CHAPTER 1: INTRODUCTION

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1.2 Airline Service Industry: An Overview
1.3 Need for the Study
1.4 Objectives of the Study
1.5 Research Framework
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Chapter Overview

This chapter introduces the importance of civil aviation worldwide and traces its growth. It outlines the service delivery mechanism and usage of IT in airline service delivery. It discusses the rationale behind the present research and gives an overview of the objectives of the work and also explains the need for a study of domestic airlines in India. In the end, the chapter provides a bird’s-eye view of the study framework.

1.1 Background of the Study

Civil aviation has emerged as a major contributor to human and economic progress in most of the developed as well as emerging economies (Sidhu, 1998). According to International Air Transport Association (IATA) (2008b), airline industry represents one of the biggest industries worldwide with global airline revenues exceeding US$ 485 billion in 2007. Its contribution ranges from ensuring connectivity to far-flung areas to facilitating export revenues to growth in tourism. It is estimated that every $100 spent on air transport produces benefits worth $325 to the economy and 100 additional jobs in air transport result in 610 new other jobs (Kamath, 2007). It increases economic efficiency by providing a faster means of distributing goods and services throughout the world. Globally, airlines transport 2.3 billion passengers. According to Bisignani (2008a), approximately US$3.5 trillion worth of business and 32 million jobs depends on airline industry success.

Civil aviation industry has been swept by a wave of liberalisation throughout the world (Chan, 2000b; InterVISTAS-ga, 2006). The aviation industry has moved towards liberalisation in the ownership of national carriers, capacity sharing, price controls and market access, leading to greater competition among airlines. Open sky policy is being followed in increasing number of countries. Airline alliances are being forged for enhanced networking of destinations and code sharing among airlines is becoming common practice these days. With facilities for easy entry, exit
and freedom over fare structure, domestic private operators are competing with national carriers. Airports, apart from providing range of facilities to airlines, are evolving into multifaceted hubs containing hotels, conference centres, duty free shops, and shopping malls.

IATA forecasts that, in 2011, the air transport industry will handle 2.75 billion passengers (620 million more passengers than in 2006) and 36 million tonnes of international freight (7.5 million tonnes more than in 2006). Liberalisation, availability of more fuel efficient and longer-range aircraft that are better able to serve thinner routes, greater choice and lower fares will be key factors influencing an increase in passenger demand over the forecast period (IATA, 2007). Table 1.1 presents salient financial forecasts of global aviation industry.

**Table 1.1: Global Aviation Industry – Financial Forecast**

<table>
<thead>
<tr>
<th>Parameters</th>
<th>2006</th>
<th>2007</th>
<th>2008 (Forecasts)</th>
<th>2009 (Forecasts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers flown (billion)</td>
<td>2.124</td>
<td>2.260</td>
<td>2.321</td>
<td>2.379</td>
</tr>
<tr>
<td>Freight carried (million tons)</td>
<td>39.8</td>
<td>41.6</td>
<td>42.4</td>
<td>43.4</td>
</tr>
<tr>
<td>Growth rates (Percent)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger</td>
<td>5.9</td>
<td>5.9</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Cargo</td>
<td>3.9</td>
<td>4.0</td>
<td>1.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Yield growth (inflation/ xchange rate adjusted)</td>
<td>0.5</td>
<td>-3.2</td>
<td>-3.2</td>
<td>1.8</td>
</tr>
<tr>
<td>Expenses (US$ billion)</td>
<td>440</td>
<td>468</td>
<td>520</td>
<td>555</td>
</tr>
<tr>
<td>Fuel</td>
<td>111</td>
<td>136</td>
<td>186</td>
<td>223</td>
</tr>
<tr>
<td>Fuel as percent of expenses</td>
<td>26</td>
<td>29</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>Average crude oil price per barrel (US$)</td>
<td>65.1</td>
<td>73.0</td>
<td>113.0</td>
<td>110.0</td>
</tr>
<tr>
<td>Revenues (US$ billion)</td>
<td>452</td>
<td>485</td>
<td>520</td>
<td>557</td>
</tr>
<tr>
<td>Operating Profit (US$ billion)</td>
<td>12.9</td>
<td>16.3</td>
<td>0.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Net Profit / Loss (billion US$)</td>
<td>-0.5</td>
<td>5.6</td>
<td>-5.2</td>
<td>-4.1</td>
</tr>
<tr>
<td>Net margin</td>
<td>-0.1</td>
<td>1.1</td>
<td>-1.0</td>
<td>-0.7</td>
</tr>
</tbody>
</table>


IATA has revised its forecast for 2008 in September’ 08 (IATA, 2008b) over its previous forecast of March’ 08 (IATA, 2008a). The airline industry is projected to lose US$5.2 billion in 2008 because of hikes in oil prices, in contrast to earlier forecast of a collective industry profit of US$4.5 billion. The forecast uses oil price
of US$113 per barrel of crude, up from US$86 per barrel used in the March forecast. For every dollar increase in fuel price, costs go up by US$1.6 billion. If the oil stays at US$135 for the rest of the year, losses will be much worse at US$6.1 billion (Bisignani, 2008a). Even with significant further efficiency improvements by airlines, there will be little chance of offsetting the damage to profitability from the headwinds of US recession and record fuel prices (IATA, 2008c).

Aviation industry had not been doing very well in the recent past due to overall global recession. At present, the major airlines are finding themselves grounded in the struggle for survival. Twenty four airlines went bust in the last six months (Jan to June 2008). In the de-regulated environment, the customer has many choices, if the first airline does not measure up-to the desired standards of service. The condition is manifesting itself not only worldwide, but also in Indian aviation industry. Civil aviation industry in India is likely to end the current financial year with a loss of Rs 80 billion (Bansal, Khan & Dutt, 2008). Higher Aviation Turbine Fuel (ATF) prices are largely responsible for heavy losses of airlines in India.

In order to win this battle, airlines are coming out with various schemes, which include measures like cutting down prices, introduction of apex fares, auction of seats, frequent flier programme, marketing initiatives, airport lounges, holiday packages and customer relationship management.

1.2 Airline Service Industry: An Overview

Service Quality in Airline Industry: In the airline business, service quality indicates that all passengers are entitled to receive any or all relevant information to their trip. For example, passengers should be informed immediately of any changes to scheduled flight times or route diversions, or, when consumers book their flights, regardless of the medium used to facilitate the transaction, they should be entitled to full disclosure from the airline with respect to fare information, including extras such as departure taxes, reserve seat charges, and temporary surcharges. Airlines should be committed to providing quality onboard services to passengers. Quality service requires, among other things, the availability of sanitary washroom facilities, the best possible onboard air quality, and the provision of food and non-alcoholic beverages during long flights and/or extended delays. In total, number of different
articles used for passenger services during the flight (onboard or inflight service) can reach 1,000 depending on degree of sophistication of passenger service of the airline (Hovora, 2001).

Focus on service quality is the need of the hour if the airlines aspire to improve market share and further enhance financial performance in domestic and international segments. Airlines need to better understand the factors likely to have a bearing on the service quality offered by their organization, e.g. expectations and perceptions of airline passengers vis-à-vis service quality. Exhibit 1.1 outlines airline service delivery mechanism.

IATA’s Passenger Service Conference Resolution Manual contains the standard practices that have been universally agreed upon by airlines to process passengers and baggage in the international interline environment (IATA 2008d). It includes procedures for reservations, passenger and baggage check-in and ticket issuance; specifications for baggage tag and ticketing and various multilateral interline agreements; and other passenger traffic-related regulations. IATA also has a set of Recommended Practices and Resolutions that relate to consumers' protection and competition issues (Nikomborirak, 2005).

At the 56th IATA Annual General Meeting, IATA airlines endorsed a global Customer Service Framework (IATA 2000). IATA adopted a resolution on customer service, which endorsed the IATA Customer Service Framework as a guide for airlines in developing their customer service commitments and plans (Flug Revue, 2000). There are specific guidelines for accommodating special need passengers. It also expects passengers to play a role in safe and efficient operation of the air transport system. The member airlines are committed to provide a high level of service to their customers.

The International Civil Aviation Organisation (ICAO) has developed guidance material on consumer interests in areas such as conditions of carriage, fare guarantee, baggage handling, tariff disclosure, denied boarding and a code of conduct for the regulation and operation of the Computer Reservation System (CRS) (ICAO, 2003). But some countries legislate certain aspects of the conditions of carriage in order to ensure passengers' rights.
Exhibit 1.1: Customer Service Delivery in Airline Industry

**PASSENGER (Pax)**
- Pax makes Flight Reservation - Bkg Office / Internet
- **Ticketing**
- Check-in at Airport (Pax, Baggage)
- Preboarding Security Check
- Boarding and Seating
- Inflight Service
- Arrival, Baggage Retrieval

**INTERACTION**
- **Reservation Desk - Check Availability, Quote Fare & Reserve Seat**
- **Ticket Office - Payment & Collection of Ticket**
- Check-In Counter - Issue Boarding Pass & Tag Baggage
- Security - Check-in Baggage Security Check
- Transportation of Pax to Aircraft
- Cabin Crew - Greet, assistance to seat & store bags
- Cabin Crew - Safety Demo, Meals, Adhoc Request
- Arrival Helpdesk - Special need passengers, Transfer case, Pax Feedback

**FRONT LINE**
- Internet based Reservation & Ticketing

**LINE OF INTERNAL**

**INTERACTION**
- IT - Reservation Database, Frequent Flyer Database
- Catering - Meal Request
- Finance - Accounts
- IT - Ticketing Database
- Engineering - A/c Check & Flight Clearance Refuelling
- In Flight Service - Loading of Meals Cabin Cleaning
- Preparation of Trim Sheet, Aircraft fueling & preparation for Take-off
- Commercial - Flight Monitoring
- Baggage - Unload Baggage and load it on airport carousel

**SUPPORT**
- IT - Check-In Database
- Commercial - Check-in, Baggage Reconciliation & Loading

*Source: Prepared by the Researcher*
This document introduced a common air transport policy and raised a number of issues such as the contractual rights of passengers, tariffs and comfort and health. The European Union (EU) has taken unilateral action to regulate air transport and relate services in order to protect consumers' interests and to guarantee passengers' rights. It has issued a myriad of regulations concerning different aspects of consumer protection.

The US initial approach to regulation relied mainly on voluntary self-regulation by trade associations. The experience of the US seems to indicate that a purely voluntary scheme has its limitations in the absence of an effective monitoring scheme and the force of law that stands behind it (Nikomborirak, 2005). In June 1999, the Air Transport Association (ATA), working with Congress and the Department of Transport (DoT), developed the ‘Airline Customer Service Commitment’ (Mead, 2000). The introduction of the Airline Customer Service Improvement Act, 2001, requires that all ATA member airlines incorporate the Customer Service Commitment in their contracts of carriage. ATA members are committed to provide the highest possible level of service to the customers (ATA, 2007). It also requires disclosure of the on-time performance and cancellation rate for chronically delayed or cancelled flights when a customer makes a reservation. As such, the customer can hold the carrier legally liable for breach of contract in case of non-compliance.

Information Technology and Service Delivery: The travel industry has been a pioneer in the innovative use of Information Technology (IT) (Feldman, 2001; Gareiss, 2001, 2003; Kelemen, 2003; Kuhlmann, 2003; Botha, 2004; Ghobrial & Trusilov, 2005). The airline industry is embracing cutting edge technology to gain competitive edge (Jiang & Doukas, 2003; Baker, 2007). e-Commerce and IT, which are closely intertwined, are changing the nature of the airline business and will increasingly be fundamental to every aspect of airline operation (Doganis, 2006). O'Toole & Pilling (2004) predicts that air travel could become world’s first web-enabled industry as online sales, e-tickets and range of new technologies gain ground with increasing speed. The dramatic growth of web and self-service technologies permit customers and airlines to bypass the complexity and cost of old legacy systems (McIvor, O'Reilly & Ponsonby, 2003; Shon, Chen & Chang, 2003). It will facilitate the introduction of simplified passenger travel involving e-ticketing,
automated check-in, common-user self-service kiosks and so on. Use of technology has also led to improvement in supply chain management and procurement. Exhibit 1.2 details the use of IT in airline industry.

**Low Cost No Frills Model:** Growth in the air traffic in recent years is due to the spread of low cost service. The mainline carriers / Full Service Carriers (FSC) are facing strong competition from Low Cost Carriers (LCC). LCC like Southwest Airlines and Jetblue Airways have received high service quality ranking by Bowen and Headley (2007). Airline Quality Rating system is based on weighted average of on-time arrivals, involuntary denied boardings, mishandled baggage, and a combination of 12 customer complaint categories with on-time performance receiving a higher coefficient. Better LCC performance is due to fewer flight cancellations and higher on-time arrival rates (Sayanak, 2003). Successful low cost carriers undermine the economics of full service carriers by capturing a growing market share and forcing the latter to drop their fares (Doganis, 2006).

The value proposition for passengers is changing. Despite the variety of forces that will shape the future of the industry, customer choice, preference and demand will remain the main driving force behind these changes (Marshall, 2000). Travelers expect convenience and connectivity. They are willing to pay for value, but they are not prepared to pay for the complexity of the industry systems that have evolved over time. Simplifying the business and focusing on value is critical. This is leading the way in the air transports industry's evolution towards a low cost industry and will enhance the passengers' travel experience.

### 1.3 Need for the Study

This study is an in-depth empirical investigation that seeks to establish a method to predict service quality in domestic airline industry in India. The motivation for this work was provided by a lack of any useful instrument to predict and evaluate service quality in airlines to aid the retention of customers. While the literature is replete with empirical studies on service quality, customer loyalty, customer retention, and customer relationships in general, there is a scarcity of such works relating specifically to airline industry in India.
Exhibit 1.2: IT Usage in Airline Service Delivery

**PASSENGER (Pax)**
- Pax makes Flight Reservation - Bkg Office / Internet

**LINE OF INTERACTION**
- Reservation Desk - Check Availability, Quote Fare and Reserve Seat
- Ticket Office - Payment and Collection of Ticket
- Check-In Counter - Issue Boarding Pass and Tag
- Baggage Security - Check-In Baggage Security Check
- Security - Passenger and Hand Baggage Check
- Transportation of Pax to Aircraft
- Cabin Crew - Greet, assist in seating and storing bags
- Inflight Service
- Arrival, Baggage Retrieval

**FRONT LINE**
- Internet based Reservation and Ticketing
- Boarding and Seating

**IT SERVICES**

**FRONT END**
- Flight Support Services
  - Reservation / Ticketing
  - Departure Control / Check-In
  - Baggage Handling
  - E-Commerce (Internet / Intranet)
  - Crew Management
  - Cargo Management
  - Flight Planning / Monitoring
  - Security

- In-Flight Services
  - Catering
  - Cockpit Applications
  - In-Flight Services and Facilities

- Customer Support Services
  - Customer Complaint Handling
  - Customer Relationship Management
  - Frequent Flyer Programme

- Financial Accounting System
  - Revenue Accounting
  - Cost Accounting
  - Interline Billing
  - Payroll
  - Yield Management
  - Management Information System

- Maintenance and Engineering
  - Aircraft Maintenance
  - Engine Maintenance
  - Inventory Procurement / Management

**BACK END**
- HR System
  - Workforce Planning
  - Employee Lifecycle Management

The main purpose of this study is to contribute to the body of knowledge available on quality of customer service in domestic airlines of India. It also measures the gap between expectations and perceptions of the passengers so that strategies can be implemented to improve the quality of service and increase airlines profitability and market share.

As airline customers become more knowledgeable and therefore more demanding, and as competition between airlines for domestic and international customers increases, airlines are forced to provide an ever-improving quality of service on one hand, and maintain an economical cost structure in order to survive on the other. This creates a need to determine appropriate measures so that valid and reliable evaluation of existing as well as planned improvement in quality of service could be conducted. Some of the key questions facing airline marketeers are (i) identification of attributes that influence customers’ choice in airlines, (ii) methodology adopted by the customers to rate the airlines on various parameters, (iii) importance of service quality in purchase intentions, and (iv) system of assessing the satisfaction of an airline customer. This assessment is crucial because it has major implication for business performance. This study will help domestic airlines to re-look their customer service measurement systems and mark relative importance of various attributes. It shall also help in carrying out a comparative analysis of the performance of the domestic airlines on the identified service attributes.

Airlines need to segregate their customer segment. The profile of various customer segments shall help airlines assess the dimensions of service, which are valued by them, why and how they make their choices and what airlines can do to improve customer satisfaction for higher market share. A clear understanding of this shall improve satisfaction of customers belonging to different segments. This analysis shall ensure that airlines maintain and enhance their market share.

Many instruments evaluating service quality have been used in various service industries with varying degrees of success. These include SERVQUAL, SERVPERF, weighted-SERVQUAL, weighted-SERVPERF and INTER-SERVQUAL. There is a need to determine the extent of applicability of and required modification to such instruments when used in the domestic airline industry. The applicability of such instruments is likely to be influenced by the characteristics and environment of the airline customers. This work investigates the
applicability of SERVQUAL to the measurement of the quality of service of domestic airlines in India and introduces the necessary modifications. The results of this study could be implemented by Indian airlines as part of efforts to improve quality of service and maintain its competitiveness.

Airlines are making attempts to deploy cost effective IT solutions extensively for providing quality service to the passengers. Although, airlines have extensively deployed IT to improve their service profile, yet there is a need to evolve a model of service parameters that airlines could adopt in order to leverage IT to their advantage. The research also tries to measure the impact of IT in airline service delivery in Indian scenario.

LCCs are a new phenomenon in India, and they are making attempts to deploy effective low cost solutions extensively for providing service to the passengers. The present work attempts to study the performance of airlines from the customer’s perspective. The study will also attempt to find out the level of acceptability of low cost business model amongst the Indian airline passengers.

1.4 Objectives of the Study

As discussed above, the study attempts to develop a reliable and valid instrument for measuring service quality dimensions and to examine the customer’s perceptions and expectations of service quality in domestic airline industry with special reference to LCCs. The present work also attempts to assess the utility of IT in passenger services by studying the performance of airlines from the customer’s perspective. This can also help in evolving a model of service parameters that airlines could adopt in order to leverage IT to their advantage. It also attempts to evolve a model of customer service as applicable to various customer segments.

The broad objectives of the study can be grouped into four categories:

I: Developing an instrument for measuring service quality

a. Investigate the extent of applicability of the SERVQUAL instrument to the airline industry in India

b. Compare service expectations; perceptions and the gaps using the SERVQUAL scale
c. If required, to develop a reliable and valid instrument for measuring various dimensions of service quality in airline industry

II: Investigating service quality in domestic airline industry

a. Understanding the dimension of services valued by the passengers
b. To assess satisfaction level of customers on various dimensions of services
c. Compare the quality of services being offered by various airlines

III: Investigating acceptability of Low Cost Model

a. To map out the preference of airline passengers for the Low Cost Model

IV: Assessing role of IT in airline service delivery

a. To generate a profile of IT based services being offered by three categories of airlines (i.e. FSC - Public, FSC - Private and LCC)
b. To map out the passenger preferences for the IT based services
c. To study the impact of IT on various dimensions of customer service quality

Based on extant literature and objectives of the study, hypotheses were framed and they have been placed under three groups. The first group of hypotheses (H1 to H10) were developed to measure the overall difference in expectations and perceptions of passengers towards service quality provided by the airlines. The second group of hypotheses (H11 to H14) are related to the impact of IT on passenger services. The third and the last group of hypotheses (H15 to H18) are related to the acceptability of low cost no frills model in India.

The research also provides a comparative analysis of the performance of scheduled air transport operators in terms of operating traffic statistics, fleet strength, load factor, cargo carried, financial performance and marketing initiatives. Further, in the light of the findings, an attempt has been made to suggest the possibility of outsourcing some of the non-core service processes by the domestic airlines in the country.
1.5 Research Framework

Exhibit 1.3 presents the broad research framework followed in this study. Literature review was carried out in the area of service quality with special emphasis on service quality in airline industry, role of IT in service delivery and low cost no frills model of customer service in airline industry. Based on the literature review, gaps in the research area were identified.

Literature review led to the formation of research objectives and hypotheses. Research constructs were identified and research instrument for passenger, airline staff and quality service audit were developed. Modified version of service quality measurement tool SERVQUAL (Parasuraman, Zeithaml and Berry, 1988) was employed to assess customer expectations and perceptions of service quality in domestic airline industry in India. SERVPERF study has been simultaneously carried out to provide further insight. Combination of SERVQUAL and SERVPERF instrument makes this work unique in Indian context. The survey instrument used in the study contained questions pertaining to expectation and perception rating for each driver. The questionnaires are primarily based on 22 items of SERVQUAL model. Modified instrument consists of 30 items divided along the 6 dimensions, with a seven-point likert scale accompanying each statement to test the strength of relations. Tangible dimension was modified to reflect unique characteristics of airline service industry and was divided into two sub-dimensions:

1. Tangible - Support Services containing 5 items, and
2. Tangible - Flight containing 7 items

The research instrument also contained questions pertaining to

1. Usage of IT and customer rating for each IT driver, and,
2. Acceptability of Low Cost Model being provided by new airlines.

In addition, the research instrument also had questions related to demographics.

To check for suitability of the research instrument, a two stage pilot study was carried out. Later the instrument was tested for validity and reliability.

To meet the objectives of the study, data were collected from the passengers and staff of domestic airlines (Appendix 1, 2 and 3). In depth interviews were arranged...
Exhibit 1.3: Research Framework of the Study

Preliminary Conceptualization → Literature Review → Research Gap → Identification of Research Constructs → Instrument Development

Modified service quality model → Analysis and Hypotheses testing → Data Cleaning & Tabulation → Administration of Final Questionnaire → Pilot Study and Scale Refinement

Reporting of Findings → Conclusions → Managerial Implications → Directions for Future Research

Source: Prepared by the Researcher
with airline staff, passengers and academics connected with the aviation industry to develop the questionnaires. The main research was preceded by a pilot study in order to check for appropriateness of the items used in the investigation. A convenience sample of passengers who had recently traveled by air was used. The required data were mainly obtained from airline passengers at domestic terminals at Indira Gandhi International Airport, Delhi (IGIA); Sardar Vallabhbhai Patel International Airport at Ahmedabad; Chatrapati Shivaji International Airport at Mumbai and Bangalore Airport.

The scope of the study included the following four categories of airlines:

- **Full Service Carriers – Public Sector**, which includes Air India (Domestic) (erstwhile Indian Airlines and Alliance Air).
- **Full Service Carriers – Private Sector**, which includes Jet Airways, Jetlite (erstwhile Air Sahara now taken over by Jet Airways) and Kingfisher Airlines.
- **Low Cost Carriers** which include Deccan (now taken over by Kingfisher Airlines), Spicejet, Paramount, IndiGo and Go Air
- **International Carriers** operating to/from India, which include Cathay Pacific, Emirates, Gulf Airways, Singapore Airlines, Thai Airways, Air Lanka, British Airways, Air India and Korean Airlines.

After data collection, questionnaires were checked and edited to ensure completeness before data entry and analysis.

Data analysis and interpretation involved use of MS-Excel 2000 spreadsheet program; SPSS 15.0 Statistical Analysis Software; and LISREL 8.5 Structural equation modelling software. Appropriate statistical tools like Exploratory Factor Analysis (EFA), Kaiser-Meyer-Olkin (KMO) and Bartlett’s test of sphericity, Confirmatory factor Analysis (CFA), Cronbach’s reliability test, cross tabulation, Levene test of Homogeneity of Variance and one-way ANOVA have been applied on the collected data. Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were used to assess and refine the measurement scales in terms of unidimensionality, reliability and validity. Chi-square test was carried out to measure goodness of fit and relationship between respondents of different airline categories and their perception of airline service. Hypotheses were tested and conclusions derived. Managerial implications and directions for future research were discussed.
The final stage involved presentation of modified service quality model for airline industry.

1.6 Organisation of the Study

Chapter 1, the current chapter, offers an overview of the study. It includes need for the study, broad research objectives and research framework. Customer service in the context of airline industry has also been discussed.

Chapter 2 gives an overview of civil aviation environment in India. It also presents the impact of liberalisation focussing on the issues as well as opportunities. Future outlook of civil aviation in India is also covered in this chapter.

Chapter 3 provides a review of extant literature relevant to the research problem. The body of literature, as a whole, provides rationale for the scope and the conceptual framework of this study.

Chapter 4 discusses the research methodology adopted for the work. Research design, instrument development and pre-testing, survey method, and statistical tools employed in data analysis are also described. It also contains the conceptual research model that has been tested and refined using Structural Equation Modelling tool LISREL 8.5 in subsequent chapter. Further, limitations of the study are also presented.

In chapter 5, hypotheses considered for the study have been tested. Reliability and validity measures of the constructs using EFA and CFA are also presented. Assessment and modification of the hypothesised theoretical model described in chapter 4 is carried out. A multivariate model relating the customer service index and relevant variables developed for the study too is discussed. Usage of IT and acceptability of Low Cost No Frill model by the passengers is also covered in this chapter.

In the last chapter, i.e. chapter 6, the conclusions are drawn. The managerial implications of the research have also been outlined. It is followed by suggested directions for further research.