

ACHIEVING SERVICE QUALITY THROUGH ITS VALUABLE DIMENSIONS

TANGIBILITY: AN EMPIRICAL STUDY OF THE INDIAN AIRLINES

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ABSTRACT

The purpose of this paper is to obtain a better understanding of the extent to which service quality is delivered within the Indian Airlines services and customer's perceptions of service quality. This paper investigates how closely customer's expectations and perceptions match. RATER Dimensions and SERVQUAL scale are used to measure service quality in Indian Airlines. The paper also investigates on a parallel SERVQUAL survey of Indian Airlines employees to examine how well they understand their customers' expectations and how well its internal processes support the delivery of top quality services. It is found that there was a direct relationship between service quality and customer's satisfaction in the Indian Airlines. Employees appear to have a good understanding of what these expectations actually are. This research adds to the body of knowledge related to the Indian Airlines management. It will also be of interest to strategic and operational to the managers of airlines and to academics investigating the reliability and value of service quality assessment tools. It addresses key relationship between service dimensions and service quality within the Indian Airlines.

Keywords: Service Quality, Customer's Satisfaction, Service Quality Dimensions, GAP Analysis, Customer Relationship Management SERVQUAL etc.

INTRODUCTION

The service industry plays an increasingly important role in the economy of many countries. In today's global competitive environment delivering quality service is considered as an essential strategy for success and survival (Parasuraman et al., 1985; Reichheld and Sasser, 1990; Zeithaml et al., 1990). Even the public sector organizations have come under increasing pressure to deliver quality services (Randall and Senior, 1994) and improve efficiencies (Robinson, 2003). Customer needs and expectations are changing when it comes to governmental services and their quality requirements. However, service quality practices in public sector organizations is slow and is further exacerbated by difficulties in measuring outcomes, greater scrutiny from the public and press, a lack of freedom to act in an

arbitrary fashion and a requirement for decisions to be based in law (Teicher et al., 2002).

THE SERVQUAL MODEL

The SERVQUAL model proposes that customers evaluate the quality of a service on five distinct dimensions: reliability, responsiveness, assurance, empathy, and tangibles. The SERVQUAL instrument consists of 22 statements for assessing consumer perceptions and expectations regarding the quality of a service. Perceived service quality results from comparisons by consumers of expectations with their perceptions of service delivered by the service providers (Zeithaml et al., 1990). It can be argued that the factor underpinning the delivering of good perceived service quality is actually meeting the expectations of the customers. Thus, excellent ser-

vice quality is exceeding the customers' expectations. Zeithaml and Bitner (2000) suggested that customer expectations are beliefs about a service that serve as standards against which service performance is judged. Parasuraman et al. (1988) suggested that customer expectations are what the customers think a service should offer rather than what might be on offer. Zeithaml et al. (1990) identified four factors that influence customers' expectations: word-of-mouth communications; personal needs; past experience; and external communications. A gap is created when the perceptions of the delivered service is not as per the expectations of the customer. This gap is addressed by identifying and implementing strategies that affect perceptions, or expectations, or both (Parasuraman et al., 1985; Zeithaml et al., 1990). Parasuraman et al. (1988) stated that SERVQUAL had been designed to be "applicable across a broad spectrum of services" and the format could be adapted to fit specific needs and that it would be most valuable when used to track service quality trends periodically. They proposed that the SERVQUAL model could be extended to measure gaps in quality and could therefore be used as a diagnostic tool to enable management to identify service quality shortfalls. The gap score is calculated by the perception statements being deducted from the expectation statements. If any gap scores turn out to be positive then this implies that expectations are actually being exceeded. This allows service managers to review whether they need to re-deploy resources to areas of underperformance (Wisniewski, 2001). The SERVQUAL instrument ascertains the level of service quality based on the five key dimensions and also identifies where gaps in service exist and to what extent.

Table - a : Definition of the SERVQUAL Gaps

Gap 1 (the positioning gap)	Managers' perceptions of consumers' expectations and the relative importance consumers attach to the quality dimensions
Gap 2 (the specification gap)	The difference between what management believes the consumer wants and what the consumers expect the business to provide
Gap 3 (the delivery gap)	The difference between the service provided by the employee of the business and the specifications set by management
Gap 4 (the communication gap)	The promises communicated by the business to the consumer do not match the consumers' expectations of those external promises
Gap 5 (the perception gap)	The difference between the consumers' internal perception and expectation of the services

Table - a: presents the five SERVQUAL gaps as defined by (Zeithaml et al., 1990).

An essential aspect of managing service quality is the identification of client expectations and then designing the service system to focus on these requirements. The airline business must aim at fulfilling the individual customer needs or even reaching beyond these. The airline companies have realized that they have to listen to consumers to survive in a competitive market (Booth M ;2000) and airline companies also have become aware of the importance of having happy customers (Riddleberger EJ ; IBM Global Business Services;2009). The pre-requisite of the customer satisfaction is understanding and knowing what they want.

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, especially when the distances involved are far. 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 influence an industry's competitive advantage by retaining customer patronage, and with this gain market share. Delivering high-quality service to passengers is essential for airlines survival, so airlines need to understand what passengers expect from their services. Understanding exactly what customers expect is the most crucial step in defining and delivering high-quality service. Service quality is one of the best models for evaluating customer's expectations and perceptions. The performance of a company leads to passenger's satisfaction with a product or service. According to Heskett et al. (1994), profit and growth are simulated by customer loyalty and loyalty in its turn is driven by customer satisfaction, and customer satisfaction depends on the value customers receive from the service.

The purpose of this study is to identify the dimensions of service quality and aims at investigating how these dimensions contribute to customer's satisfaction in Indian Airlines. This

research work discusses a process approach to service quality in the airline industry, taking a customer's point of view. The process describes steps from ticket purchase to the completion of the journey, analyzing each step from service quality perspective and assigning attributes that help to measure customer's satisfaction in Indian Airlines. The results from this research may be useful for airline industry, airline managers to improve their service quality and customers' satisfaction, finally the growth of the airline industry.

PROBLEM STATEMENT

Excellent passenger satisfaction is one of the greatest assets for airline industry in today's competitive environment. 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. A number of studies have conducted in service quality related theories and methods in the airline industry. 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. Keeping in view all these aspects this study is conducted. The main aim of the study is to analyze service quality and customer satisfaction of domestic airlines with special reference to Indian Airlines. In addition, the findings would enhance the airliners to improve their service quality, customer relationship management (CRM) and finally customer satisfaction.

LITERATURE REVIEW

Customers consider five dimensions in their assessment of service quality - Reliability, Responsiveness, Assurance, Empathy, Tangibles. Of the five dimensions, Reliability is considered to be the most important one. It refers to the company delivering on its promises. The other four dimensions relate to the process of service delivery or how the service was delivered.

Service is intangible, performed by people, providing satisfaction to customers. Services are essentially performance. Services have unique characteristics i.e. intangibility, inseparability, heterogeneity, perishability and ownership. Qual-

ity of a service, as perceived by the customer is the result of a comparison between the expectations of the consumer and his real-life experiences. A service quality can be described as the delivering of excellent or superior service relative to customer expectations. According to Parasuraman, Zeithaml and Berry (PZB), Perceived Service Quality = Perceived Service - Expected Service.

Most important factor for the rising importance of service quality is that it is proving to be a winning competitive strategy. The ultimate aim of an excellent service quality system is to satisfy the customer's need and go beyond to delight the customers. A good or excellent service quality would result in customer satisfaction or customer delight. Increased customer satisfaction in turn leads to higher level of customer retention and also positive word of mouth.

In an era of increased competition, the importance of achieving high levels of customer satisfaction has gained the attention of researchers and practitioners alike. This is especially the case in the service sector, where many companies are focusing upon service quality improvement issues in order to drive high levels of customer satisfaction.

Number of common factors have been identified as critical drivers of customer satisfaction. The service profit chain (Heskett et al., 1994) is one of the most widely supported theories of customer satisfaction. In brief, it proposes a positive linear relationship between staff satisfaction, service quality and customer satisfaction leading, ultimately, to profitability. Parasuraman et al. (1985) also recognized the significance of staff satisfaction and service quality as drivers of customer satisfaction in developing their SERVQUAL measurement tool.

Airlines need to have valid and reliable measures for a better understanding of the variables likely to impact the perception of service quality being offered by them. They need to measure not only customer perceptions but also expectations of airline passengers. If significant variations are found in the perceptions of airline passengers' vis-à-vis service quality on the different flights, changes in the marketing mix need to be implemented to improve the perception of qual-

ity. But, in general, passenger hardships have increased after Sept 11 attacks (Gkritza, Niemeier & Mannering 2006). Much of the research in services marketing centers on understanding services and service quality from customer's point of view (Brown et al. 2006). Maintaining quality are the main concerns of business today. Providing quality is not a concern of manufacturing companies alone. The delivery of high-quality service becomes a marketing requirement among air carriers as a result of competitive pressure (Ostrowski et al., 1993).

Gap Analysis

"The difference between expectations minus perceptions ($D=E-P$): a negative difference indicates on the average that perceived reality exceeds expectations that should produce satisfied customers. On the other hand, a positive difference indicates that on the average. Perception of service delivery failed to meet the expected level of service quality indirectly producing dissatisfied customers" (Parasuraman et al.) .

The pre-requisite of the customer satisfaction is understanding and knowing what they want. This imperative gave birth to the concept "CRM (Customer Relationship Management)". This concept is about customer satisfaction. Customer satisfaction, after a step leads to the concept of customer loyalty. According to Oliver (1997), a behavioral perspective on the consumer loyalty is the highest level of satisfaction. According to Kramer (1999, the more the customer satisfaction is, the lower the transaction costs are and the higher the fidelity is.

Understanding importance and sources of customer satisfaction is important for any company in any industry to grow and remain profitable, but in airline industry customers are carriers' only assets (Carlzon, 1987). Hence understanding and managing satisfaction through service quality is essential and requires greater attention from carriers nowadays, in struggling and challenging environment. According to Parasuraman et al. (1991), continuously providing consistent, reliable and fair services is a key to achieve customer loyalty. Airlines should also know their competitors and consider the market competition campaign. CRM is an essential component of the corporate strategy of airline com-

panies to differentiate themselves from competitors in the eyes of customers (Boland et al 2002).

OBJECTIVES OF THE STUDY

The Indian Airline is suffering from very intense competitions on its national market. The airline is not only enduring from low market share on most routes, on which other airlines are also having flight operations but also losing the market share on some others. The pre-requisite of the customer satisfaction is understanding and knowing what they want. In such a scenario, service quality is a significant driver of passenger satisfaction, loyalty and choice of airlines. Thus scientific investigation into service quality and customer satisfaction is need of the hour. The main objective of the study is to analyze service quality and customer satisfaction of domestic airlines with special reference to Indian Airlines. Specific objectives of the study are as follows :

- (1) To examine in detail the services being offered in domestic airlines with special reference to Indian Airlines
- (2) How can the passenger's satisfaction within Indian Airlines be described?
- (3) To investigate, how much satisfied Indian Airlines passengers are with its services?
- (4) To evaluate how can Indian Airlines managers improve and promote satisfaction level among the passengers?

In order to evaluate the customer satisfaction and service quality in domestic airlines industry with special reference to Indian Airlines, the following hypotheses have been made .

- (1) Service quality leads to customer satisfaction
- (2) Service quality creates brand loyalty
- (3) Empathy is one of the important dimensions in service quality
- (4) Reliability has a direct positive effect on service quality
- (5) Tangibility has an importance in service quality

METHODOLOGY

The SERVQUAL instrument was adopted to measure the service qualities of the Indian Airlines as it demonstrated the "gap" between the customer's expectations and the perceptions. The structured questionnaire used in this study com-

prised of two parts: Part A contains questions about personal profiles of the respondents including gender, educational level and age. Part B includes expectations (E) and perceptions (P) of respondents according to five dimensions and these were tangibles, reliability, responsiveness, assurance and empathy. The items in the questionnaire were measured on a five-point Likert scale ranging from 'highly satisfied/ highly agree'. The respondents were asked to rate their expectations and perceptions of the various items for the Indian Airline's services.

The questionnaires were self-completed by the customers, with assistance available if required. Random sample method was used and 300 samples were selected for study. Descriptive statistical analysis was used to measure respondents' expectation and perception scores. Average score analysis was used to evaluate various service quality dimensions. Service quality and customer's satisfaction were analyzed on the basis of Mean Difference, which is presented in Table-1 & 2

SERVICE QUALITY AND CUSTOMER'S SATISFACTION ANALYSIS:

TABLE NO- 1: DEMOGRAPHIC ANALYSIS

Demographic Profile of Respondents

In demographic profile of respondents , it is

GENDER	Total No of Respondents N=300	%
MALE	192	64%
FEMALE	108	36%
MARITAL STATUS		
MARRIED	207	69%
UNMARRIED	93	31%
AGE		
21-30	72	24%
31-40	87	29%
41-50	93	31%
51-60	48	16%
BACKGROUND		
URBAN	273	91%
RURAL	27	09%

EDUCATION		
INTERMEDIATE	27	09%
GRADUATE	132	44%
POST GRADUATE	111	37%
PhD.	9	03%
Dr/ Engg/ Other Professionals	21	07%
Reason to Fly-	300	
Business	108	36%
Jobs	111	37%
Education	42	14%
Others	39	13%
Frequent Flyer	231	77%
Since How Long Flying-		
More than one Years	111	37%
More than three years.	90	30%
Less than one year	69	23%
Common way to purchase ticket		
On- Line	258	86%
Other.	42	14%

found that there was total 64% male and 36% female respondents who replied the research questions regarding service quality and customer satisfaction in Indian Airlines, in which 69% respondents were married and 31% respondents were unmarried. Regarding age group analysis of respondents there were 24% respondents belonging to age group of 21- 30 years, 29% respondents were of age group between 31- 40 years, 31% respondents were of age group 41- 50 years and 16% respondents belonged to age group 51 to 60 years . Regarding background of respondents there were 91% Urban respondents who were using Indian Airlines flights , while remaining 09% respondents belonged to rural background .Regarding education level of respondents , it is found that 09% respondents were having education up to Intermediate, 44% Graduate, 37% Post -Graduate, 03% having PhD, while 07% were doctor, engineer & other professionals. It is found that the main reason to use airline's flights by the respondents was jobs/ service related works(37%), followed by business related trips (36%), and 14% for educational

purpose. Majority of the respondents (86%) said that they perform the selection and purchase of air tickets by themselves, via on-line bookings. Out of 300 respondents there were 77% respondents were frequent flyers of Indian Airline's. The study shows that 37% respondents were using airline services more than one year, 30% were using airline services more than three years, while 23% respondents were using airlines services less than one year. Majority of respondents (86%) prefer online booking of tickets.

TABLE NO-2: GAP ANALYSIS FOR TANGIBILITY WITH MEAN DIFFERENCE

Expected services & Perceived services

SERVICE QUALITY DIMENSIONS:	Total No	YES f	f %	Mean	Yes f	f %	Mean	Gap(D)= (Expected service - Perceived service).	Gap(D)= (Expected service - Perceived service).
RESPONSIVENES, ASSURANCE, TANGIBILITY, EMPATHY, RELIABILITY i.e. (RATER MODEL) & ATTRIBUTES								D=E-P (~ Mean)	D = E-P (~ f %)
TANGIBILITY:									
1. Visually attractive aircraft	300	270	90%	0.90	219	81%	0.81	D= -0.09	D= -0.09%
2. Convienient flight schedules & enough frequencies.	300	276	92%	0.92	273	99%	0.99	D= -0.07	D= -0.07%
3. State-of-the-art technology.	300	273	91%	0.91	229	83%	0.83	D=0.08	D=~ 0.8%
4. Ease, accuracy and speed of check-in.	300	252	84%	0.84	191	75%	0.75	D=0.09	D=~ 0.9%

It is found that there is positive gap for service quality dimension of tangibility- visually attractive aircraft: $D = 0.09$, "A positive difference indicates that on the average, perception of service delivery failed to meet the expected level of service quality indirectly producing dissatisfied customers." So it indicates that customers are dissatisfied with services quality attribute of visually attractive and appealing appearance of aircraft of the Indian Airlines. So there is need to improve this service quality attribute for more customer satisfaction, because customer satisfaction depends on service quality and tangibility plays a key role in marketing strategy. In 4P's of marketing Tangibility has very important role to attract customers.

The study reveals that there is negative gap $D = - 0.07$, convenient flight schedules & enough frequencies. "The difference between expectations minus perceptions ($D=E-P$)". A negative difference indicates on the average that perceived reality exceeds expectations, means that produce satisfied customers.

It is found that there is positive GAP ($D= 0.08$), which indicates customers dissatisfaction regarding state of the art technology of the Indian Airlines. So improvement is needed for this service quality attribute.

The study reveals that there is positive gap $D = 0.09$ for services quality attribute of ease, accuracy and speed of check-in services, "a positive difference" indicates that on the average, perception of service delivery failed to meet the expected level of service quality indirectly producing dissatisfied customers. So it indicates that passengers are dissatisfied with services quality attribute of ease, accuracy and speed of check-in services of the Indian Airlines. So there is need to improve this service quality for more customer satisfaction.

When considered in totality, the results of this study suggests that majority of passengers are dissatisfied with service quality dimension tangibility of the Indian Airlines. To combat the growing competition due to globalization it is suggested that there should be no dissatisfaction among passengers of Indian Airlines regarding tangibility etc. Unsatisfied passengers expect airline to have state of the art technology, conve-

nient flight schedules , visually appealing physical facilities , less waiting time for baggage arrival , better baggage handling mechanism , attractive aircrafts etc.

Most important factor for the rising importance of service quality and customer satisfaction, is that it is proving to be a winning competitive strategy. The ultimate aim of an excellent service quality system is to satisfy the customer's need and go beyond to delight the customers. A good or excellent service quality would result in customer satisfaction or customer delight. Increased customer satisfaction in turn leads to higher level of customer retention and also positive word of mouth.. In India service sector is the largest contributor to GDP , ahead of agriculture as well as industry sector. So Airline Industry has a major role in GDP growth of the country .Results of this study imply that airline marketing managers should develop various strategies to guarantee providing quality services to their passengers because airline services have positive influences on airline image and passengers' satisfaction.. Failure to provide quality services to customers may damage the formation of airline image and cause negative impact on customer's satisfaction and the also on growth of airlines services in domestic market.

This study was therefore able to highlight how important it is for an aviation sector , be it a domestic airlines, to conduct a survey and consider the opinions of its customers and its employees in identifying areas for service quality improvements. It is therefore very important for them to know how customers evaluate service quality and what they can do to measure and improve service quality. Therefore, to exceed customer expectations, it is necessary for aviation sector to continually improve the quality of service provided to its customers.

LIMITATIONS AND FUTURE RESEARCH

There were limitations in this study that need to be acknowledged. Firstly, the study was limited to domestic aviation sector the Indian Airlines , therefore the reliability of the results restricts the extent to which the findings can be generalized across the Indian Airlines services. Secondly, this study looked at the perceptions of customers, thereby excluding the views of man-

agement. Given the financial and resource constraints under which the Indian Airline operates, it can be argued that it is crucial to measure management perceptions of organizational service quality practices so that they can also understand customer expectations. Such information will then assist management in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on, a critical decision given the scarcity of resources. Thirdly, Parasuraman et al. (1991) original argument that SERVQUAL's five dimensions are transportable to other service sectors remains to be verified in the other Airlines/ Aviation sectors. This study provides researchers with useful guidelines for future research.

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