ABSTRACT

The service industry plays an important role in the world economy. India is competing with other nations for an increasing share of the emerging world market. Therefore, improving the quality of Indian goods and services has become a concern for all the business organizations especially service organizations consider service quality and service satisfaction as the cause for the service loyalty. There has been extensive scan made on the topics of service quality, service satisfaction and service loyalty in various marketing and consumer research journals and proceedings published over the past two decades demonstrates the increasing popularity of loyalty research among service and consumer researchers. Since 1980, there has been phenomenal rise in the interest on relationship marketing literature. Research works meant for separating the Service Quality perception, satisfaction and customer retention process have occupied the centre stage of this growing literature in the western world. But there is only limited evidence in the literature to suggest that such studies are undertaken in the Indian context, especially in the perspective of airline loyalty management.

The present research endeavours put together the antecedents and components of service loyalty and try to establish a comprehensive framework for the measurement of the Airline service loyalty.

Indian Domestic Airlines services are chosen for this study because this industry is a major infrastructural component of an economy. Also, the Indian Domestic Airline industry depends on the passenger patronage for their survival and success after the introduction of open skies policy by the Indian Government. The Airline services industry got a huge boost with the entry of many players in the recent period. The consequent increase in competition has made
Passenger loyalty as a key factor for Domestic Airline service providers to improve their market and profit positions.

The study models the relationship between Service quality, Service satisfaction and Service Loyalty among the Select full service Indian Domestic Airline service providers. This model would provide valuable information for the Indian Domestic Airline service providers. This information would help them to enhance the service quality and also would result in obtaining the passenger loyalty. The model would also provide them with the insights about the dimensions which are pertinent to the airline service quality and airline service loyalty. The objectives of the study were; To present a theoretical framework for establishing a research model in regard to airline service quality and airline service satisfaction as antecedents of airline service loyalty in the context of Indian domestic full service airline providers; To develop an inventory for service quality and service loyalty measurement for domestic full service airline services suiting Indian context; To assess the empirical validation of proposed service loyalty model for full service domestic airline services in India; To examine the impact of select demographic variables on each of the service loyalty dimensions; To identify the difference, if any, in regard to passenger perception of airline service loyalty dimensions by sector of airlines; To provide suitable suggestions to the Indian Full service Domestic Airline service providers based on the study. The population for the study is the passengers who are enrolled in the frequent flyer program of various domestic full service airline operators from Trivandrum City namely Air India, Jet Airways, and Kingfisher Airlines. The Managers of all three airlines were approached for obtaining details of the passengers who have enrolled their names in their frequent flyer programs namely Flying returns of Air India, King club of Kingfisher Airlines and Jet privilege of Jet Airways from Trivandrum and have travelled in the full service airlines of the above mentioned operators at least five times in the past one year. The list thus obtained from managers of three airline operators (Air India, KingFisher, Jet
Airways) and the population was defined as 1912. Simple random sampling technique was used and arrived at the final sample size of 956. Out of the 956 passengers who gave their consent for responding to interviews were approached. Thus at the end of the survey 574 complete responses were obtained. A combination of univariate and multivariate statistical techniques like comparison of mean score, multivariate ANOVA, Exploratory Factor Analysis, Confirmatory Factor Analysis Multiple Regression Analysis and Structural Equation Modelling were used for data analysis of the study. To study the objectives set and to test the hypothesis, an interview schedule using Five-point Likert scale and semantic differential scale was prepared as an instrument to collect the data. The schedule has four parts; the first part measures the service quality perception, the second part measures the overall satisfaction, the third part measures the perception in respect of service loyalty and the fourth part measures the personal information of respondents. A principal Component Analysis type of factor analysis (Varimax rotation) is applied. CFA was used for the purification of the Airline Service Quality and Airline Service Loyalty scale developed. CFA seeks to determine if the number of factors and loadings of measured indicators on them conform to what is expected on the basis of pre established theory. The relationship between Airline Service Quality, Airline Service Satisfaction and Airline Service Loyalty are established using the Structural Equation modeling technique. Based on the key findings of the study, important suggestions are outlined for the policy makers of the Domestic Indian Airline industry and the Indian Domestic Airline Service Providers. The key notion of success in the highly competitive airline industry is not just winning passengers but in retaining them. Hence the researcher made an attempt to study and document the role of Airline service quality and Airline service satisfaction in improving Airline service loyalty in the Indian context.