crane & Livesey, 2003).

New service concept and Investor satisfaction

The relationship between a new service concept and investor satisfaction can be complex and multifaceted. Generally, investors are interested in investing in companies that have a strong potential for growth and profitability (Stickdorn & Schneider 2012). Stickdorn and Schneider (2012) point out that in a meantime of developing services, new or improved existing services are introduced in order to make them more useful or efficient and meet the needs of modern invetors. Smith and Fischbacher (2005) argue that the new services development involves the development of tangible and intangible elements of the service that were not previously offered by the provider. A new service concept can potentially offer these attributes, as it may represent an innovative and unique offering that has the potential to capture market share and generate significant revenue. However, investors may also be concerned about the risks associated with investing in a new service concept. These risks can include the potential for the concept to fail, competition from established players, and challenges in scaling the concept to achieve profitability (Santamaría, et.al2012). Therefore, the satisfaction of investors will depend on a number of factors, including the strength of the new service concept, the track record of the management team, the market potential of the concept, and the overall business strategy of the company. Additionally, clear and transparent communication with investors about the risks and potential rewards associated with the new service concept can help to manage expectations and build confidence. Ultimately, the satisfaction of investors will depend on the success of the new service concept in achieving its goals, and the ability of the company to execute its strategy effectively (Erlhoff & Marshall, 2008)

Many authors draw the attention to the relationship between the consumer and the business while talking about the development of new services. Moritz (2010) points out that the development of new services is a process focused on the creation of the added value for both players of the market. Erlhoff and Marshall (2008) follow a similar position by claiming that this process is intended to create a service that is in the best interest of the client and the business entity that provides it. Meanwhile, Aurich, annweiler, and Schweitzer (2010) uphold the view that development of new services is a process of planning the components of human recourses, technologies and materials, in order to improve the quality of interaction between customers and service providers. Authors point out that choosing the right method for a new service can improve the satisfaction of customers, as well as improve the efficiency of the company and hence the satisfaction of investors.

Methodology

A descriptive type of survey design was used in this study due to the fact that it will properly describe and analyze the new service interface concept and investor satisfaction of aviation firms in Rivers State. The population of this study comprises of eight (8) airlines registered with the Rivers State ministry of commerce and industry, as identified in finelib.com Nigeria directory and search engine. Management staff in the area of study was drawn from each of these airlines as respondents for the study. 20 Copies of questionnaire was distributed in each of the airlines. The total number of respondents for the study is one hundred and sixty (160). The hypotheses were tested using Spearman Ranking Order Correlation with the aid of SPSS Version 21.

ANALYSES AND RESULTS

Table 1.1 Regression Analysis Showing the Effect of New Service Concept (NSC), on Investors Satisfaction (IS), Preference (P) and Investor engagement (IE)

Variables	Coeff.	t-cal	t-tab	Sig. t	r	R2	F-cal	F-tab	Sig.f
Constant	0.029	0.311	1.960	0.000	0.869	0.754	597.653	2.60	0.000
IS	0.898	12.068		0.001					
P	0.327	2.57		0.008					
IE	0.226	3.465		0.001					

Source: SPSS Output

Table 1.1 above shows a multiple regression coefficient of 0.869. This implies that a strong positive relation exists between new service concept and the dimensions of investors satisfaction. The coefficient of determination (R^2) = 0.754 shows that 75.4% of the variation in a new service concept is accounted for by variation in the dimensions of investors satisfaction. The remaining 24.6% is explained by other variables not included in the model. This reveals that the variables constituting the dimensions of investors' satisfaction can influence a new service concept of aviation firms in Rivers State. This implies that new service concept has a significant effect on investors satisfaction.

Discussion of findings

In this section we present the findings and also, discuss all the result from the analysis to see their estimated relationship between the new service concept and the measures of investor satisfaction which were explained and their implications.

The findings elucidate a compelling relationship between new service concept and the measures of Investor Satisfaction (preference and investor engagement). The high coefficient values and significant t-cal values in each analysis underscore the influential role of these dimensions in shaping investor satisfaction, implying that there exist a significantly and positive relationship between new service concept and investors satisfaction. This position is consistent with the thoughts of Stickdorn and Schneider (2012) who points out that in a meantime of developing services, new or improved existing services are introduced in order to make them more useful or efficient and meet the needs of modern investors. Earlier scholars had also taken a position that is similar to that of the above mentioned scholars, Moritz (2010) points out that the development of new services is a process focused on the creation of the added value for both players of the market. Following in the same line of argument, Erlhoff and Marshall (2008) follow a similar position by claiming that this process is intended to create a service that is in the best interest of the client and the business entity that provides it. This study agrees with the assertions of the above mentioned scholars. On the strength of this empirical evidence we thus conclude that new service concept does significantly affect investors satisfaction. We therefore argue that aviation firms would do well if they are able to constantly offer new services to customers as this would enhance the satisfaction of their investors.

Conclusion

The primary objective of this study was to explore the relationships between new service concept and investors satisfaction within the aviation industry in Rivers State. Based on the result of the findings the study concludes that there is a strong and positive relationship between new service concept and investors satisfaction within the aviation industry in Rivers State. Aviation firms should constantly offer new services to customers to achieve satisfaction of investors.

Recommendations

1) **Prioritize Service Innovation**: Firms in the aviation industry should prioritize investments in new service initiatives in their service concepts.
2) **Encourage Collaboration**: Promote collaboration between industry stakeholders, regulatory bodies, and research institutions to create an environment conducive to innovation and improve investors satisfaction.
3) **Employee Training**: Provide continuous training and development opportunities for employees to ensure effective implementation and maintenance of the new service strategies

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