Volume : 4 | Issue : 11 | November 2015 • ISSN No 2277 - 8179

Research Paper

Service Quality in Air India: A Study

Commerce

KEYWORDS : Service Quality, RATER, Air India, Airline/Aviation Industry

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ABSTRACT

Over the past couple of decades or so, the techniques of measuring service quality and its dimensions have become a major area in marketing literature owing to which scholars and practitioners have been operating on the quality of services delivered. Serving and satisfying a customer is the fundamental goal of the hospitality industry where the service providers themselves become part of the product. The aviation industry is a typical service industry, one in which the involvement of service components is relatively high and, hence, special attention need be paid to the service quality, as it could potentially increase passenger satisfaction, profits, and market share. This study, therefore, aims to understand the service quality indicators of public sector airline i.e., Air India. After conducting a thorough review of literature, in-depth interviews, and two rounds of pilot tests, five dimensions (responsiveness, assurance, tangibles, empathy, and reliability – RATER) and 20 indicators were obtained and the implications and suggestions were then discussed.

Genesis:

Bhinnaruchirhi lokah – people (i.e., the world collectively) have varied tastes, likes and dislikes.

– Kalidasa's aphorism from Raghuvamśam

The sum and substance of all that the external world stands for is: serving and satisfying customers, which is the fundamental goal of the hospitality industry where the service providers themselves become part of the product. Aviation, a typical service industry, involves of service components is relatively high and, hence, special attention need be paid to the service quality, as it could potentially increase passenger satisfaction, profits, and market share. Quality is the management's topmost competitive priorities and a prerequisite for sustenance and growth. The quest for quality improvement has become a highly desirable objective in today's intensely competitive markets. It is reckoned as the prime mover towards enhanced business performance and several researchers have underlined the quality improvement initiatives resulting in a sustainable competitive advantage.

Introduction:

Quality is defined as "fitness for use" (Juran, 1974) in user-based approach and "conformance to requirements" (Crosby, 1979) in manufacturing-based approach. Service quality is considered as a critical dimension of competitiveness (Lewis, 1989). Providing excellent service quality and high customer satisfaction is the important issue and challenge facing the contemporary service industry (Hung et al., 2003). Service quality is an important subject in both the public and private sectors, in business and service industries (Zahari et al., 2008). It is the extent to which a service meets or exceeds customer needs and expectations (Lewis & Mitchell, 1990). 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 (Leonard & Sasser, 1982; Cronin & Taylor. 1992; Seth & Deshmukh, 2005). The rapid development and competition of service quality, in both developed and developing countries has made it important for companies to measure and evaluate the quality of service encounters (Brown & Bitner, 2007).

Today competition is not only rife, but growing more intense constantly and airline industry is no exception which has always been famous for its continuous struggle: cutting costs, managing fluctuating demand, keeping up with tight quality requirements while trying to maintain superior services and satisfy needs of various customer groups. Of late, the Indian air travel market – both domestic and international – has been experiencing great competition due to deregulation and customers' increased awareness of service quality. Under the circumstance, airlines not only attempt to establish more convenient routes, but also introduce more promotional incentives, including mileage rewards, frequent flyer membership programme, sweepstakes, among others hoping to consolidate the market share and enhance profitability. However, the marginal benefits of marketing strategies gradually wane because most of the airlines act similarly. Recognising this limitation of the marketing strategies, some air carriers now tend to focus on the commitment of improving customer service quality.

Service Quality – The Concept and Its Measurement:

Service quality can be regarded as a composite of various attributes. It not only consists of tangible attributes, but also intangible/subjective attributes such as safety, comfort, which are difficult to measure accurately. Different individual usually has wide range of perceptions toward quality service, depending on their preference structures and roles in process (service providers/receivers). To measure service quality, conventional measurement tools are devised on cardinal or ordinal scales. Most of the criticism about scale based on measurement is that scores do not necessarily represent user preference. This is because respondents have to internally convert preference to scores and the conversion may introduce distortion of the preference being captured.

Service industry is a composite of various attributes: intangibility, perishablility, inseparability, and heterogeneity; all of which make it all the more difficult to measure service quality. To explore the past related research document, the most common methods for evaluating airline service quality is the statistical method. Five-point Likert scale is the major tool in evaluating service quality. Nowadays, the fuzzy set theory has been applied to the field of management science, like decision-making. However, it is scarcely used in the field of service quality.

Results and Discussion:

Conceptualisation and measurement of service quality perceptions have been the most debated and controversial topics in the services marketing literature to date. Service quality measurement is one of the most significant measurement tools for firms to understand consumers' needs and wants by analysing the experience of consumers and customers' satisfaction on the services provided.

This section presents empirical findings of the survey whose objective is to test the service quality attributes and dimen-

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sions of Air India and to assess what features of the service process are most important for the target group depicted in Table-1. The hundred respondents, chosen randomly, were asked to separately evaluate each service attribute, according to the gap between their perceptions and expectations, using a five-point Likert scale: Great, Best, Good, Average, and Poor with five different scores being assigned to them 1, 2, 3, 4, and 5 respectively.

Table-1: ANOVA Values for Independent Variables on ServQual

Demographic Variables		Organisational Change		F	Sig.
		Mean	SD		
GENDER	Female	-9.1	10.0	3.48	0.0663
	Male	0.5	13.2		
AGE	< 25 Years	-3.4	11.1	4.44	0.0066
	26-35 Years	0.3	13.6		
	36-45 Years	3.9	11.4		
	46-55 Years	24.2	11.6		
	> 56 Years	0.0	0.0		
MARITAL STATUS	Single	3.2	11.4	0.52	0.5956
	Married	0.7	12.7		
ANNUAL INCOME	< 3 lacs	10.4	13.1	3.08	0.0216
	3-5 lacs	-0.2	12.3		
	5-10 lacs	-3.0	12.4		
	> 10 lac	6.5	21.8		

[Source: Field Investigation]

Table-2: Anova Values for ServQual Attributes and Indicators

Item	ATTRIBUTE/INDICATOR	DF	Anova SS	Mean Square	F Value	Pr > F
	RESPONSIVENESS					
01	Handling of Delayed Flights	2	402.0533	201.0265	2.17	0.1213
02	Check-In Baggage Handling Service	2	4777.5717	2388.786	25.75	<.0001
03	Handling Passengers	3	872.9681	290.9894	3.14	0.0301
04	Vernacular/Foreign Language Skills	3	710.9848	236.9949	1.92	0.1160
	ASSURANCE					
05	Back Office Operations	4	1454.3677	363.5919	3.92	0.0059
06	Error-Free/Fair Transactions	4	1359.2015	339.8019	3.66	0.0087
	TANGIBLES					
07	In-Flight (Digital) Services/Entertainment Facilities	3	1713.686	571.2287	5.11	0.0026
08	Food and Beverages Cuisine Provided	3	4934.737	1644.912	14.73	<.0001
09	External Appearance of the Airplane	3	1018.671	339.5568	2.2	0.094
10	Provision of Pillow/ Blankets	3	1877.907	625.9690	3.04	0.0313
11	Crew/Staff Grooming/ Appearance and Attitude	3	1893.182	631.0605	18.57	<.0001
12	Cleanliness of Cabin/ Toilets	3	6906.051	2302.017	67.75	<.0001
	EMPATHY					
13	Convenient Operating Hours/Flight Schedules	3	2334.3632	778.1211	22.9	<.0001
14	Personal/Individual Attention to Customers	3	2790.3212	930.1071	27.37	<.0001
15	Consideration to Women/Children/Differently Abled	4	2063.3067	515.8267	3.69	0.0059
16	Crew-Staff Behaviour Towards Delayed Passenger	4	2318.2753	579.5688	4.15	0.004
	RELIABILITY					
17	Punctual/Providing Service at the Promised Time	3	1029.2158	343.0719	9.3	0.0002
18	Insistence on Error Free Records	3	4643.6463	1548.5489	32.98	<.0001
19	Sincerity of Interest in Solving Customer's Problems	2	791.1398	395.5699	8.42	0.0005
20	Frequent Flyer Incentive Programme	3	6302.2242	2100.7414	44.71	<.0001

R-Square	Coeff Var	Root MSE	Responsiveness Mean
0.569655	2.2139E+18	9.631047	4.35E-16
R-Square	Coeff Var	Root MSE	Assurance Mean
0.395452	2.42936E+18	10.56834	4.35E-16
R-Square	Coeff Var	Root MSE	Tangibles' Mean
0.17259	2.86E+18	12.43455	4.35E-16
R-Square	Coeff Var	Root MSE	Empathy Mean
0.260619	2.71E+18	11.8182	4.3503E-16
R-Square	Coeff Var	Root MSE	Reliability Mean
0.75964	1.58E+18	6.854789	4.3503E-16

[Source: Field Investigation]

Table-2 portrays the calculated values of service quality of Air India as perceived by the respondents.

Responsiveness: Among the four indicators of this attribute, Item-02 (i.e., Check-In/Baggage Handling Service) and Item-03 (i.e., Handling Passengers) represents a poorer p-valve at 5 per cent level of significance and Air India needs to up the ante so that its overall responsiveness is projected in a much better positive light than what is perceived right now.

Assurance: Both the indicators of this attribute Item-05 (i.e., Back Office Operations) and Item-06 (i.e., Error-Free/Fair Transactions) represent a poorer p-valve at 5 per cent level of significance and national carrier needs to upgrade the backend and/or follow-up procedures so as to enhance the image of the state carrier over its generational belief of being labelled as a technological laggard.

Tangibles: All the indicators of tangibles' attribute except Item-09 (i.e., External Appearance of the Airplane) are on the downside represented by a poorer p-valve at 5 per cent level of significance point towards an urgent need for Air India to improve its material and aesthetics on massive scale to bid adieu to the age old perception that government-run sectors/units rarely innovate and rule the roost.

Empathy: A significant attribute, empathy scores not so well among the respondents in terms of p-valve at 5 per cent level of significance particularly Item-13 (i.e., Convenient Operating Hours/Flight Schedules) and Item-14 (i.e., Personal/Individual Attention to Customers). The prime takeaway is to sensitise the decision-makers so that empathy springs overtime.

Reliability: Here again, the state carrier faces a downward spiral regarding its reliance on air. Since, all the four indicators of this attribute – Item-17 (i.e., Punctual/Providing Service at the Promised Time), Item-18 (i.e., Insistence on Error Free Records), Item-19 (i.e., Sincerity of Interest in Solving Customer's Problem) and Item-20 (i.e., Frequent Flyer Incentive/Programme) – have a poorer p-valve at 5 per cent level of significance, the airlines should go beyond to restore its reliability in the wake of new efficient carriers.

Conclusion:

With the arrival of many private low cost carriers and international carriers, it has become all the more imperative for the public carrier to prove its mettle and not just settle on the taxpayers money bailed out by the exchequer.

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