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AN EMPIRICAL STUDY ON CUSTOMER EXPECTATION OF SERVICE QUALITY IN AIRLINE INDUSTRY

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ABSTRACT

Airline industry has always been famous for its continuous struggle: cutting costs, managing fluctuating demand, keeping up with tight quality requirements while trying to maintain superior services and satisfy needs of various customer groups. Customer satisfaction has been on very low levels for decades, and the demand for air transportation has been stable and despite. In this struggling environment, airlines are forced to shift their focus towards customer oriented service quality. It is extremely important for carriers not only to understand the perception of passengers of their service offerings, but to find out the customers expectation from the services and the kind of services customers consider most important. In the airline industry, services are composed of very complex mix of intangibles as the airlines sell not physical objects but performances and experiences. Thus, service quality is a key to attract and keep loyal customers.

Service quality is a measure of how well the service level delivered matches customer expectations, while delivering quality service. This paper is aimed to study the importance and satisfaction level of passengers in airline.

KEY WORDS: *Service quality, Customer satisfaction, Customer expectation.*

INTRODUCTION

In the last 25 years, the aviation industry has been growing rapidly. In addition to its technological developments, the growing of airline industry due to its role as supporting the world trade, international investment, and tourism activities. Because of these roles, it is often said that the aviation industry is the center of globalization for other industries. The growing of the airline industry provides opportunities as well as challenges to the business entities in this industry. The opportunities arise due to the increasing

demand for the airline services. While the challenges arise not only because of the high level of competition between the airlines, but also due to growing consumer demands for better service.

Air transportation is a progressively developing sector and one of the most important service industries across the globe. In contemporary business world, measuring and maintaining service quality offered to air travellers are very pivotal to the growth and competitiveness of airline business. Jain and Gupta (2004) maintain that competitive pressure to

deliver high-quality service has propelled service organizations to understand customer’ assessments of service quality and then develop service standard that will meet and exceed customers’ expectations. This implies that service-based industries, such as airline businesses are obliged to de-liver outstanding services to their customers in order to have a sustainable competitive advantage. According to Parasuraman, Zeithaml, and Berry (1985), service quality is a measure of inconsistency between consumers’ perceptions of services received and their expectations about the organization offering the services. Hence, if what customer perceives falls below expectation, consumer evaluates quality to be low and if what is perceived meets or exceeds his/her expectation, then consumer views quality to be high. Due to the rising competition, business strategies in service industries have shifted from predominant attention on attracting new customers to focusing on cultivating and enhancing customer loyalty.

SERVICE QUALITY IN AIRLINE INDUSTRY

Delivering superior service quality by understanding customer expectations is a key for success and survival in very hectic and competitive environment of airline industry. High level of service quality is vital to acquire and retain loyal customers.

For airline companies, delivering high service quality has become a marketing requisite as competitive pressures increase. Among competitive variables for airlines such as fares, frequency, equipment, service quality, market access, and advertising, service quality is the most highly emphasized competitive variable. It is the service quality given to customers that differentiate an airline among its competitors, determine market share, and ultimately profitability. Most major traditional airlines have taken this approach. However, to deliver better services, airlines need to understand passengers’ needs and expectation because customers’ expectations provide a standard against which they judge performance.

Airlines started to focus on how improvements in service quality affect profit-ability, also to examine whether perceived service quality is a prime driver for quality is a prime driver for customer satisfaction and loyalty. Airline managers need to know which factors affect passengers’ choice of airlines and which attributes really do matter to satisfaction and loyalty.

SERVICE PROCESS STEPS AND RELATED ATTRIBUTES

The service process is divided into eight steps, each step representing a point where a customer may experience different types of services.

Table No: 1 showing the Steps in Service Process and Attributes

Service Process	Attributes
Ticket Purchase	<ul style="list-style-type: none"> • Easily available information on ticket prices, flight schedule etc. • Ease, accuracy and speed of reservation and ticketing.
Pre-flight Services	<ul style="list-style-type: none"> • Availability of pre-flight services (early baggage check-in, email reminder etc.). • Airport is conveniently located / parking facilities are easily accessible and close to the airport.
Check-in	<ul style="list-style-type: none"> • Ease, accuracy and speed of check-in. • Availability of more than one check-in option • Employees of the airline are courteous and helpful in case you use traditional check-in or have trouble with machine check-in.
Airport Services	<ul style="list-style-type: none"> • The airline has comfortable waiting lounges. • The airport has all necessary facilities and is clean and up-to-date. • Airport staff is courteous and helpful. • Employees of the airline are courteous and helpful during the flight. • The aircraft has clean and comfortable facilities and seats
Departure	<ul style="list-style-type: none"> • The flight departs and arrives at a time it promises. • In case of delay, airline immediately makes an announcement and provides all necessary information (length of waiting, possibility to receive food vouchers, stay at the hotel, or rebook a flight).
Onboard Services	<ul style="list-style-type: none"> • The airline has in-flight entertainment facilities/programs. • The airline offers good quality food and beverages. • The airline offers onboard shopping with wide selection of products.
Arrival	<ul style="list-style-type: none"> • See Departure
Post-arrival	<ul style="list-style-type: none"> • Promptness and accuracy of baggage delivery. • The airline has other travel-related partners such as car rentals, hotels and travel insurance where you can get discounts or earn extra miles.

BACKGROUND OF THE STUDY

The study was undertaken to determine the factors attributed in measuring the Service Quality in

airline industry. The distributions of significant attracting factors are bases on the result of Five Point Likert Scale are presented in Table.

Table No.:2 Table showing importance and satisfaction level customers in airline industry

Attributes/ Factors	Importance		Satisfaction	
	Mean	Agree %	Mean	Agree %
Easily available information on ticket prices, flight schedule etc.	6.57	92.19	6.23	89.13
Ease, accuracy and speed of reservation and ticketing	6.08	87.32	5.74	84.26
Availability of pre-flight services (early baggage check-in, email reminder etc.) .	6.17	88.24	5.83	85.17
Airport is conveniently located / parking facilities are easily accessible and close to the airport	6.34	89.91	6.00	86.85
Ease, accuracy and speed of check-in	6.56	92.10	6.38	90.64
Availability of more than one check-in option.	6.26	89.12	5.92	86.06
Employees of the airline are courteous and helpful in case you use traditional check-in or have trouble with machine check-in	6.87	95.19	5.87	85.55
The airline has comfortable waiting lounges	6.44	90.92	6.10	87.86
The airport has all necessary facilities and is clean and up-to-date	6.15	88.02	5.81	84.95
Airport staff is courteous and helpful.	6.05	87.02	5.71	83.96
The airline has in-flight entertainment (newspapers, magazines, etc.)	6.32	89.68	5.98	86.62
The airline provides good quality food and beverages (tasty and fresh)	6.19	88.42	5.85	85.35
The airline offers onboard shopping with wide selection of products.	6.14	87.92	5.80	84.85
Employees of the airline are courteous and helpful during the flight.	6.67	93.20	6.33	90.14
The aircraft has clean and comfortable facilities and seats.	6.28	89.31	5.94	86.25
The flight departs and arrives at a time it promises.	6.39	90.41	6.05	87.35
In case of delay, airline immediately makes an announcement and provides all necessary information (length of waiting, possibility to receive food vouchers, stay at the hotel, or rebook a flight).	6.67	93.20	5.98	86.65
Promptness and accuracy of baggage delivery.	6.24	88.92	5.90	85.85
The airline has other travel-related partners such as car rentals, hotels and travel insurance where you can get discounts or earn extra miles.	6.48	91.32	6.14	88.26

Importance:

The factor considered most important is “Employees of the airline are courteous and helpful in case you use traditional check-in or have trouble with machine check-in.” is placed **first** with mean 6.87 and agree % 95.19. “Employees of the airline are courteous and helpful during the flight” is in **second** place with mean 6.67 and agree % 93.2. The factor “In case of delay, airline immediately makes an announcement and provides all necessary information (length of waiting, possibility to receive food vouchers, stay at the hotel,

or rebook a flight)” is also in **second** place with mean and agree % 6.67 and 93.2. “Easily available information on ticket prices, flight schedule etc.” is in third place with mean 6.57 and agree % 92.19. **Fourth** place is for “Ease, accuracy and speed of check-in” with mean 6.56 and agree% 92.1. “The airline has other travel-related partners such as car rentals, hotels and travel insurance where you can get discounts or earn extra miles” is in **fifth** place with mean 6.48and agree % 91.32. The factor “The airline has comfortable

waiting lounges” is placed **sixth** mean and agree % 6.44and 90.92.

“The flight departs and arrives at a time it promises ” is in **seventh** place with mean 6.39 and agree % 90.41. The factor “Airport is conveniently located / parking facilities are easily accessible and close to the airport” is in **eight** place with mean 6.34 and agree % 89.91. “The airline has in-flight entertainment (newspapers, magazines, etc.)” is in **ninth** place with mean 6.32 and agree % 89.68. The factor “The aircraft has clean and comfortable facilities and seats” is in **tenth** place with mean 6.28 and agree % 89.31.

“Availability of more than one check-in option.” is in **eleventh** place with mean 6.26and agree % 89.12. “Promptness and accuracy of baggage delivery” is in **twelfth** place with mean 6.24 and agree % 88.92. The factor “The airline provides good quality food and beverages (tasty and fresh). 88.92” is placed **thirteenth** with mean and agree % 6.23 and 88.42. “Availability of pre-flight services (early baggage check-in, email reminder etc.)” is in **fourteenth** place with mean and agree % 6.17 and 88.24.

Fifteenth place is for the factor “The airport has all necessary facilities and is clean and up-to-date.88.02” with mean 6.15 and agree % 88.02. “Airline offers onboard shopping with wide selection of products” is placed **sixteenth** with mean 6.14 and agree % 87.92. The factor “The Ease, accuracy and speed of reservation and ticketing ” is in **seventeenth** place with mean 6.08 and agree % 87.32. “Airport staff is courteous and helpful” is in **eighteenth** place with mean 6.05 and agree % 87.02.

Satisfaction:

First place is for “Ease, accuracy and speed of check-in” with mean 6.38 and agree% 90.64. “Employees of the airline are courteous and helpful in case you use traditional check-in or have trouble with machine check-in.” is placed **second** with mean 6.33 and agree % 90.14 “Easily available information on ticket prices, flight schedule etc.” is in **third** place with mean 6.23 and agree % 89.13. “The airline has other travel-related partners such as car rentals, hotels and travel insurance where you can get discounts or earn extra miles” is in **fourth** place with mean 6.14and agree % 88.26. The factor “The airline has comfortable waiting lounges” is placed **fifth** mean and agree % 6.10and 87.86. “The flight departs and arrives at a time it promises” is in **sixth** place with mean 6.05and agree % 87.35.

The factor “Airport is conveniently located / parking facilities are easily accessible and close to the airport” is in **seventh** place with mean 6.00 and agree % 86.85. “The airline has in-flight entertainment (newspapers, magazines, etc.)” is in **eighth** place with mean 5.98 and agree % 86.62. The factor “In case of

delay, airline immediately makes an announcement and provides all necessary information (length of waiting, possibility to receive food vouchers, stay at the hotel, or rebook a flight)” is also in **ninth** place with mean and agree % 5.98 and 86.65.

The factor “The aircraft has clean and comfortable facilities and seats” is in **tenth** place with mean 5.94 and agree % 86.25. “Availability of more than one check-in option.” is in **eleventh** place with mean 5.92 and agree % 86.06. “Promptness and accuracy of baggage delivery” is in **twelfth** place with mean 5.90 and agree % 85.85. The factor considered most important is “Employees of the airline are courteous and helpful during the flight” is in **thirteenth** place with mean 5.87 and agree % 85.35.

The factor “The airline provides good quality food and beverages is placed **fourteenth** with mean 5.85and agree % 88.42. “Availability of pre-flight services (early baggage check-in, email reminder etc.)” is in **fifteenth** place with mean and agree % 5.83 and 85.17. **Sixteenth** place is for the factor “The airport has all necessary facilities and is clean and up-to-date” with mean 5.81 and agree % 84.95. “Airline offers onboard shopping with wide selection of products” is placed **seventieth** with mean 5.80 and agree % 84.85.

The factor “The Ease, accuracy and speed of reservation and ticketing” is in **eightieth** place with mean 5.74 and agree % 84.26 “Airport staff is courteous and helpful” is in **ninetieth** place with mean 5.71 and agree % 83.96.

CONCLUSION

The service quality is more complex to define and measure compared to product quality. Service quality could be measured by a gap between expected and perceived service quality with attributes used to measure certain aspects of as well, as it is a key driver for profitability and customer loyalty. Airlines have been striving to balance cost cuts and service improvements and the understanding of customer expectations and customer segmentation has become paramount. The importance attributes of high expectations on service quality aspects are Employees, information availability, communication and timely arrival. The customers require providing good quality information and communicating promptly when needed, other services such as good quality food, entertainment and simply a polite and helpful staff can help any carrier to go extra mile for customer satisfaction and loyalty.

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