



Understanding Loyalty in the Aviation Sector: The Mediating Role of Perceived Value between Brand Equity and Loyalty

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ABSTRACT

This research examines the mediating role of perceived value in the relationship between brand equity and passenger loyalty, focusing on Turkish Airlines. Data were gathered from 569 passengers of Turkish Airlines and were analyzed by using EFA in SPSS and CFA in SmartPLS. The results indicate that brand equity significantly has an indirect impact on passenger loyalty ($\beta = 0.112$, $P = 0.011$). In addition, although brand equity has a positive effect on perceived value ($\beta = 0.240$, $P < 0.001$), perceived value also has a positive effect on loyalty ($\beta = 0.493$, $P < 0.001$). The results also indicate that perceived value partially mediates the effect of brand equity on loyalty ($\beta = 0.118$, $P < 0.001$). Such findings imply that post-flight communication with the company, passengers' feedback opportunities and efficient service problem resolution might result in an increase of perceived value fostering customer loyalty. There appears to be a significant underestimation of the importance of the direct effect and of its impact on the indirect effects of brand equity. This study bridges the research gap by analyzing perceived value as a mediator between brand equity and loyalty, focusing on Turkish Airlines.

Keywords: Brand Equity, Perceived Value, Mediating Effect, Customer Retention, Loyalty

JEL Classifications: M30, M31, M39

1. INTRODUCTION

Various strategic actions are taken in the airline industry to increase customer loyalty without compromising the brand value. However, a number of determinants were found to bind passengers. Achmad et al. (2024) The present has the following factors derived from satisfaction, quality of service, brand value, perceived value and access. López-Rodríguez and Mora-Forero (2024) argue that the value of a brand helps to position the product of a company in the market, which is source of competitive advantage and that generate a powerful bonding between customer and brand. Ateş and Sunar (2024) A brand is defined as any visual or verbal expression associated with a product or service that differentiates an enterprise from its competitors. In contrast, brand equity can be described as the additional value contributed by a brand to the core benefits of a product/service as perceived by customers due

to various brand-related elements (e.g., color, smell, name). These definitions reveal that the customer's perception of this value is a prerequisite for brand value to be discussed. In contrast, Gürler (2024) offers an alternative definition of perceived value as the total benefit obtained by the customer in exchange for the price paid. This definition underscores the importance of customer perception, emphasising that each customer's perception is unique and significantly influences purchasing behaviour.

In this context, airlines can gain a competitive advantage by ensuring that passengers correctly perceive their brand value and that this perception translates into loyalty. Following the sectoral transformation in Türkiye in the 2000s, the previously monopolised aviation sector underwent structural changes (Hatipoğlu and Işık 2015) and intensified competition with the emergence of new competitors.

This study addresses the following research questions within the framework of the services offered by Turkish Airlines, Türkiye's flag carrier, to its passengers:

- How is the Turkish Airlines brand perceived by passengers?
- What role does the Turkish Airlines brand play in forming passenger loyalty?
- What role does the passenger's evaluation of the service received from the company play in forming passenger loyalty to the Turkish Airlines brand?

The answers to these questions are believed to reveal the effectiveness of Turkish Airlines' strategies and passengers' perception of the brand. A literature review revealed that studies examining the relationships between loyalty and brand value (e.g. Huang and Sarigöllü, 2012; Ole et al., 2025; Elalfy et al., 2025), loyalty and perceived value (e.g. Gürlü, 2024; Garcia et al., 2025), and perceived value and brand value (Kumar and Walia, 2025; Satar et al., 2025) are abundant. However, the mediating role of perceived value has not been sufficiently researched. The main reason for this is believed to be that the subject has not been the focus of academic studies. Therefore, it is anticipated that this study will address this gap in the literature. Furthermore, research and publication ethics principles were adhered to throughout, from data collection to analysis and interpretation.

2. LITERATURE REVIEW

2.1. Brand Value, Perceived Value and Loyalty

The present study is predicated on a synthesis of Aaker's (1991) "brand equity," Zeithaml's (1988) "perceived value" and Oliver's (1999) "loyalty" theorems. Brand value is a subject that has been extensively researched in the field of marketing (Aaker, 1991; Keller, 1993; Keller, 2016). To understand the logic behind this phenomenon, a comprehensive examination of the concept of brand value is essential. Desta and Amantie (2024) define brand value as the functional or symbolic benefit a customer derives from purchasing a product or service for a specific price. Similarly, Alagarsamy et al. (2022) define brand value as the symbolic meaning created in the consumer's mind by brand elements associated with a product or service. As both definitions show, brand value is inextricably linked to the customer. The profound influence of customers on the formation of brand value is a significant factor in the frequent examination of brand value in marketing literature. Brand value stems from customers' perceptions of the benefits they derive from a product. From a business perspective, it refers to the brand's capacity to create preference and foster loyalty. Establishing a robust brand fosters a profound connection between the business and its customer base. The strength of this connection directly correlates with the brand's capacity to stand out, preferred, and create a positive image (Özgüven, 2010).

As posited by Mencarelli and Lombart (2017), Guerra-Tamez et al. (2020), and Padungyos et al. (2020), perceived value is defined as the consumer's evaluation of the price paid for the product in relation to the benefits obtained. Padungyos et al. (2020) posit that consumers tend to associate the concept of perceived value with that of price, and that an increase in price is concomitant with an increase in perceived value. As posited by Mencarelli and Lombart

(2017) and Guerra-Tamez et al. (2020), consumer satisfaction is known to increase in parallel with perceived value.

In the context of loyalty, Oliver (1999) offers a definition of loyalty as a sense of attachment to a brand or organisation. Kim et al. (2024) describe it as a phenomenon that leads consumers to make consistent purchases from the same service provider, thereby establishing a long-term relationship with that provider. As Rowley (1996) asserts, loyalty constitutes a consistent behavioural pattern that develops subconsciously when customers are satisfied with their purchases. In this context, loyalty is defined as the customer's intention to make repeat purchases (Edvardsson et al., 2000).

2.2. The Relationship between Brand Value and Perceived Value

Sustainable customer relationships will only be achieved if there is a parity of the perceived value and the brand equity. When these two factors are not aligned, it typically leads to single transactions rather than repeated purchases. In a 2011, study Huang et al. pointed out that brand equity is an strategic asset which could lead firms to profit and sustainable competitive advantage. They studied the effect of perceived value on brand equity and they found a positive correlation between them. In the same way, Yan (2019) studied the association between the constructs under various sub-dimensions and showed that perceived value had a significant positive impact on brand equity. However, Pham et al. (2016) research on Vietnamese restaurant's patrons suggests that brand equity also has a meaningful influence on the value perceived by customers. An overall analysis of the previous literature suggests a positive and significant relationship between brand equity and perceived value. Hence the following hypothesis is developed:
H₁: Brand value has a positive effect on perceived value.

2.3. Brand Value and Loyalty

It is imperative to acknowledge the strategic significance of loyalty for commercial enterprises. This is not something that businesses can create alone; it is shaped by a combination of certain criteria. Of these factors, brand value is of the greatest importance. Customers have been shown to prefer products that they perceive as valuable; when they obtain the expected value from a purchased product, a key step towards building loyalty has been taken.

Inês and Moriera's (2023) examination of customers' environmental concerns regarding the consumption of plant-based beverages revealed that brand value positively impacts loyalty. Additionally, findings consistent with these observations were reported by Yıldırım and Çatır (2023) in a study conducted within the white goods sector. Goyal and Verma (2023) present a divergent perspective on the relationship between brand value and loyalty by examining the effect of loyalty on brand value. The authors conducted an analysis of loyalty, exploring two distinct dimensions: behavioural and attitudinal. The findings of this analysis indicated that both dimensions exert a positive influence on brand value.

A study by Şengül and Türkay (2018) on the value of regional cuisine and destination loyalty determined that tourists' perceptions of regional cuisine Bolu had a positive and significant effect on destination loyalty.

A review of the extant literature reveals that studies in various sectors have demonstrated a positive and significant relationship between brand value and loyalty (Alhaddad, 2024; Nam et al., 2011). It is hypothesised that the following conclusions can be drawn from the findings presented above:

H₂: Brand value has a positive effect on loyalty.

2.4. Perceived Value and Loyalty

As with brand value, perceived value is a key factor in the formation of brand loyalty. This is primarily due to customers' propensity to purchase products that offer a good value for money. It has been demonstrated that, if the value perceived by the customer corresponds to their expectations, there is a heightened probability of repeat custom.

Yum and Kim (2024) conducted a study on entertainment platforms in which they examined perceived value in three dimensions (utilitarian, hedonic and social value) and investigated its relationship with loyalty. The study established that utilitarian value was the only factor demonstrating a significant correlation with loyalty. However, Chang et al. (2008) and Haghighi et al. (2020) found significant relationships between perceived value and loyalty in their timber industry studies, both across the industry as a whole and between businesses.

However, a study conducted in the aviation sector revealed a lack of a significant relationship between perceived value and loyalty (Jahmani et al., 2020), thus contradicting the findings of numerous other studies in this field. In view of the divergent conclusions reached in the extant literature on this issue, the following hypothesis was formulated to facilitate the attainment of more precise findings:

H₃: Perceived value has a positive effect on loyalty.

2.5. Mediating Effect of Perceived Value

A review of the extant literature revealed several studies that have examined the mediating role of perceived value. For instance, Malik (2012) and Çelikkol (2020) examined its function in the association between perceived service quality and customer satisfaction. Li et al. (2024) revealed the mediating effect of perceived value on the impact of social support on customer participation in live streaming commerce. Atıgan (2020) investigated the mediating roles of social identity and perceived value in the relationship between variables related to customers' purchasing behaviour in social media marketing. Farhadpoor and Khadijeh (2023) conducted a study to ascertain the mediating effect of perceived value in the relationship between information quality and customer satisfaction among information system users. In their 2022 study, Widodo and Maylina examined the mediating effects of perceived value and word-of-mouth communication on the relationship between perceived quality and purchase intention.

The findings of these studies indicate that perceived value can serve as a significant mediating factor in the relationship between various variables. However, a review of the extant literature indicates a paucity of research on the mediating effect of perceived value in the relationship between brand value and loyalty. In this context, the following hypothesis was formulated:

H₄: Perceived value mediates the impact of brand value on loyalty.

The following essay will provide a comprehensive overview of the relevant literature on the subject.

A review of studies conducted in the past five years pertaining to brand equity, perceived value, and loyalty is hereby presented. The prevailing academic consensus on loyalty studies has been that these are generally addressed in conjunction with customer satisfaction and customer relationship management (Khan et al., 2022; Magatef et al., 2023; Pratama et al., 2024; Dam and Dam, 2021; Hohenberg and Taylor, 2022; Manyanga et al., 2022). In this study, however, the effect of loyalty on perceived value rather than satisfaction in the aviation sector was examined. A review of the extant literature on brand value indicates a general focus on brand value and consumer-based brand value models (Parris and Guzman, 2022; Dada, 2021; Zia et al., 2021; Araújo et al., 2023; Pina and Dias, 2021; Sohaib et al., 2023). In this study, brand value is addressed using a single-dimensional approach rather than sub-dimensions.

When examining the perceived value variable, the extant literature focuses predominantly on satisfaction (Miao et al., 2022; Tuncer et al., 2020; Nguyen et al., 2021), perceived risk (Xie et al., 2021), and purchasing behaviour (Wu and Huang, 2023; Tu et al., 2022; Kuncoro and Kusumawati, 2021; Yang et al., 2021). The distinguishing feature of this study is its analysis of the interplay between brand value and loyalty, as well as the mediating effect of perceived value in the relationship between these variables. In this context, the present study adopts a holistic approach to examining the interaction between brand value, loyalty, and perceived value in the aviation sector, whilst also revealing the mediating effect of perceived value. This approach makes an important contribution to the existing literature on the subject.

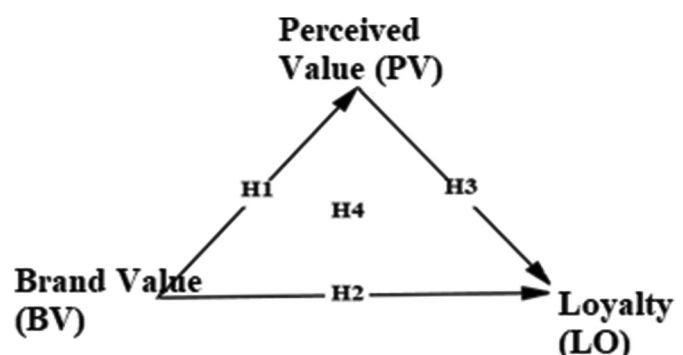
The hypothesis will test whether perceived value acts as a bridge between these variables. The aim is to provide a theoretical contribution to the marketing literature by revealing not only direct but also indirect effects through a holistic approach. Depending on the hypotheses examined, the study model can be expressed as shown in Figure 1.

3. METHODS

3.1. Data Collection Process and Sample

Data for this study were obtained through a survey from individuals who were 18 years or older and had flown at least once

Figure 1: Study model



with Turkish Airlines. Data collection was conducted through a mixed method, digital and in-person. A total of 321 questionnaires were gathered through online using Google Forms, whereas 279 respondents were interviewed face-to-face voluntarily. In total 600 questionnaires were collected; however 31 questionnaires were discarded due to incomplete or inaccurate responses, rendering the final sample size to 569. The data collection process was conducted in the first half of 2024. The target population for this study was adults aged 18 years or older who had previously flown with Turkish Airlines. It is estimated that Turkish Airlines has flown more than 40 million passengers in the first half of 2024 (THY, 2025). Consequently, a minimum sample size of 385 was determined to be adequate, with a 95% confidence interval and a 5% margin of error. Consequently, 569 valid surveys were deemed adequate for analysis.

3.2. The Development and Application of Scales

The collection of data was facilitated by the development of a 5-point Likert-type scale consisting of three variables and a total of 11 items. In creating the scale, measurement tools from previously applied and validated studies were combined. The creation of a four-item scale for the loyalty variable was informed by statements from the scale developed by Thanh and Anh (2023). For the perceived value variable, a four-item scale was designed using the study developed by Koech et al. (2023). The brand value variable was measured using a three-item scale based on the work of Molinillo et al. (2018). Despite endeavour to contact the relevant authors, we did not receive a response; therefore, a direct reference was made instead.

The collected data were then coded before analysis. In this specific context, the code “LO” was assigned to the loyalty scale, “PV” to the perceived value scale, and “BV” to the brand value scale. After the coding process, the data were transferred to a computer environment and prepared for analysis. The analysis process was initiated with Exploratory Factor Analysis (EFA) using the SPSS program. After the adequacy of the results was confirmed, Confirmatory Factor Analysis (CFA) was performed using the SmartPLS program.

4. ANALYSIS AND FINDINGS

Orçan (2018) emphasizes that the suitability of data obtained in scientific research for analysis should be evaluated first, and this

suitability should be determined using Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). Similarly, Çolakoğlu and Büyükekşi (2014) suggest that the use of EFA serves to demonstrate the adequacy of the obtained data for CFA purposes. In this context, the data obtained in the study were first subjected to Exploratory Factor Analysis (EFA) using the SPSS program. Following the EFA, Confirmatory Factor Analysis (CFA) was performed using the SmartPLS program because the EFA results were found to be satisfactory. In addition, Structural Equation Modeling (SEM) was applied using the SmartPLS program for this purpose, and the hypotheses developed within the scope of the research were tested.

Prior to the analytical process, descriptive statistics regarding the demographic characteristics of research subjects were presented. The demographic information of the participants is presented in Table 1.

A thorough examination of the demographic characteristics of the participants reveals that the majority of the sample is composed of male respondents (60.1%), with female respondents constituting 39.9% of the total. With respect to marital status, it was ascertained that approximately half of the participants were married (46.9%) while the half were unmarried (53.1%). A subsequent analysis of the age distribution revealed that a significant proportion of the participants were in the young adult group (47.6% in the 18-24 age range), followed by the 25-44 age group (29.2%), the 45-64 age group (18.5%), and the 65 and older age group (4.7%).

Regarding flight frequency, a considerable proportion of the participants (42%) reported flying at least once a year. Meanwhile, a subsequent segment (29.9%) reporting flying 1-3 times, a further group (16.5%) reporting 4-6 times, while the final group (11.6%) reporting flying more than 6 times a year. With regard to the purpose of the flight, the vast majority of participants travel for vacation (68%), followed by education (17.4%), day trips (7.6%), business (4%), and other reasons (3%).

The results of the factor analysis of the data are presented in Table 2. The analysis yielded three overarching factors: perceived value, loyalty, and brand value. It was observed that the factor loadings of all items were above 0.50.

Table 1: Demographic information

Gender	Frequency	Percent	Flight frequency	Frequency	Percent
Female	227	39.9	Once a year	239	42.0
Male	342	60.1	1-3 times a year	170	29.9
Toplam	569	100.0	4-6 times a year	94	16.5
Marital status			More than 6 a year	66	11.6
Married	267	46.9	Total	569	100.0
Single	302	53.1	Flight Aim		
Total	569	100.0	Comercial	23	4.0
Age			Day trip	43	7.6
18-24	271	47.6	Vacation	387	68.0
25-44	166	29.2	Education	99	17.4
45-64	105	18.5	Other	17	3.0
65 over	27	4.7	Total	569	100.0
Total	569	100.0			

Source: Author's own work

As proposed by Harmandaroğlu and Altunışık (2023), factor loadings of 0.50 and above serve as an indication that the scale items adequately represent the relevant concepts. In this context, we may posit that the scale items employed in the study effectively mirror the conceptual structures. In addition, a reliability analysis was conducted to assess the internal consistency of the scales. In this analysis, Cronbach's Alpha coefficients were calculated for each subscale, and a reliability value was obtained for the scale as a whole.

Subaş and Çetin (2017) posit that Cronbach's Alpha coefficient is a metric of scale internal consistency, with a value ranging from 0 to 1. It is noted that values close to 1 represent greater scale reliability. The results of the reliability analysis in this regard are given in Table 3. Analysis results showed that the Cronbach's Alpha value for each subscale was above 0.80, which meant the general reliability was over the limit of 0.80. These results show that the scale possesses good internal consistency. Before proceeding to factor analysis, the Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity were examined to check the appropriateness of the scale. These tests produced a KMO value of 0.841 and Bartlett's test was significant at the level of $P = 0.000$. Based on the recommendation of Rahim et al. (2022), a KMO value for Bartlett's test of >0.60 ($P < 0.001$) indicated that the sample was adequate for factor analysis. In addition, the

explained variance ratio was 71.816%, namely the extract factors accounted for 71.816% of total variance in the data. Reliability and validity of the scales were also examined in terms of structural equation modeling. In the realm of structural equation modeling, the model reliability depends on the Cronbach's Alpha value for each variable, and a value of at least 0.70 is required. In addition, the values of composite reliability (CR) and average variance extracted (AVE) should be >0.70 , and 0.50, respectively (Okan 2024). As can be seen from Table 3, the Cronbach's Alpha and average variance extracted (AVE) for all the variables are above the threshold values.

The findings suggest that the structures incorporated within the model are both reliable and valid. In the subsequent stage of the validity analyses, the HTMT ratio and Fornell-Larcker criterion analyses were conducted to test discriminant validity (Table 4).

The Heterotrait-Monotrait (HTMT) ratio, and Fornell-Larcker criterion, were considered in the assessment of differentiation validity. As posited by Lim (2024), the HTMT ratio should ideally fall below 0.85. The attainment of this benchmark is indicative of distinct variables. Upon examination of the HTMT values obtained in the study, these values were observed to be below 0.85 for all variables. In accordance with the methodology established by Fornell and Larcker (1981), the square root of the average variance extracted (AVE) of each variable is expected to exceed the other correlation coefficients within the same row and column of the table. The satisfaction of this criterion is indicative of the distinctiveness of the variables and the validity of the measurement model. Following the analysis, the square root of the AVE for each variable was calculated was found to be higher than the values of the other variables in its column. The findings indicate that the scales demonstrate discriminant validity in relation to both the HTMT ratio and the Fornell-Larcker criterion.

The variance inflation factors (VIF) of the variables and model fit indices are presented in Table 5.

The VIF values indicate the presence of multicollinearity (equicollinearity) among the variables in the model. According to Doğan (2019), the VIF values should not exceed 5. An examination of Table 5 reveals that the VIF values of all variables are below 5, indicating the absence of multicollinearity in the model. In terms of model fit indices, according to the criteria proposed by Anderson and Gerbing (1984), for the model to have a good fit, the chi-square/degrees of freedom (X^2/df) value should be between 0 and 2, and for an acceptable fit, it should be between 2 and 3. Furthermore, it is asserted that CFI values should ideally be between 0.97 and 1.00, signifying a good fit, while SRMR values should be maintained between 0 and 0.05 for a good fit and between

Table 2: Factor analysis

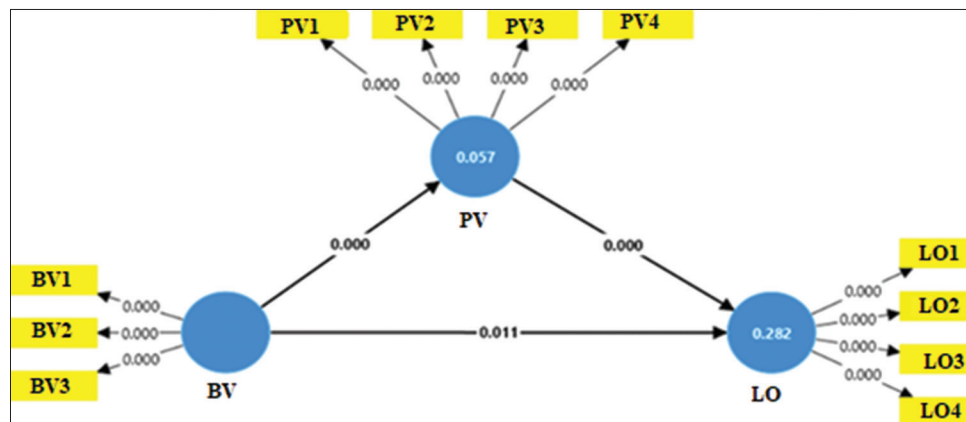
Variables	1	2	3
PV3 Turkish Airlines employees look presentable.	0.857		
PV1 The Turkish Airlines brand uses modern aircraft and flight schedules.	0.797		
PV4 Turkish Airlines employees are very eager to help passengers.	0.794		
PV2 Turkish Airlines offers a convenient flight schedule.	0.782		
LO3 I would recommend Turkish Airlines as the best airline in Türkiye.		0.829	
LO2 I will continue to fly with Turkish Airlines.		0.799	
LO1 If I had to fly now, Turkish Airlines would be my first choice.		0.792	
LO4 I am willing to pay a higher price for Turkish Airlines' service.		0.777	
BV1 Even if it were the same, it would make sense to prefer the Turkish Airlines brand over others.			0.897
BV2 Even if there were another airline brand with the same features as Turkish Airlines, I would still prefer Turkish Airlines.			0.883
BV3 Even if there were another airline brand offering a service as good as Turkish Airlines, I would still prefer Turkish Airlines.			0.782

Source: Author's own work

Table 3: Reliability test (SPSS, Std. Error of mean (SE) and SMART PLS)

Variables	Cronbach's alpha	rho_A	CR	AVE	SE
BV	0.831	0.841	0.898	0.746	0.031
LO	0.853	0.873	0.900	0.694	0.023
PV	0.863	0.873	0.906	0.708	0.028

Source: Author's own work

Figure 2: Structural equation model path analysis

Source: Author's own work

Table 4: Distinctive Validity Analysis (HTMT and Fornell Larcker)

HTMT	Fornell Larcker					
	BV	LO	PV	BV	LO	PV
BV				0.864		
LO	0.269			0.230	0.833	
PV	0.279	0.591		0.240	0.519	0.842

Source: Author's own work

Table 5: VIF values

Variables	VIF
BV1	2.561
BV2	2.300
BV3	1.579
LO1	1.804
LO2	2.314
LO3	2.334
LO4	1.730
PV1	1.739
PV2	1.896
PV3	2.572
PV4	2.324

Source: Author's own work

Table 6: Hypothesis results

Structural path	β	t	P	95% CI lower-upper bound
BV->PV	0.240	5.169	0.000	(0.026-0.198)
BV->LO	0.112	2.534	0.011	(0.150-0.330)
PV->LO	0.493	10.252	0.000	(0.339-0.587)
BV->PV->LO	0.118	4.805	0.000	(0.069-0.167)

Source: Author's own work

The bootstrapping procedure in SmartPLS was used to calculate path coefficients (β) and to establish the significance of the data model. This process was performed with 5,000 resamples. Hair et al. (2017) hold the view that the path coefficients in result of this method are bounded between -1 and $+1$. The results of the hypothesis testing are shown in Table 6. The study was found to be significant, with a t value of 2.56 and $P = 0.011$, for the H_1 (the effect of brand value on perceived value) hypothesis, and the beta value was 0.112 with a confidence interval at 95% of 0.026-0.198. This finding supports the hypothesis and indicates an affirmative effect of brand value on perceived value. For the H_2 hypothesis, which examines the effect of brand value on loyalty, the results obtained were $\beta = 0.240$, 95% CI (0.150, 0.330), $P < 0.001$, indicating that the hypothesis was accepted. The third hypothesis, H_3 , which examined the impact of perceived value on loyalty, was found to be significant with $\beta = 0.493$, 95% CI [0.399, 0.587], $P < 0.001$. Finally, for H_4 , which examined the mediating effect of perceived value on the relationship between brand value and loyalty, the results were $\beta = 0.118$, 95% CI [0.069, 0.167], $P < 0.001$ supporting the hypothesis.

5. CONCLUSION

5.1. General Discussion

In addition to their societal contributions, businesses also disclose their distinctive brand values. It seems that consumers are well aware that with every product or service purchase they buy a brand. The significance of this concept is outlined clearly when reviewing the brand equity in marketing literature (Aaker, 1991; Keller, 1993; Keller, 2016). For aviation, a service industry, it is essential to consider the relationship between customer loyalty and perceived value. Positive perceived value resulting from

0.05 and 0.10 for acceptable fit. Hair et al. (2017) asserted that in circumstances where variance (PLS-SEM) is employed in lieu of covariance (CE-SEM), it is imperative to undertake a thorough examination of the R^2 and Q^2 values to ascertain the model's suitability for the given data. The model demonstrated a ChiSqr/df value of 2.661, an SRMR value of 0.036, and a CFI value of 0.978. In this particular context, the model's goodness of fit is considered satisfactory. Furthermore, Hair et al. (2017) emphasise that, in this case, the R^2 value must be >0.10 and the Q^2 value must be >0 for the model to be considered acceptable. The analysis yielded an R^2 value of 0.282 for the LO variable and 0.057 for the PV variable in the study model. The Q^2 values obtained for the study were 0.046 for LO and 0.052 for the PV variable. The findings suggest that the model possesses both explanatory and predictive capabilities.

4.1. Hypothesis Findings

In this section, hypotheses formed from the literature research are examined in order to reflect the purpose of the study. The analysis results are presented in Table 6 and Figure 2.

service experience of a passenger could lead to increased level of company commitment and company attachment (Parasuraman et al., 1988; Zeithaml, 1988). As such, the findings of this study provide novel guidance for airlines in enhancing customer loyalty. The research findings demonstrate that the perceived brand value exerts a significant influence on loyalty, and that this effect is directly proportional to the perceived value after using the service. Furthermore, the scales utilised in the study can be regarded as valid and reliable instruments for measuring the effects of brand value and perceived value on customer loyalty.

5.2. Theoretical Implications

In this research, the data from 569 respondents were analyzed and the hypotheses were tested through Structural Equation Modeling (SEM). Firstly, an investigation was made on the link between brand value and the perceived value of the customer (H_1), disclosing a positive and significant impact as expected in the extant literature (Huang et al., 2011; Pham et al., 2016). Higher brand value has previously been shown to raise value customers attain from the service. As for the value of brand and customer loyalty (H_2), the analysis showed that brand value has a positive and significant effect on customer loyalty consistent with the results of Alhaddad (2024), Nam et al. (2011), and Inês and Moreira (2023). This implies, then, that Turkish Airlines countermeasures in raising the brand value could, in turn, lead to the well-building of loyalty. Furthermore, the impact of perceived value on customer loyalty (H_3) was positive and significant, supporting earlier research (Chang et al., 2008; Haghkhah et al., 2020; Yum and Kim, 2024). In summary, it has been demonstrated that perceived value plays the mediating role in the effect of brand value on loyalty for hypothesis (H_4). This implies that brand equity is directly positive on loyalty and perceived value is an indirect booster that enhances this relationship. Another noteworthy result of this investigation is that the theories of brand value, perceived value and loyalty that research is based upon were resulated in the same way before as now although tested in completely different temporal and cultural settings. This signifies that a universal framework underlying the relations of these three constructs exists and thus it can be used as a fact for firms strategically. Therefore, it can be inferred that there is a strong and continuing bond among brand value, perceived value and loyalty. The mediating effect of perceived value hasn't been properly examined in extant literature. It is one of the significant theoretical contributions of this research.

5.3. Management Implications

From the results it can be said that the Turkish Airlines brand value has a positive effect on passenger loyalty. Moreover, the passengers' perceived value after the execution of service company is also a loyalty formation factor. In this context, it can be said that Turkish Airlines should have upheld the quality of service in its operation and Turkish Airlines should undertake such activities to raise the perception of passengers after the service through the relationship marketing applications. In a bid to keep and make passengers feel that they are getting value. For example, the company might want to consider following-up with passengers after service to gauge their satisfaction. When adopted, this could increase passenger loyalty and also agents could get to potential

customers via word of mouth. In addition, employees need to be briefed on the concepts of brand value, perceived value, and customer loyalty, so that they can understand how important these factors are to the success of the business.

5.4. Study Limitations and Recommendations for Future Research

A key limitation of the study is that the sample predominantly consists of young adults aged 18-24, who make up approximately 50% of the total. It is recognized that the young generation is likely to have different attitudes and expectations compared with other generations. This may limit the generalizability of this finding. Moreover, data were not had been collected from passenger on the same flights, or from the same stations. Applying a more homogeneous sample that is homogeneous in flight, departure/arrival station and temporal factors, could lead to more precise findings the data. This is because, in each flight, all is different under different conditions, personnel performance and so on. It is essential in further research to achieve balance in age among the participants and to confirm the comparability of flight and station characteristics. In addition, the incorporation of service quality and word-of-mouth communication within the model is anticipated to generate more comprehensive results, thereby contributing to the extant literature on the subject. In conclusion, given that the study focuses on a single airline, the extent of its generalisability is limited. Consequently, if these data are applied to multiple airlines operating at the national and international levels in future studies, more accurate results in terms of generalizability can be obtained.

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