

AN EMPIRICAL STUDY ON QUALITATIVE SERVICES PROVIDED BY THE AIRLINE FOR CUSTOMER SATISFACTION

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ABSTRACT

The core objective of this research paper was to enlighten the consumer satisfaction related to the various services provided by the airline organization. The success of airline business depends upon proper assessment of the requirements of its customer at various segmentations. The purpose of the travel of various airline customers was very important and crucial because the revenue generation depends upon the well designed commercial policies. The airline consumer was price sensitive. He expects the best qualitative service. The operation of flights facilitate for rural urban connectivity, provide scope for exports of rural perishable products like vegetables, fruits, flowers etc., to other locations within short span of time. The establishment of rural air transport services also contributes for the development of agriculture related, rural industrialization, and balanced regional development; it also fosters for the development of rural entrepreneurship. The sample of the respondents was selected from various sectors that have reasonable knowledge about the airline product services. The study was carried out at Hyderabad. The raw data collected was edited, computed by the application of statistical techniques. The objectives stated were analyzed. The vast majority of the respondents have positively responded to all statements stated in the questionnaire. They preferred the state owned airline to the private airline operators due to standards maintained by the state owned airline like customer safety, operational standards. The experts have also felt that the airline has to ensure top priority to the safety of the airline passenger, baggage / cargo, on – time performance and service at pre and post journey. The post liberalization has evidenced the excellent service by the public sector airline.

KEYWORDS: Customer Satisfaction, Rural Entrepreneurship, Qualitative Service, Safety, and Performance.

Introduction

The satisfaction level of an airline customer was very crucial because the income generation potentiality of the airline depends upon customers. The success of airline business depends upon proper assessment of the requirements of its customer. The significant nature of the airline product was "Space", highly perishable. The airline has to ensure top priority to attract and retain the existing as well as

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prospective customers. The air transport service comes under the public utility service. The customers of airlines include individuals in different age groups, corporate houses, frequent flyers, business people, etc., who travel for different purposes. The air-transport plays a vital role in transportation of live-stock and non-live stock like perishable products, vegetables, fruits, sea-foods besides the other durable / non durable products. India has recorded the highest growth rates in the mid-2000s and was one of the fastest-growing economies of the world. There was a need to supply sufficient airline services to meet the demand of the airline customers. A product was anything that could be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. In the services related areas, there was no or little tangible element and in this process the services were considered to be as benefits which were offered to the target market. The operation of flights facilitate for rural urban connectivity, provide scope for exports of rural perishable products like vegetables, fruits, flowers etc., to other locations within short span of time. The establishment of air transport services at rural areas also accelerates the development of agriculture related activities, rural industrialization. The airline market refers to the aggregate of all demands for a particular product or service, arising from the aggregate of all consumers, existing and potential for the product. It was essential to identify the market potentiality for the product which finally generates revenue. The product of the airline was price sensitive. The consumer expects the best qualitative service from the airline organization. The relationship created by the airline results in the effective bonding which accelerates the brand value and also contributes to the enhancement of the credibility of the organization. The marketing of an airline product could be typically seen as the specific task of creating, promoting and delivering goods and services to the airline passengers / customers. The perishable service product of an airline if not used on a particular day i.e., not travelled for an already confirmed ticket and journey not performed as scheduled, it perishes. In this competitive airline market scenario, the airline organization has to excel to provide the best qualitative service to the consumer, e.g., on time performance, best customer relationship, safety to the customer and his baggage, post sale service if required etc. It was an object, which was developed, produced, delivered and consumed. The products that were marketed include physical goods, pens, machinery, and in service sectors like airlines the nature was to provide service to the airline passengers / customers, catering service to the airline passengers. A service was a bundle of features and benefits which were relevant for a specific target market. The airline organization has to offer the package of benefits in the service offer in order to meet the customer's perspective. The services of an airline product consist of certain 03 levels which have to be properly assessed by the airline management from time to time in order to meet the customer requirements.

First level: It was that of basic service package offered by the airline.

Nature of service		Examples
Reservation, Confirmation, Communication	1. Core Services 2. Facilitating Services 3. Supporting Services	1. Air Transportation i.e., Performing Journey by Air. 2. Cabin Crew – Catering / In-Flight Service 3. May I help you - Guidance / Personal Attention.

- **Second Level:** It was an augmented service where accessibility, interaction, and customer participation was given equal importance in delivering the service product offered by the airline.
- **Third Level:** It was the market communication of the services that were offered by the airline as in its absence the augmentation service package does not have any relevance to the customer.
- **Significance:** Travel has been a primitive phenomenon and human beings used to travel for different purposes. Travel and transportation has surmounted many vicissitudes through the ages. The air travel was contributing significantly to the growth of economy, to generate the employment opportunities directly and indirectly to thousands of people irrespective of gender status, contribute to generate foreign exchange earnings and also playing major role on the promotion of tourism and development, contribute for the development of hospitality industry like hotel, car rentals and balanced regional development. It has also fosters for the development of rural entrepreneurial development. The services of airlines also facilitate integration of people across the globe. The airline organization formulates the strategies at corporate level and adopts various market driven functional policies from time to time. The airline organizations irrespective of size whether small, medium or big size have to focus on the market to identify the potential customer. The segmentation process has to be systematically done by the marketing departments of the concerned organizations. The classification of an airline market could be

arranged according to the purpose / utility e.g., traditional route wise, business purpose, non business activities, leisure, official purpose, personal purpose and other reasons. The family holiday maker buying his annual two week inclusive tour package holiday at a sunshine resort places different demands on the air services when compared to holiday trip arrangements organized by him independently by making his own accommodation arrangements. A senior manager / engineer required to go to another country immediately because of an unexpected crisis has different demand requirements related to mode of transport than a salesman who plans in advance his regular visits / sales campaign trips. Thus the segmentation of an airline market could be done according to the purpose of travel where many airlines were implemented. The strategic planners of an airline have strong belief that market segmentation be based not on straightforward division – business, leisure, various friends / relatives and others; the more complex division is related partly for journey purpose and also partly to meet the passenger / customer needs of the airline. The business segment may be further divided into routine business and emergency business needs. The holiday segment of the leisure market related to the airline could be split into an inclusive tour segment. The other ways of segmentation process could also be used to meet the medical needs abroad, education at various levels, employment opportunities, and temporary mobility for a certain number of years, visits by family members / parents on various occasions.

The market segmentation process consists of taking the total heterogeneous market for a product and dividing it into several sub markets or segments and each of which tends to be homogeneous in full significant aspects. It is a process of grouping the consumers according to such characteristics of age, gender composition, marital status, income level per annum, literacy level, geographical locations, and rural urban and other factors. Market segmentation is an invaluable because the different market segments have different growth rates and respond differently to the internal variables like airfare price mechanism or external factors like foreign exchange fluctuation rates or economic regulations, economic recession and economic booms and depressions operated at various time, seasonal demand and weather conditions prevailed at various locations. It is essential to assess the features of each market segment on each route to assess the demand for the airline product. The traditional market segmentation oversimplified the motivational factors involved in travel decisions. The business people cannot be grouped and assumed to have similar demand characteristics. It tends to place too much emphasis on the demographic and socio economic factors of the airline passengers and customers. The demographic factors of age, sex, social class were perhaps less important than appreciating the passenger needs and requirements related to air travel. The tangible features consist of comfortable lounge facilities to the passenger, alternate arrangements in case of cancellation of flights, providing comfortable shelter with boarding and lodging facilities in case of abnormal delay of flights due to technical snags or repairs. The intangible features are the experience felt by the airline customer when the journey is performed i.e., before – during – and post flight journey service. The experience related to the hospitality provided by the airline organization to the airline consumer enhances the brand loyalty which contributes to development of positive word of mouth communication among the airline customers. The airline product offerings are a combination of tangible and intangible elements. There was a tremendous increase in the growth rate of airline customers in terms of passenger service and cargo. The important factors that have contributed for growth of air traffic were increase in population, increase in standard of living, changes in life styles, migration to various places, increase in disposable income, and changes in mode of travel, inception of feeder service airlines to operate flights where infrastructure facilities available, commercial viability, the entry of private operators into the airline market due to changes in Government policies and the other internal and external environmental factors have impacted the airline sector which has created more demand for the airline services. It has also resulted in balanced regional development. There is huge growth potential for the Indian Civil Aviation especially the airline industry.

Objectives of the Study

- To study the perceptions of the airline customer towards the services provided by the airline
- To examine the SWOT Analysis of the Airline
- To provide suggestion for improvement

- **Scope of the Study:** The present study was confined to the airline organizations located at Hyderabad without any differentiation between private or public sector airlines.
- **Methodology:** The methodology adopted for the purpose of the study was exploratory, descriptive and analytical. The data has been collected by the method of administration of structured questionnaires / schedules, observation at various locations like airports, airline offices. The airline customers have been contacted to elicit the required information related to their preferences and other facts. The 100 respondents selected from the external market were from different fields, those who have some awareness about aviation related in general and more specifically about the airline related operational activities. The external respondents are from different organizations like manufacturing, service sectors. The sample selected for the purpose of the study was 150 intellectual respondents, those who have some awareness about aviation related in general and more specifically about the airline related operational activities. The raw data collected was edited and computed. The simple statistical technique employed was the percentage method.

Literature Survey

Himanshu Rathore & Others,(2020) has stated the Indian aviation industry has grown by over 20% annually in the past two years. It is likely to grow at a double digit growth rate in the coming decade. Anshu Agrawal, (2020) has opined **that the** financial performance of airlines was vulnerable to both internal conditions of the company and as well the external environment. The Operating factors, namely, operating revenue per air kilometers, capacity, cost structure, load factor dictate the operational output of the airlines and their commercial stability. Rigas Doganis (1985) opined that the individual airline's financial success depends on matching supply and demand in a way which is both profitable and efficient. Michael D. Clemes & Others (2008) has stated in their article that the airline companies were allowed to set prices as well as enter and exit the industry upon meeting insurance and safety requirements. This limited revolution in the freedom for airlines to compete led to many new entries to the industry, and some considerable carnage. Siobhan Tiernan, & Others,(2008) felt that the perception of the consumer have failed to come close to many of the service standards were actually reached with exceptions where the actual and perceived scores were same regarding on- time arrivals.

Limitations

- Due to time constraint, the study has been carried out at Hyderabad base of the airline organization.,
- The identity of the organization has not revealed out due to prior commitment
- The results of the study may or may not be valid for other organizations.

Interpretation of Data Analysis

The table has indicated that there was positive response from all the respondents on the services provided by the airline. It was inferred that the marketing capability factors of the airline should be further strengthened to gain the competitive distinctiveness. It was observed that the vast majority of the customers have preferred the airline that ensures safety, punctuality, on time performance, hospitality at pre and post journey points, effective communication, behavioural attitude of staff especially at on board / in-flight service and courtesy were some of the important factors that contribute for the overall enhancement of the credibility of the airline. The airline has to provide more rural – urban connectivity which creates more demand to export the perishable products like vegetables, fruits, flowers, sea foods etc., within short span of time. The operation of flights for rural connectivity also accelerates the balanced regional development, fosters for the development of rural entrepreneurship, improvement in rural infrastructure, improves the standard of living of rural people; contribute for the development of tiny, small scale and medium size industrial development.

Questionnaire		(Response Pattern : in Percentages)				
SI No	Items	(5).	(4).	(3).	(2).	(1).
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
01.	Fully aware about the formalities of airline e.g., purchase of airline ticket.	72	08	07	13	00
02.	I prefer the airline which ensures safety to passenger and baggage	94	06	00	00	00

03.	The pre boarding formalities of the airline was good experience	76	13	09	02	00
04.	The help line desk provides very comfortable service.	76	16	08	00	00
05.	The boarding formalities were maintained with high discipline.	94	06	00	00	00.
06.	The airline has a scientific approach to identify the customers at various segments.	81	04	12	03	00
07.	The majority of the people are not aware of the various formalities like booking of tickets, to contact the airline staff in case of emergency etc	77	04	11	08	00
08.	The price policy of the airline was reasonable	76	13	02	07	02
09.	The price structure of rural urban connectivity has to be reasonable low	91	07	02	00	00
10.	The in-flight service on board was user friendly	74	10	12	04	00
12.	The baggage handling system was very convenient	79	07	10	04	00
13.	The behavioral attitude of the airline staff at various junctures like pre journey and post journey was pleasant	86	11	03	00	00
14.	The alternative arrangements due to cancellation of flights were very comfortable	83	12	05	00	00
15.	The post journey service was very helpful	78	14	08	00	00
16.	The operation of flights at rural areas fosters for rural development i.e., agriculture related, development of industries (small, medium size), exports of perishable products	88	12	00	00	00
17.	Rural Air transport connectivity contributes for development of entrepreneurship activities at rural areas	81	14	05	00	00
18.	The overall satisfaction level of airline consumer excellent	94	06	00	00	00

SWOT Analysis

The airline can match its strengths and weaknesses with the opportunities and threats operating in the airline competitive environment so that the appropriate, timely strategies could be formulated in the overall interest of the organization from the long term point of view.

Strengths

- Large Network
- Largest Fleet
- Modern Infrastructure
- Adherence to International Standards
- Credibility
- Meets the Social Obligations
- Competent Staff

Weakness

- Cost of Maintenance
- High Overheads
- Untapped potentiality
- Unutilized / Under Utilized in some areas

Opportunities

- Scope to capture the market
- Product diversification and positioning of strategies facilitates for expansion
- Price war strategies were advantageous to some extent
- High credit worthiness

Threats

- Competitors reactions
- The influence of external environmental factors have discounted the performance
- The expectations of the customers were likely to change
- Decline in Government support

The analysis has resulted that the airline has to make optimum utilization of its resources and exploit the opportunities by providing the best qualitative service to the final consumer who really brings the profits to the airline.

Overall Observations & Findings

It was observed from the table that the perceptions of the majority of the respondents have expressed their feelings towards the services provided by the organization positively. The SWOT Analysis has indicated that the airline has to carry out the environmental analysis on a periodic basis and modify its internal as well as external policies from time to time. Thus the stated objectives have been met through the interpretation of the data analysis with observations and findings.

Discussion

It was observed that the perceptual attitude of the airline customers, both the present and prospective could be stated as positive. The vast majority of the esteemed customers of the airline have expressed that they prefer the public sector airline. The reasons were the state owned airline ensures top priority to the safety, provides qualitative service, and contributes dedicated service with commitment. The post liberalization policy has provided customers with a choice to fly which has cautioned the airline operators to formulate the market driven functional policies which finally results in the overall organizational development. The airline operators have to focus more on rural urban connectivity. The policy makers have to provide more facilities for the development of tiny, small scale and medium size industries at rural areas. The development of rural entrepreneurship has created more opportunities to improve the present standard of living; also accelerate the balanced regional development, and finally results in the development of rural areas. Finally, the rural economy significantly contributes the national economy. The experts of the aviation sector have stated that the airline organizations have to focus more on SWOT Analysis and ensure that their operational activities should focus more on consumer aspirations. The airline professionals have advised the airline organization(s) to focus on future research to identify and bridge the research gap, if any. The public sector airline has adopted high quality standards and ensured passenger / customer safety. The state owned airline was able to retain its leadership position in the airline market scenario. There was no substitute for the public sector airline – AIR INDIA LIMITED.

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