

A STUDY ON CUSTOMER SATISFACTION OF LOW COST AIRLINES IN INDIA

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ABSTRACT

Main focus in this paper is customer satisfaction in Low-Cost airline and the importance it plays in the airline industry. Customer satisfaction arises when the passenger gets both mental and physical satisfaction, and when expectation of minimum level of service exceeds over and far beyond the industry trends. Data Analysis, using Pearson Correlation, ANOVA, SPSS, Regression models and Tukey. The analysis covers relationship between various factors. It has been found that male respondents form the majority of passengers, educated passengers fall mostly in the category of graduate or post – graduate and are employed, and internet bookings are the norm. Complaints from passengers are mainly on “surge pricing” It is observed that India has seen a rapid growth in air traffic mainly due to LCC’s but most of the LCC’s are not running in profits apart from cost cutting LCC’s need to explore ways to increase profitability for instance from food & beverage sales. Air Traffic Control management and up gradation of airports in some of the metro airports are need of the hour that need urgent attention.

Keywords: Customer Satisfaction, LCC, ANOVA, SPSS, Air Lines Industry.

Introduction

Main focus in this thesis is customer satisfaction in Low-Cost airline and the importance it plays in the airline industry. Customer satisfaction arises when the passenger gets both mental and physical satisfaction, and when expectation of minimum level of service exceeds over and far beyond the industry trends. Indian airline industry in general and Low – Cost airlines in particular Airline industry as such has become one of the main drivers of a vibrant economy. India is no stranger to commercial airlines when the first scheduled flight began in 1932. But in Low-Cost or budget airline in the domestic sector we were late starters but caught up very fast in the intervening years between 2004 and 2019 when we became the 3rd biggest passenger market. Apart from contributing to the economy the low-cost airlines are a pivot in tourism travel, in generation of employment and an important cog in ancillary services.

Research Process

Research gap identifies not much research has been done in customer satisfaction in low-cost airlines in India. Problem faced in research is calculating passenger perception and expectation. Purpose of this study is to determine the level of passenger satisfaction in low-cost airlines in the country. Significance of this study is as low-cost airlines (LCC’s) carry most of the passenger traffic, the LCC’s have been under stress before the pandemic and under greater stress now and some of them may eventually fold up. This study may help in some small measure to alleviate the stressed low-cost airlines by taking necessary measures in time.

Scope of the Study is to enquire into the overall level of passenger satisfaction by taking up the determinants of customer satisfaction, impact, influencing factors and customer preferences.

Hypothesis here is to determine the relationship of Tangible Factors in passenger satisfaction covering age, gender, income and education.

Data Analysis

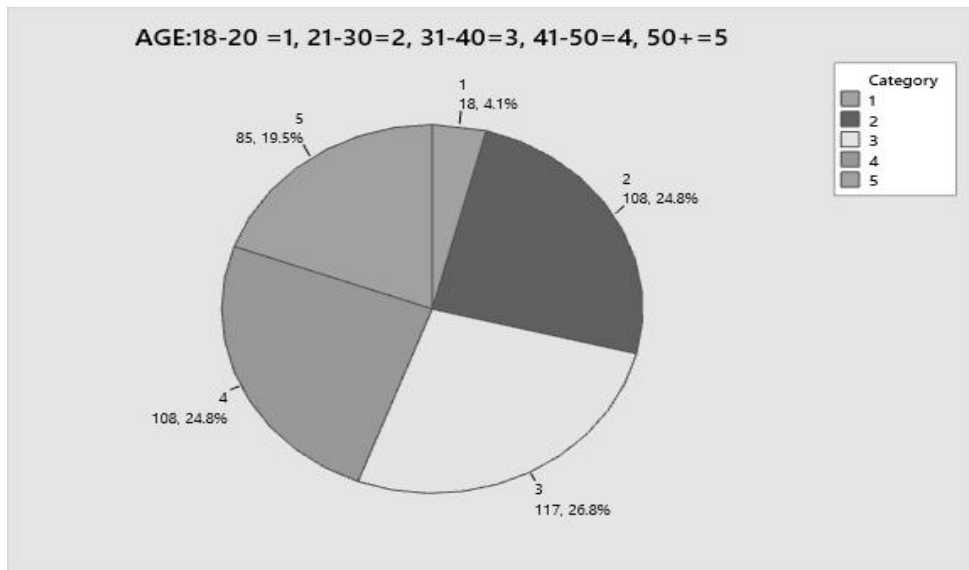
Data Analysis, using Pearson Correlation, ANOVA, SPSS, Regression models and Tukey. The analysis covers relationship between various factors.

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- Tangible Factors and gender, age, income and education
- Air Schedules and gender, age, income and education
- Ground Staff and gender, age, income and education
- Food & Beverages with gender, age, income and education
- Level of Passenger Satisfaction (LOPS) with gender, age, income and education
- On-line Ticket booking with gender, age, income and education
- In-Flight Cabin Services with gender, age, income and education

Pie Chart of AGE: 18-20 =1, 21-30=2, 31-40=3, 41-50=4, 50+=5

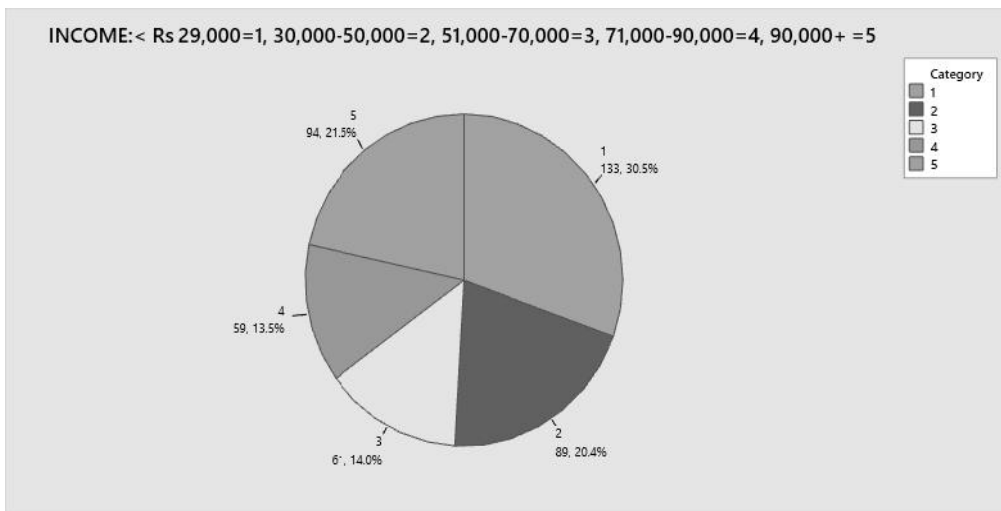
AGE:18-20 =1, 21-30=2, 31-40=3, 41-50=4, 50+=5



Predominance of travellers is in the age group between the ages 31-40 with the next largest age group falls between 41-50 with a tie-up age group 21-30 all these three age groups combined are taking a lion's share constituting 76.40% of travelling public. The fourth largest age group of travellers is between is the 50 +travellers constituting older travellers which leaves the 18-20 age group being just 4.10% of travellers

Pie Chart of INCOME :< Rs 29,000=1, 30,000-50,000=2, 51,000-70,000=3, 71,000-90,000=4, 90,000+ =5

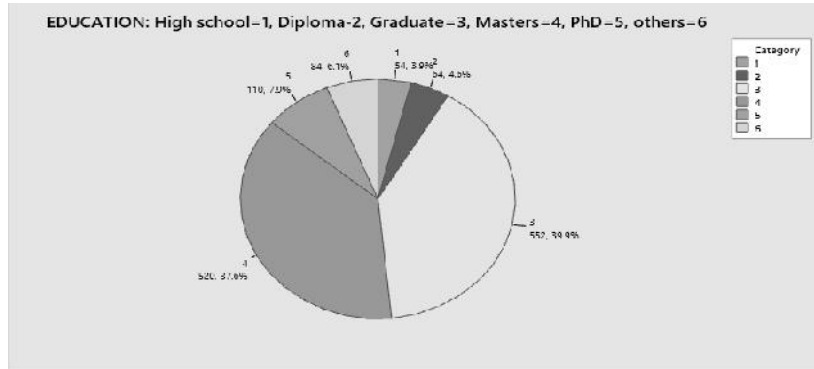
INCOME: < Rs 29,000=1, 30,000-50,000=2, 51,000-70,000=3, 71,000-90,000=4, 90,000+ =5



Income indicator of persons travelling are people earning less than Rs 29,000 who do not have the means to travel on FSC. The next largest group are high earners earning more than Rs 90,000 a month,, closely following are persons earning between Rs 30,000 – 50,000 monthly.Wage earners between Rs 51,000 – Rs 70,000 are next and following closely are earners between Rs 71,000 – Rs 90,000 a month.

Pie Chart of Education: High school=1, Diploma-2, Graduate=3, Masters=4, PhD=5, others=6

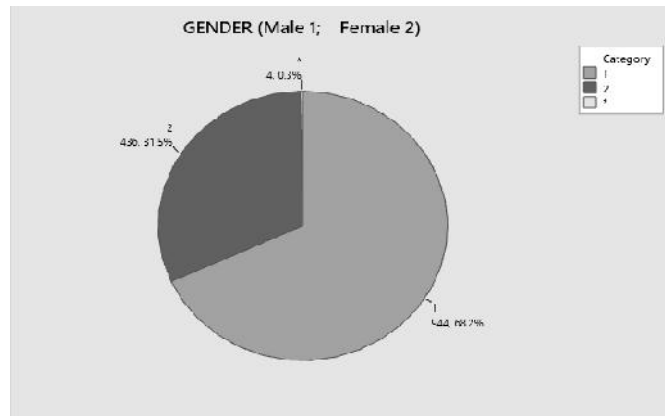
EDUCATION: High school=1, Diploma-2, Graduate=3, Masters=4, Ph.D=5, others=6



Educational levels indicate a predominance of Graduates and Post – Graduates who constitute most of the travelling public in Low-Cost airlines more than ¾ and . Ph.Dtravellers are the third most frequent and Others that include persons that do not fall in the mentioned categories who have not completed their High School certificate.Diploma holders ate the 5th largest travelers and in the last category few travellers are High Schoolers.

Pie Chart of Male 1: Female 2 (Gender)

GENDER (Male 1; Female 2)



Here there are two main categories male and female travellers and female travellers are less than 1/3 of the travelling public

This chapter focuses on presenting empirical findings of the survey. The objective of the empirical research is to test the service quality attributes and dimensions on passengers. It reports the findings of research work in detail. Following are the findings, suggestions conclusions, limitations of the study are explained below:

Collection of data through direct interaction with the passengers is essential part of research and to support this secondary data is also collected from meeting with airline officials , passenger associations, various journals, research thesis, publishes reports of IATA, OAG, CAPA, anna.aero, ICAO and replies given by the Minister of Civil Aviation both in the Rajya Sabha and Lok Sabha.. Based on the data received primarily from the passengers, it was analysed through various statistical tools and interpretation was made accordingly.

Simple Percentage Analysis

This analysis describes the classification of the respondents falling under each category. The percentage analysis is used mainly for standardization and comparison of diagrams and charts depicted in support of the analysis.

Gender of the respondents

Gender is one of the important profile variables of the passengers. Since the gender may have its own influence on their level of expectation and perception on various services delivered by the airlines, it is included as one of the profile variables. The distribution of passengers on the basis of their gender is given in Table 5.1.

Table 5.1 Showing the frequency of Gender of the respondents

| Gender | Number | Percent |
|--------------|------------|-------------|
| Male | 300 | 69.1% |
| Female | 136 | 30.9% |
| Total | 436 | 100% |

Source: Primary Data

Inference

It is evident from the above table 5.1, gender level of respondents shows that male respondents (69.1%) are slightly more than female respondents (30.9%). The analysis reveals the dominance of male passengers in this study

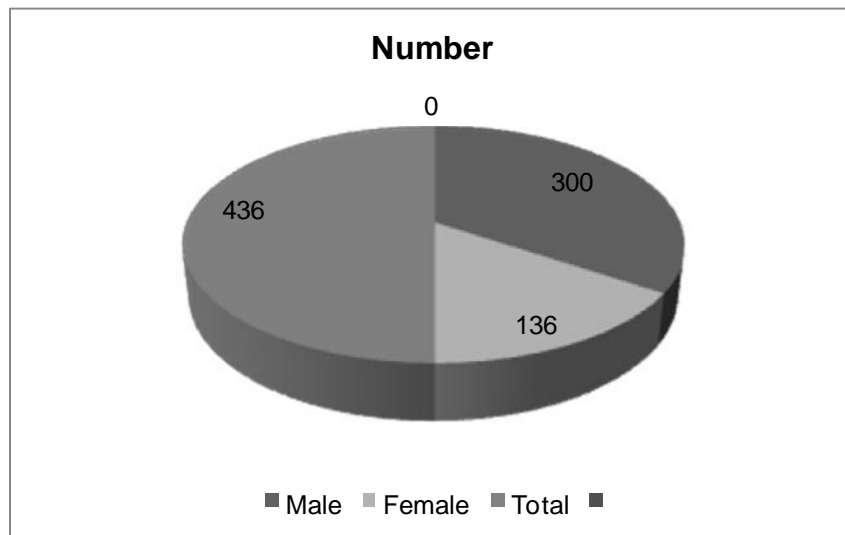


Figure 1: Showing the frequency of Gender of the respondents

- Qualification of the Respondents**

Qualification of the passengers shows the level of growth in life and it relates to their professional existence. Higher qualification of passengers may have more exposure and knowledge. Hence it is included as one of the profile variables which are listed in the Table 2.

Table 2: Showing the Qualification of the Respondents

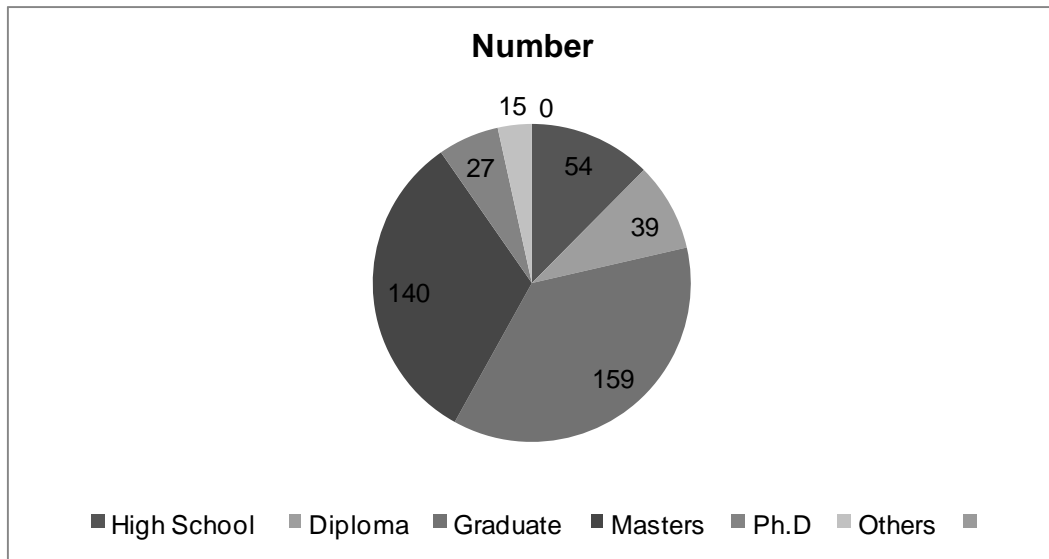
| Qualification | Number | Percent |
|---------------|------------|-------------|
| High School | 54 | 12.44% |
| Diploma | 39 | 8.98% |
| Graduate | 159 | 36.64% |
| Masters | 140 | 32.26% |
| Ph.D | 27 | 6.23% |
| Others | 15 | 3.45% |
| Total | 436 | 100% |

Source: Primary Data

Inference

It is evident from Table 2 that passengers who have completed their primary education in high school their percentage is low (12.44%) some of the respondents are students pursuing an higher degree. Respondents who have completed their Bachelors' degree (36.64%) and Masters (32.26%) constitute a major chunk (68.90%) of the travelling public and other degree holders such as PhD (6.23%) are second lowest, lowest being in a category Others (3.45%) and Diploma holders (8.98%) are the third lowest percentage of respondents . Majority of the respondents are those who come under the category of Graduates and Masters who choose air travel as a mode of convenience.

Figure 2: Showing the Frequency of Qualification of the Respondents



Profession of the Respondents

Profession occupies a major role in deciding the type of travel and the class of travel. It has the influence and impact on the purchasing power of tickets. The distribution based on their profession is presented in the Table 3

Table 3: Showing the Profession of the passengers

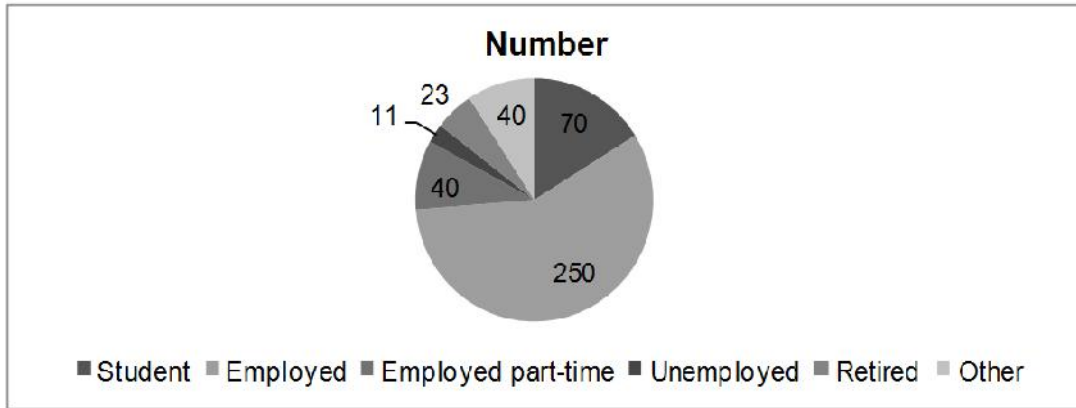
| Profession | Number | Percent |
|--------------------|------------|-------------|
| Student | 70 | 16.15% |
| Employed | 250 | 57.65% |
| Employed part-time | 40 | 9.20% |
| Unemployed | 11 | 2.52% |
| Retired | 23 | 5.28% |
| Other | 40 | 9.20% |
| Total | 436 | 100% |

Source: Primary Data

Inference

It is observed from the above table 5.3, majority of the passengers are gainfully employed who use low-cost domestic airlines LCDAs' (57.65%). Next biggest users of LCDA's are students, they are persons who do not come under the employment radar (16.15%), third biggest users of LCDA's are persons in part-time employment (9.20%) and Others (9.20%) who could be house-wives, children, unaccompanied minors and persons travelling for interviews seeking employment. The fifth category (5.28%) are retired persons travelling on these airlines for various activities including VFR (visiting friends and relations). The sixth and the last category travelling are persons not falling in the above five categories, they are unemployed (2.52%). It is clear from the analysis that passengers that as expected the biggest user category are employed but the second biggest users are surprisingly students who use LCDAs' in India.

Figure 3: Showing the frequency of Profession of the respondents



Airline Category of Travel Made Frequently by the Respondents

Passengers have two choices to travel with airlines - with public or privatized airlines that operate in the country. Table 4 shows the airline category .

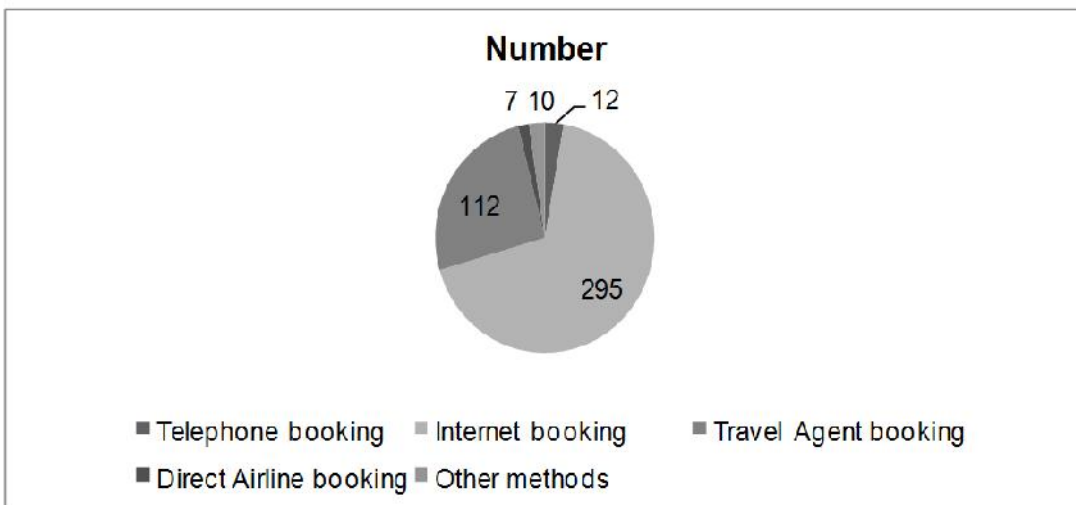
Table 4: Showing the method of booking by the respondents

| Method | Number | Percent |
|------------------------|------------|-------------|
| Telephone booking | 12 | 2.75% |
| Internet booking | 295 | 67.67% |
| Travel Agent booking | 112 | 25.69% |
| Direct Airline booking | 7 | 1.60% |
| Other methods | 10 | 2.29% |
| Total | 436 | 100% |

Source: Primary Data

Inference

It is clearly noted from the above table 4, a large number of passengers as expected book through Internet 67.67% for travel on low - cost domestic airlines and surprisingly 25.69% of the passengers' book through a Travel Agent. Booking through a Travel Agent would be surprising in this day and age, as they levy a minimum charge of 5% on each ticket bought. Travel Agents are mainly used by large public organization both in the private and public sector. Other methods of booking are booking by phone (2.75%) and Other methods (2.29%). Booking directly with a low-cost airline entails a high cost as usually last-minute bookings are done in an emergency as the price of the ticket rises dramatically bookings of this nature. Booking directly with the low-cost airline is the lowest (1.60%) as they tend to be costly.



Observations made by passengers on Low-Cost airline travel and by the Parliamentary Committee on Transport, Tourism and Culture. DGCA's Directorate of Air Safety, has pointed out "serious incidents" have risen from 5 in 2015 to 19 in 2018 in a span of just 3 years

Complaints against Airlines

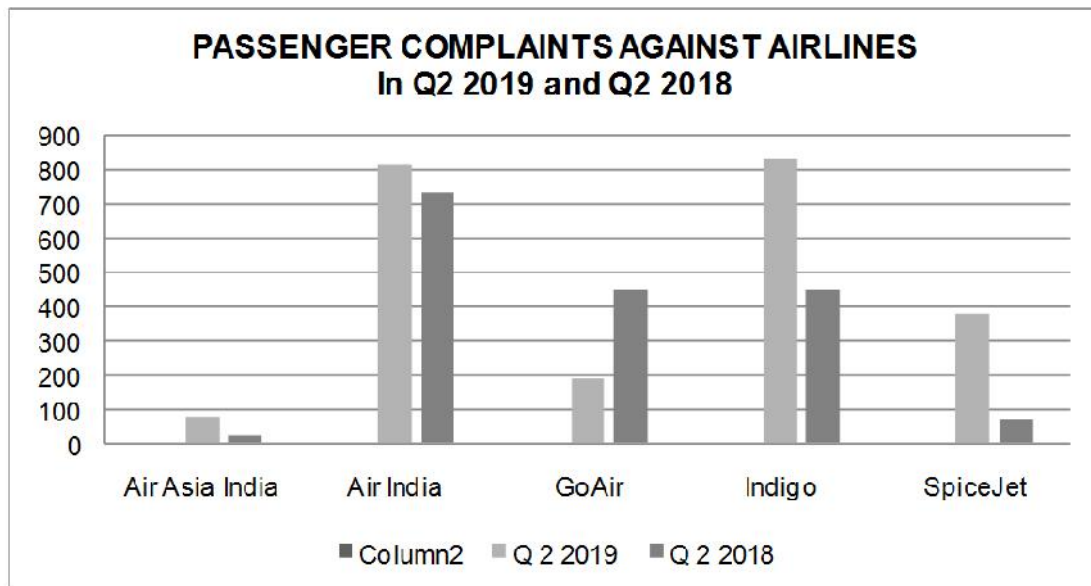
Respondents were given extra sheets to voice their concerns not covered in the survey, these are some of their observations

- **Indigo:** used surge pricing up to Rs 300 in last minute bookings, another passenger informed for booking a ticket air fare of Rs 25,000 was charged for a domestic flight plus Rs 3,000 paid to the travel agent. Another complaint was no prior information was given on delays, an army jawan suggested lower fares especially in Delhi – Kulu flights, as tickets were priced more than Rs 3,500. In the case of connecting flights, waiting time not mentioned
- **GoAir:** food was not up to standard not much variety in food, baggage delays, no prior information on delays, seats in the aircraft not properly cleaned. One passenger complained that extra charges were levied on seat in the Exit row, high fare in Agartala – Kolkata sector, low-cost airlines are just namesake as their charges match legacy carriers' full-service carriers like Air India, wash-rooms are small
- **Air India Express:** in-flight crew are rude
- **SpiceJet:** frequent delays, rude staff, high pricing, timetable -early morning and late night flights, delays in delivering baggage, uncomfortable seats, charges levied even if one kg extra, overhead baggage space
- **Airport:** high prices charged for water bottles, inter-terminal wait for busses is more than 30 minutes, wi-fi works by fits and starts

Contrasting passenger complaints in Q 1 and Q2 during the years 2019 and 2018

| Airlines | Q 2 - 2019 | Q 2 - 2018 |
|----------------|------------|------------|
| Air Asia India | 74 | 25 |
| Air India | 814 | 728 |
| GoAir | 189 | 124 |
| Indigo | 830 | 447 |
| SpiceJet | 25 | 17 |

It can be seen that the biggest increase in complaints over the corresponding period is SpiceJet leading with 81.86% increase in complaints over the past year same period, Air Asia India with 66.21% increase in complaints, Indigo with 46.14% increase in complaints, GoAir with an increase of 34.39% and Air India with the least number at 10.56% increase



DGCA

Observations by the Parliamentary Committee

Remarks by passengers in many aspects is similar to the observation of the Rajya Sabha's Parliamentary Standing Committee on Transport, Tourism and Culture in 2018 which pointed out the common bugbears of flyers. This included raising fares more so during festivals, holiday season and even at the time of natural disasters, staff behavior, problems in check-in, quality of food, cancellation charges, non-uniform block time, and terrible shortage of infrastructure. Reduction in fuel prices did not translate into a reduction in fare price as the benefit was not passed on to the customer. The Committee mentioned in its report "private airlines create long queues to delay check-in so that the passengers miss scheduled flights and are forced to buy tickets at exorbitant rates for the next available flight". Indigo it observed, "flying time from Indore to Delhi is 2 hours whereas in other airlines it is only 1 hour and 35 minutes. Indigo is adopting a longer flying time in various sectors just to bolster their on-time performance "about staff behavior it went on to say ' the attitude of airline staff is as if they are on some high ground and passengers are uneducated, who have not flown before...they are rude' Some airline observers agree that there is a demand for low fares so the staff are paid minimal salary which in many cases employees would be un-skilled. The Committee concluded 'consumers are the receiving end and at the mercy of the private (low-cost) airlines...Government should wake up and save airline passengers...to make air travel enjoyable experience for them'

Suggestions

According to this study, the first recommendation for aviation industry managers is to have an understanding of their passengers and what to expect from aviation operations. On the other hand, such information will provide a good basis for further internal research into passenger expectations and satisfaction that helps the airline to directly identify profitable and reliable passengers and secondly to find out what their preferred passengers offer. On the other hand, service prospects will help identify areas of improvement and possibly services. so much for customers. The most interesting finding about this study is that passengers are more concerned with the basics of air travel: provide good decision-making details, arrive on time and communicate immediately in case a plane is delayed or cancelled. While respondents applauded the aforementioned measures as more important than on-board services, it emerged from open-ended questions that business travellers value good food and are willing to pay for it, especially when traveling through economics where food quality is often very low compared to business. Airlines can view such results as an incentive to deliver essential services at a high level consistently and carefully consider the number of auxiliary services.

Also, airlines should not underestimate the importance of passenger safety. Even with the option of choosing travel insurance, passengers' still feel insecure while traveling. The results of the study showed that safety was considered the most important task for those who responded, However, this is where the passenger and airline provider can find the value in the service quality management process. All of these results are intended to identify the best way for carriers to research their passengers' expectations and ideas that lead to passenger satisfaction and thus reach a better understanding of their passenger base thereby, narrowing the gap. It is expected that the findings of the study will assist low-cost airlines, government and regulatory agencies in assessing the quality of services available to players as well as in deciding on a portfolio of services that will be designed to appeal to passengers. Therefore, an analysis of the various sizes of the service can help to redefine the reproduction of service parameters that aircraft can use soon.

Conclusion

In India, the domestic aviation industry has entered the second phase of independence with the entry of LCCs. There is a growing competition between high-end airlines. Widely used technology to improve passenger satisfaction Data analysis has revealed that object findings and gap analysis are loaded in all aspects. There was no difference between the expected level of passenger services at different levels of flights. However, there has been a difference in the quality of service seen by passengers. As a result, a gap between the perceived and expected performance of passengers on various aircraft has been identified. The findings of the study indicate that SERVQUAL has identified significant deficiencies in essential services and is a sufficient means of measuring service quality among domestic airlines. Zeithaml & Parasuraman (2004: 19) argued that a good listening system could include ways to address all the reasons why clients do not understand what customers expect. Knowing what customers expect is the most important step in delivering quality service. Using the Parasuraman, Zeithaml & Berry (1988) SERVQUAL model we need to look at job vacancies 1-4 and identify shortcomings in the delivery of low-cost aviation services thus identifying ways to close Gap 5 by implementing change.

The purpose of this concept was to investigate passengers' expectations of passenger satisfaction in the aviation industry. The study was based on a service gap model that a passenger faces in the aviation market. The model represents these services as a sequence of spaces. Each gap has consistent service quality requirements. Artistic research data was collected using a research method in which respondents were asked to evaluate the quality of aviation services based on their perceived importance. Passengers expect airlines to ensure safe travel, provide assistance in reducing problems from critical incidents and especially in line with commitment to the conclusion of the study, it can be said that although passengers need quality information and communicate quickly when needed, other resources such as good quality food, a respectable and helpful manager travel a great distance to satisfy passengers and reliability.

This analysis was used to create recommendations for this research-based study. India's current aviation industry has many potential but the aviation power has recently surpassed the global economic downturn. Various analyzes and tests are performed in this study to strengthen research knowledge and data validation To achieve and analyze objective decisions these mathematical tools used are related to aircraft products and services. Mathematics methods are widely used to target research and solve various complex problems related to the aviation business.

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- 220 International Journal of Education, Modern Management, Applied Science & Social Science (IJEMMASSS) - October - December, 2020
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