Abstract

The growth potential of service sector, especially the aviation sector in the Indian economy is splendid. Therefore, it is crucial for the airline service providers to realize their customers, design offers and deliver the desired value to their customers. This study reveals the effect of airline passenger satisfactions particularly on re-buy intentions derived from the attributes-level performance dimensions of both service aspects and loyalty programme of an airline.

The mediation effect of satisfaction and other selected antecedents on the re-buy intention of a passenger is hypothesized in this study. Critical areas affecting buying intentions such as core service quality and loyalty attribute-level performances, effect of frequent flyer programme and service quality satisfaction, passenger trust on airline, brand image and moderating effects of perceived value, frequent programme status and travel frequency of airline passengers are linked in a structural model to assess the strength of each facet in affecting re-buy intentions. Implications to the airlines were made based on the finding that re-buy intentions cannot be attributed solely to the impacts of frequent flyer programme, rather affected through the mediation effect of airline service quality satisfaction, which is very much valid for the higher FFP status category of frequent travelers. The effects of moderation caused by perceived value, FFP status and flying experience were also found to be significant in making re-buy intentions.
PART ONE

- Introduction,
- Literature Review,
- Research Methodology &
- Validation of Measurement Models
This chapter deals with background to the research problem, the concept of frequent flyer programme, airline service quality, objectives, scope, significance and organization of the study.

1.1 Background

Service industries worldwide were valued at $350 billion, accounting for 20 percent of all world trade in 1980 and that figure had nearly tripled to $1,000 billion by 1992. Bateson & Hoffman (1999) estimated that the service sector accounts for 58 percent of worldwide gross national product. According to UN National Account Statistics cited by Prasad et al. (2014), the services sector has the highest sector wise contribution in global GDP with a share of 67.5 percent in world GDP of US $ 70.2 trillion in 2011. Air transport currently provides 56.6 million jobs and accounts for more than US $ 2.2 trillion of the global gross domestic product (GDP). India is considered as the 9th largest aviation market handling 121 million domestic and 41 million international passengers.

The total number of passengers travelling by air has significantly dropped by 4.79 per cent in 2012-13 to 94.8 million, in comparison to 12.05 per cent growth achieved in 2011-12. Out of this, there is a relatively high fall of 5.24 per cent in domestic travel compared to international travel with 4.09 percent decline.