Service Quality towards Customer Satisfaction in Low Cost Airline Industries

Dr. R. Bhuvaneswaran,

Assistant Professor,
Department of B.Com (CA),
Thiruthangal Nadar College, Chennai, India.

Dr. R. Venkatasamy,

Assistant Professor,
Department of B.Com (General),
Thiruthangal Nadar College,Chennai, India.

Prof. R. Ramarajan,

Assistant Professor,
Department of B.Com (Corporate Secretary
ship), Thiruthangal Nadar College,
Chennai, India.

ABSTRACT

The aviation sector has become the most important segment in the economic development of a nation. It plays a vital role in moving people or products from one place to another, either being domestic or international, especially when the distances involved are long. Currently, anyone can easily access the aviation service from their respective air terminals. In a highly competitive environment the provision of high quality services to passengers is the core competitive advantage for an airline's profitability and sustained growth. In the past decade, as the air transportation market has become even more challenging, many airlines have turned to focus on airline service quality to increase passenger satisfaction. An analysis of the data can provide guidelines for participating airlines in terms of strategies to improve their services and sustain loyalty among existing customers, as well as help in designing measures to attract new customers. From a consumer perspective, the findings uncover the values that consumers look for in the choice of airline services and other affecting factors.

Keywords: Aviation sector, Passenger satisfaction, Service quality, Low cost carrier, Airline services.

INTRODUCTION:

The low cost airlines has become the most important role in moving people or products from one place to another, either being domestic or international, now a days anyone can easily access the aviation service from their respective air terminals. In a highly competitive environment to provide high quality services to passengers is the core competitive advantage for an airline's profitability and sustained growth. In the past decade, as the air transportation market has become even more challenging, many airlines have turned to focus on airline service quality to increase passenger satisfaction. Excellent passenger satisfaction is one of the greatest assets for air business in today's competitive environment. There are many factors that can help an airport to build its customer base, and passenger service and satisfaction can be a determining factor in the success of an entire operation.

Low cost carriers have modified the airline industry competitive environment within liberalized markets and have made significant impacts in the world's domestic passenger markets, which have previously been largely controlled by full service network carriers. Thus in the context of increasing access to information and tougher competition, the customer will be more demanding for a high quality service and technology, which will then

enable them to make comparisons quickly and accurately. It is imperative that Service Company measures and monitors service quality and satisfaction with a view to influence the behavioural intentions of their customers. However, most of the studies conducted by past researchers have been focusing on measuring customer satisfaction in national and full-service airline solely and rarely found on the low cost airline carrier. In addition, past research failed to use clear measurement of service quality pertaining to evaluating customer satisfaction in the low cost airline industry

STATEMENT OF THE PROBLEM :

The current development of business class seat roll-outs shows the significance of this product element which influences the buying decision of the passenger especially on long haul flights. If the passenger is not satisfied, due to the negative experience, the client will reconsider the buying decision for further flights and will probably switch to another airline. The research related to service quality and customer satisfaction in the airline industry has been growing in interest because the delivery of high service quality is essential for airlines survival and competitiveness.

Although examining the effect of individual dimensions of service attributes has potentially great utility for airline managers, the effects of individual dimensions of airline service quality has not been fully investigated in previous airline service studies. In addition, the findings would enhance the airliners to improve their customer relations management as well as their brand loyalty. Specifically, passengers of several low-cost carriers (LCCs), particularly in Indian Airlines, are less likely to complain about service quality failures than passengers of network legacy carriers, controlling for yearly variations in complaints.

REVIEW OF LITERATURE:

Jin-Woo Park, et al (2004),Although the direction of airline service quality and passenger satisfaction has been studied empirically, the causal order between airline service quality and passenger satisfaction, and the exact relationship between airline service quality, passenger Satisfaction and behavioural intentions, is still a matter of debate because the direction may vary depending on context. R.Archana, and Dr.M.V.Subha, (2012), excellent passenger satisfaction is one of the greatest assets for air business in today's competitive environment. There are many factors that can help an airport to build its customer base, and passenger service and satisfaction can be a determining factor in the success of an entire operation. David Mc. A Baker, (2013), Low-cost carrier or low-cost airline also popularly known as a no-frills, discount or budget carrier or airline: typically use one type of aircraft with up to 200 seats offering generally low fares in exchange for eliminating many traditional passenger services. Malyadri and Satyanarayana, (2014), The problems related to operations and cost escalation has changed the focus of Airliners from the above named customer service quality, experienced service quality which resulted in customer's dissatisfaction and forcing customers to switch from one airliner to other airliner which can give both the price satisfaction, good travel experience and service quality.

RESEARCH OBJCTIVE:

The specific aims of this study were as follows:
• To identify the important factors of service quality in low cost airlines towards customer satisfaction.
• To determine the relationship between service quality customer satisfaction and service environment, employee approaches, efficiency of the services.

SCOPE OF THE STUDY:

The research scope was limited to a certain demographical group and only flights within Geographical Kedah & Penang were addressed in the survey. Next, only flights with low cost airlines have been taken into consideration in the survey.

SIGNIFICANT OF THE STUDY:

This study may motivate lower cost airline service providers and future researchers to persist improve of their knowledge on the service quality developments. It may help to lead the airline industries to renew their service quality policies and providing good quality services to defence with the competitors.
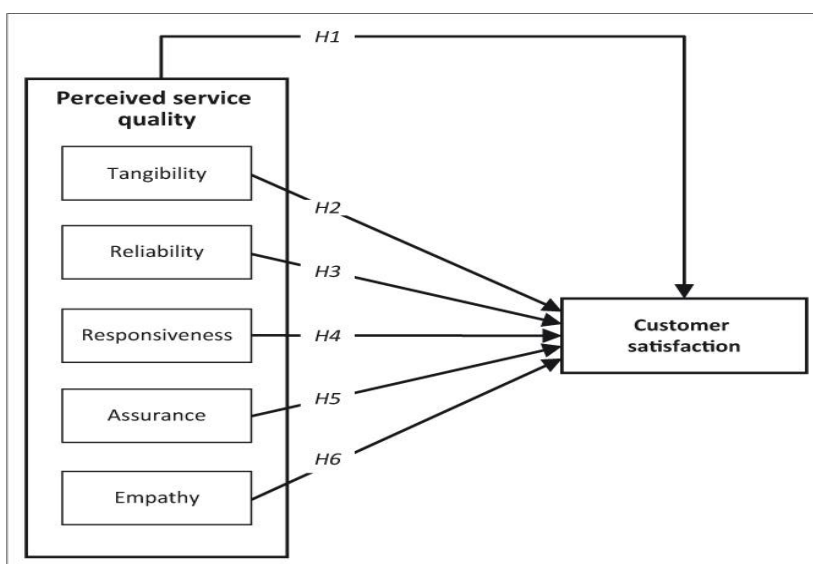
CUSTOMER SATISFACTION:

Recent interpretations in the consumer domain now couch satisfaction as a fulfilment response. Fulfilment implies that a consumption goal is known, as in basic motives of hunger, thirst, and safety. However, observers of human behaviour understand that these and other goals can be and frequently are modified and updated in various ways. Customer satisfaction is a compelling issue because in the service industry customer retention is more important than is attracting new customers.

THE RELATIONSHIP BETWEEN SERVICE QUALITY AND SATISFACTION :

To achieve a high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction.

Figure:1

Source: Authors' own work

FIGURE 1. Conceptual framework depicting the relationship between the dimensions of service quality and customer satisfaction.

Measurement Scale on Reliability Analysis:

The reliability test for this study is as the table below:

Variables	Number of items	Reliability
Seat comfort	5	0.865
Flight punctuality	5	0.932
Staff services	5	0.893
Attractive promotion	5	0.921

Descriptive analysis for this research was descriptive analysis and regression. Table 1&2 indicates Demographic factors and Table 3 indicate regression analysis.

Table 1

	Gender	Respondents	Percentage of respondents (%)
1	Male	138	60
2	Female	92	40
	Nationality	**Respondents**	**Percentage of respondents (%)**
1	Indian	175	76
2	Non Indian	55	24

	Age	Respondents	Percentage of respondents (%)
1	Below 20	11	4.8
2	20-40	168	73
3	40-60	31	13.5
4	Above 60	20	8.7
	Occupation	**Respondents**	**Percentage of respondents (%)**
1	Student	122	53
2	Govt job	23	10
3	Business	39	17
4	Others	46	20
	Level of Income	**Respondents**	**Percentage of respondents (%)**
1	Lower level	26	11.30
2	Middle level	141	63.30
3	Higher level	63	24.7
	Type of flight	**Respondents**	**Percentage of respondents (%)**
1	Air India	138	60
2	Jet airways	27	11.7
3	Spice jet	46	20
4	indigo	19	8.3
	Purpose of trip	**Respondents**	**Percentage of respondents (%)**
1	Business	64	22.82
2	Holiday	133	57.82
3	Education	3	1.3
4	Others	30	13.06
	Frequency of travel	**Respondents**	**Percentage of respondents (%)**
1	1st time	20	9
2	2 -3	161	70
3	3 & above	49	21
	Total Respondent	**230**	**100**

Based on the table 1, 60% of respondents were males and 40% were females. Most respondents were Indians (76%). 73% of total respondents were aged of 21-40 years. while 13.5% were I the aged group of 41-60.Students were the largest respondents which is 53% while those working were 27%.In this study middle income group are the major users of lower cost airlines. They were 61% respondents while lower income and higher income group of 11.3% and 27.4% respectively. Furthermore, 60% of total respondent's choice was Air India among other lower cost one.

Mean and Standards Deviation of items:

Table 2

Item	Mean	Std deviation
Seat comfort	6.22	1.072
Flight punctuality	6.09	1.230
Staff services	6.02	1.302
Attractive promotion	5.79	1.370

Based on the table 2, the passengers preferred to the seat comfort which is consist 6.22. The second quality factor flight punctuality. It is 6.09. Staff services which the industry provides also influence customer satisfaction of service quality it is carried 6.02 weightage. Attractive promotion towards the organization is 5.97.

Regression Analysis Summary:

Table 3

Variable	R2	Beta	Significant
Seat comfort	0.766	0.875	0.000
Flight punctuality	0.655	0.809	0.000
Staff services	0.520	0.721	0.000
Attractive promotion	0.729	0.854	0.000

Based on the table 3, the seat comfort is significantly influence the customer satisfaction of service quality with a R2 of 0.766. The Beta coefficient of 0.875 also support that.R2 of flight punctuality 0.655 which means that approximately 65.5% of flight punctuality influence the service quality with significant at 0.000 (p= < 0.5) level. This is supported by beta co efficient 0.809.As the variable of staff services R2 is 0.520 and significant at 0.000 (p = <0.5) level. This is supported by beta co efficient 0.721.lastly for attractive promotion R2 is 0.729 and significant at 0.000 (p=< 0.5) level. While beta co efficient of both variables efficiency 0.721 and attractive 0.854 respectively.

RESULTS AND DISCUSSION:

It was envisioned that the data collected would reflect the quality of services provided by the various airlines, assessing if whether their performance was on par with the expectations of their customers in terms of overall satisfaction. An analysis of the data can provide guidelines for participating airlines in terms of strategies to improve their services and sustain loyalty among existing customers, as well as help in designing measures to attract new customers. From a consumer perspective, the findings uncover the values that consumers look for in the choice of airline services and other affecting factors.

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