# APPLICATION OF AIRQUAL SCALE FOR MEASURING AIRLINE SERVICE QUALITY AND ITS EFFECT ON CUSTOMER SATISFACTION
## (With reference to Air India, Chennai)

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## ABSTRACT

This study focuses on customer satisfaction of service quality with the help of AIRQUAL five dimensions ( tangibility, reliability, responsiveness, assurance, empathy)  among the airlines passengers & find out the areas where  the company needs to improve to service quality of the airlines. The study has been done in Chennai international airport comprising a sample size of 300. After the data collection, researcher has identified the reliability of the scale was tested through Cronbach Alpha (0.78) and the respondents were mostly men as compared to women. The data analysis shows that age, educational qualification, occupation, income level of passengers are significant factor that decide services of various airlines in the study area. . The study reveals that more than half of the passengers of Air India are satisfied with the services when compared to other airlines. They also feel that airlines industry should create social media awareness among the passengers to increase their satisfaction level

## Keywords:

Service quality, AIRQUAL, Air India, Airlines, Customer satisfaction, Occupation, income level, Social media

## INTRODUCTION

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, be it domestic or international, especially when the distances involved are far. Stiff competition and favourable initiatives of the Government of India added fuel to enlarge both flights and fleets. Now ordinary citizens 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 service satisfaction. Service quality conditions influences a firm's competitive advantage by retaining customer patronage, and with this comes market share

Passenger satisfaction can be defined as a judgment made on the basis of a specific service encounter. Satisfaction and loyalty are not surrogates for each other. It is possible for customers to be loyal without being highly satisfied and to be highly satisfied and yet not loyal. Firms are needed to gain a better understanding of the relationship between satisfaction and behavioural intention in the online environment and to allocate the online marketing efforts between satisfaction initiatives and behavioural intention program. Moreover, the results from this research would assist airline managers to better serve their customers, monitor and develop service quality to achieve the highest level of their passenger's satisfaction

**OBJECTIVES**

The main objective of this study is to examine the satisfaction of passengers on service quality of different airlines.

- To study the demographic profile of Air India passengers and other airline passengers
- To investigate the impact of service quality with the AIR QUAL dimensions on customer satisfaction with reference to Air India passengers
- To suggest service strategies to Air India in order to improve the level of satisfaction among the passengers
- To study the different level of expectations for all type of passengers.

**LIMITATIONS OF THE STUDY**

- The research scope was limited to a certain demographical group and only flights within geographical were addressed in the survey.
- Passenger's preferences may change over time and with the development of their careers.
- Passengers opinions are mostly based on economy class service as the respondents rarely use business class due to high price sensitivity of this customer segment

- Normally, service expectations are different and more complex when flying on longer flight in business or first class.

## RESEARCH METHODOLOGY

This research follows the survey research methodology based on previous research in related area; a questionnaire was constructed to study the AIR QUAL scale for measuring airline service quality and its effect on customer satisfaction. After pilot testing the questionnaire was administered to 300 persons who are passengers of airlines. Here we take minimum age as 20 years. The data was obtained through the use of structured questionnaire and convenience sampling. The data were analyzed with percentage method, frequencies and correlation, chi-square tests. Charts and tables are also prepared.

## LITERATURE REVIEW

### Parasuraman, Zeithaml and Berry (1988)

They were the pioneers in the conceptualization of the service quality construct, these authors maintained that the overall perception of quality was a disconfirmation of a customer's expectation and his/her evaluation of a service. The dimensions of service quality have also been debated in the literature.

### Leonard and Sasser, 1982

During the past two decades, service quality has become a major area of attention to practitioners, managers, and researchers because of its strong impact on business performance, lower costs, return on investment, customer satisfaction, customer loyalty, and gaining higher profit.

### Doyle P, and Wong V. (1998),

Doyle and Wong (1998) originate that successful companies have a differential advantage in overall company reputation and communicate it as quality to their customers

**Dennet, C.E., Ineson, M., Stone, G.J, and Colgate, M. (2000)**

Passenger satisfaction in airline operations has become critically important and suggests that as competition created by deregulation has become more intense, service quality in the airline industry has also received more attention.

**Cronin, J.J. and Taylor, S.A. (1992),**

Cronin and Taylor (1992) originate empirical provision for the idea that perceived service quality led to satisfaction and argued that service quality was actually an antecedent of consumer satisfaction

**Chang, Y. and Keller, M. R. (2002).**

Chang and Keller (2002) argue that quality in airline service is difficult to describe and measure due to its heterogeneity, intangibility, and inseparability

**Iatrou & Alamdari, 2005**

When pursuing membership in airline alliance, careers aim on expanding their network beyond their current markets. Due to regulations restricting market access,

ownership and control, alliances are a legal way to airlines to grow.

**Matrin et al., 2011**

Frequent flyer programs have developed with the expansion of the alliances. The objective of a frequent flyer program is to maintain customer loyalty as well as provide a more solid revenue stream.

**Weber 2005**

Strategic alliances tend to have longer time span, wider scope, higher level of commitment (Weber, 2005) as well as joint marketing efforts and network-wide cooperation (Fan et al., 2001). Antitrust immunity is a key in strategic alliance.

**Brady and Cronin (2001)**

More recent work by Brady and Cronin (2001) has argued convincingly that customers form service quality perceptions on the basis of their evaluations of three primary dimensions: outcome quality, interaction quality, and environmental quality

**Zeithaml & Bitner, 2001**

Quality of service is the focus of the assessment that reflects the customer's perception of the five specific dimensions of service. Conversely, satisfaction is more inclusive, that is, satisfaction is determined by the perception of service quality, product quality, price, situation factors, and personal factors

**Oliver (1997)**

In Oliver (1997), satisfaction is the consumer's fulfilment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under or over-fulfilment.

**Dowling, (1994)**

The more favourable a company's image, the more likely customers will assume that the services tendered by that company are better, of higher quality and worth more in actual price (Dowling, 1994).

**Akin (2011)**

He study the brand personality, which he considers as the most important factor affecting the attitude and intention of the customer. Akin collected data through questionnaires and analysed the answers he received and reached positive results in regards to the link between brand personality and customer's behavioural intentions.

**Anderson, Fornell, & Lehman 1994**

Researchers and practitioners are keenly interested in understanding what drives customer satisfaction, in part because studies find that customer satisfaction is an antecedent of increased market share, profitability, positive word of mouth, and customer retention.

### Asubonteng et al., (1996)

According to Asubonteng et al., (1996), due to intense competition and the hostility of environmental factors, service quality has become a cornerstone marketing strategy for companies.

### Johns, (1999)

According to Johns, (1999, p.954), a service could mean an industry, a performance, an output, an offering or a process and it is defined differently in various service industries.

### Demerjian, (2007)

The recent recovery of air transportation industries over the last five years combined with increasing demand from domestic and international airlines, had also increased the number of passengers that travel through airports, raising airport revenues substantially.

### Tse & Wilton, (1988),

Tse & Wilton, (1988, p.204) who defined customer satisfaction as the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption.

## DATA ANALYSIS& INTERPRETATION

### TABLE 1- FREQUENCY ANALYSIS OF DEMOGRAPHIC VARIABLES

| Variables | Category | Frequency | Percentage frequency |
|---|---|---|---|
| **GENDER** | Male | 214 | 71.3 |
| | Female | 86 | 28.7 |
| **EDUCATIONAL QUALIFICATION** | Diploma | 32 | 10.7 |
| | Bachelor | 100 | 33.3 |
| | High diploma | 34 | 11.3 |
| | Masters | 130 | 43.3 |
| | Ph.d | 4 | 1.3 |
| | Total | 300 | 100 |
| **AGE OF THE RESPONDENT** | 30years or below | 46 | 15.3 |
| | 31-34 years | 56 | 18.7 |

| | | | |
|---|---|---|---|
| | 35-39 years | 68 | 22.7 |
| | 40 years above | 130 | 43.3 |
| | Total | 300 | 100 |
| **INCOME OF THE RESPONDENT** | Below 25000 | 30 | 10 |
| | 25000-35000 | 66 | 22 |
| | 35000-45000 | 54 | 18 |
| | Above 45000 | 150 | 50 |
| | Total | 300 | 100 |
| **PURPOSE OF TRIP** | Business | 132 | 44 |
| | Holiday | 76 | 25.3 |
| | Education | 46 | 15.3 |
| | Others | 46 | 15.3 |
| | Total | 300 | 100 |
| **FREQUENCY OF flying** | At least once a week | 16 | 5.3 |
| | At least once a month | 98 | 32.7 |
| | At least once a year | 138 | 46 |
| | Less than once a year | 38 | 12.7 |
| | At least once a quarter | 10 | 3.3 |
| | Total | 300 | 100 |

Source: **Primary data**

The demographic characteristics of the respondents are depicted in Table 1, The detailed analysis of descriptive statistics revealed that male respondents(71.3) are more than female respondents(28.7).In terms of the respondents' educational level, majority(43.3%) indicated to have master's degree, followed by bachelor degree holders with around 33.3% influence on the survey .The ages of the overall majority of the respondents were above 40years, accumulating a total of 43.3% .Most of the respondents income level are above 40000 with around 50%.The

purpose of trip of the respondents with the higher of  business with 44% and lastly the higher frequency of flying were once a year, accumulating total of 46%

### TABLE 2-RELATIONSHIP BETWEEN INCOME AND FREQUENCY OF FLYING

| Correlation | Income of the respondent | Frequency of flying |
|---|---|---|
| Income of the respondent | 1 | .006 |

Above table 2 shows that there is a week relationship between income of the respondent and their frequency of flying. This means that changes in income are correlated with the changes in frequency of flying.  Finally, it concludes that these variables were not strongly correlated.

### TABLE 3-CORRELATION BETWEEN IMAGE OF AN AIRLINE AND MODERN LOOKING EQUIPMENTS

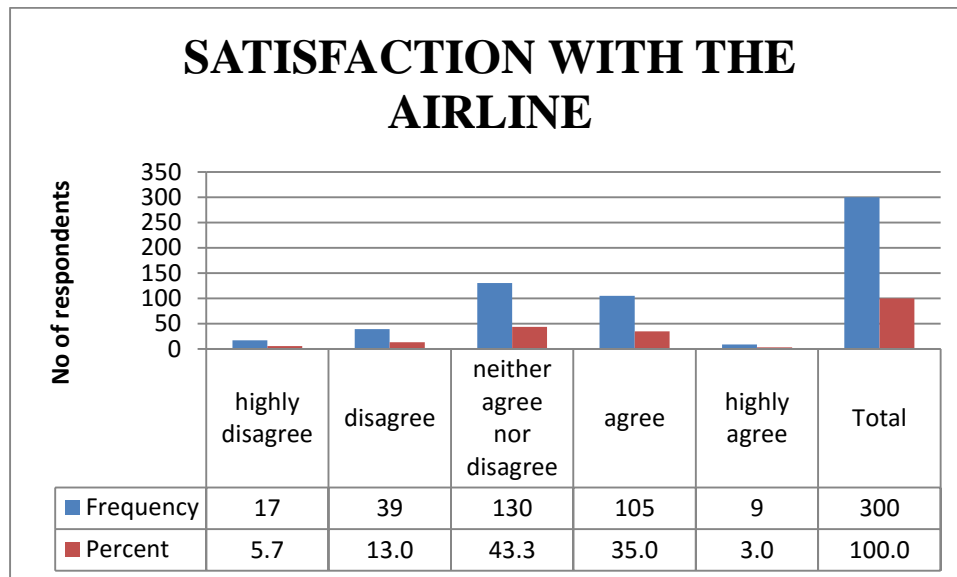| Correlation | Good image in  the minds of passengers | Modern looking equipment's |
|---|---|---|
| Good image in the minds of passengers | 1 | .753 |

Above table3 shows that there is a strong relationship between image of an airline and modern looking equipment's.  This means that changes in modern looking equipment's are correlated with the changes in image of an airline. Finally, it concludes that these variables were strongly correlated.

### CHART 1- FREQUENCY ANALYSIS OF PURPOSE OF TRIP FOR THE AIRLINES
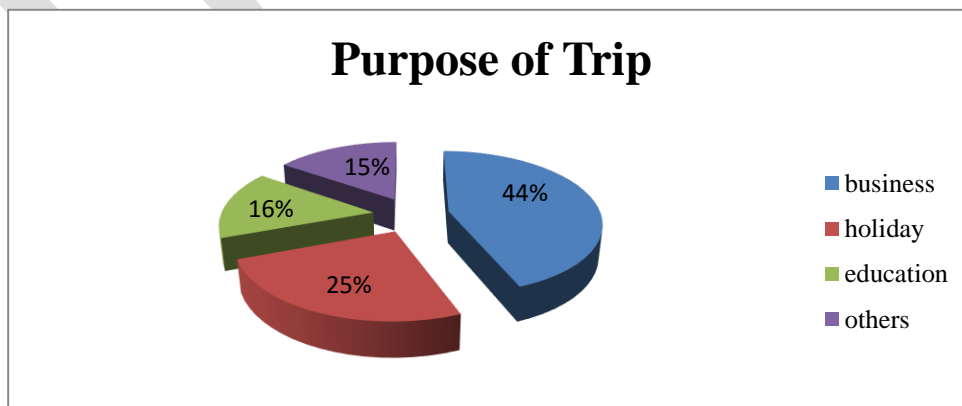
Above chart -1 indicate that 44% of respondents were prefer airlines for business purpose. 25% of them were preferred for holiday purpose as their next preference in Various trip purpose because nowadays tour agencies were giving more attractive offers to the holiday packages. 16% of the respondents were travelled for other purposes

### CHART 2- MY SATISFACTION WITH THE AIRLINE HAS INCREASED



**SATISFACTION WITH THE AIRLINE**

| | highly disagree | disagree | neither agree nor disagree | agree | highly agree | Total |
|---|---|---|---|---|---|---|
| ■ Frequency | 17 | 39 | 130 | 105 | 9 | 300 |
| ■ Percent | 5.7 | 13.0 | 43.3 | 35.0 | 3.0 | 100.0 |

Above chart3 shows that the level of satisfaction with the airlines services. It reveals that m43.3% of the respondents had a moderate level of satisfaction with the airline, next to that 35% of the respondents are satisfied with Air lines. The main reason for satisfaction is based on the image of an airline created among passengers

### TABLE 3- BASED ON AGE GROUP PREFERENCE ON AIRLINES

| Age of the respondent | Frequency | Percent |
|---|---|---|
| 30years or below | 14 | 14 |
| 31-34 years | 16 | 16 |
| 35-39 years | 23 | 23 |
| 40 years above | 47 | 47 |
| Total | 100 | 100 |

Source: Primary data

### CHART 3-BASED ON AGE GROUP PREFERENCE ON AIRLINE
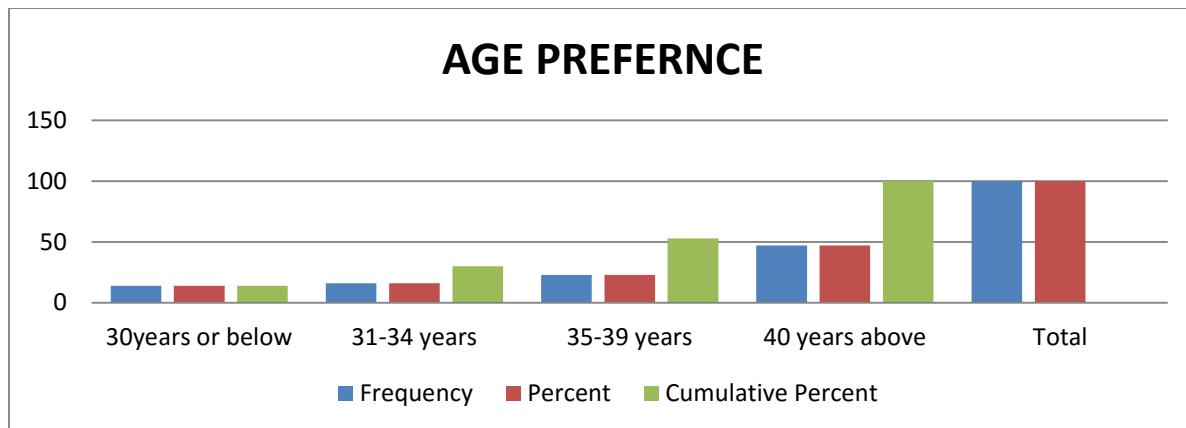


Above chart3 resulted that 47% of the respondents above 40 years were prefer airline as a mode of transport.23% of the respondents are under the category of 35-39 years.16% of the respondents under 31-34 years were prefer the airlines and below 30 age group category prefer airlines.

### TABLE 4- RELATIONSHIP BETWEEN TANGIBLE FACTORS AS A REASON FOR INCREASING FLYING FREQUENCY

| Variables | Chi-square value | Significant value | Results |
|---|---|---|---|
| Modern looking equipment | 368 | 0. 000 | H0 is Rejected |
| In flight facilities | 43 | 0. 000 | H0 is Rejected |
| Employees good looking | 44 | 0. 000 | H0 is Rejected |
| materials | 332 | 0. 000 | H0 is Rejected |
| Meal service | 38 | 0. 002 | H0 is Rejected |
| Seating comfort | 32 | 0. 010 | H0 is Rejected |
| In-flight entertainment services | 54 | 0. 000 | H0 is Rejected |

Above table4-shows that outcome of relationship between various factors like employees good looking, materials, meal service, seating comfort, in-flight entertainment services are important reason for increasing the flying frequency. Based on this analysis find that there is a significant relationship between the flying frequency and employees good looking, materials, meal service, seating comfort, in-flight entertainment services

**FINDINGS, RECOMMENDATIONS & CONCLUSION**

It is found from this study that middle age generation were using air transport services are more as compared to younger generation because of their business purposes. Above 40 age group category were using air transport for holiday trips. Frequency of flying is higher for travel at least once in a year. The respondents preferred tour agency for a ticket reservation and preferred internet for method of making reservation.

On the basis of data analysis and interpretations, the following suggestions can be made, toincrease awareness among people, Air India should advertise and conduct special awareness Programs to make air services and offers more popular among passengers. Air India should concentrate more on tie-ups with tour agencies. Air India should improve their image with the help of social media awareness and also Air India should try to improve services on tangibles factors such as modern looking equipment's, materials, entertainment services and also employees good looking etc.

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