Civil Aviation is a catalyst for economic development and trade in an increasingly globalized world where people and goods can move around the world farther, faster and cheaper than ever. Airports link the movement of passengers and goods to national economies; serve as primary hubs for the tourism industry as a key logistical center for international trade, and as an ideal location for commercial and industrial development.

While the growth rate of the civil aviation sector has slowed down in the mature international markets, it is increasing at a brisk pace in India. This growth is fuelled by the liberalisation of the industry, increase in investments, emergence of Low Cost Carriers (LCCs), positive impetus by regulatory authorities and improvement in the standards of living in the region. Leading players in the Indian aviation industry include Air India, Air India (Domestic) (erstwhile Indian Airlines), Jet Airways, Jet Lite (erstwhile Sahara Airlines), Kingfisher, Deccan, Spicejet, Paramount, Indigo and Go Air. With the entry of LCCs, the airline industry in India is, in fact, presently witnessing the second phase of liberalisation. The boom in Indian civil aviation sector has redefined the way people travel in India. As airfares drop, an increasing number of middle-income travellers prefer to travel by air.

But the airline industry in India is currently encountering problems related to air traffic management, inadequate infrastructure, cockpit crew shortage, safety issues, rising fuel cost, environmental degradation and low levels of customer satisfaction. The profit margins of network airlines have hit rock bottom owing to low-fare competition, increasing security related costs, and shifts in air travel choice behaviour.

In the airline industry, the winds of competition have changed the rules of the game. The pressure to provide better customer services has never been greater. Yet the challenge to reduce operating costs is equally strong. Automation of services can play a key role in attaining these goals, and today, many innovative solutions are being deployed. Rapid advances in the sphere of Information Technology (IT) have permeated every aspect of passenger services in airline industry. There are several
software solutions available to improve the passenger’s journey, streamline and integrate airline and airport operations, as also track baggage and cargo. The objective of all such solutions is to deliver the highest quality of customized services to the passengers at affordable costs.

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. Demographics like age, gender and level of income were also considered in the comparative analysis. The research questions and the derived hypotheses were examined comparing expectations; perceptions and the gap between them. The different demographics, between passengers on domestic flight were considered.

This study also discusses various types of technologies that have been successfully deployed for providing better service to the passengers by airline industry in India. It covers issues such as internet-based reservation systems, electronic ticketing, automated check-in, baggage handling, meals, enterprise-wide customer relationship solutions and frequent flyer programmes. An attempt has been made to identify and analyze these dimensions in order of their importance and application in enhancing customer satisfaction levels in the airline industry. Further, a comparative analysis has been also been carried out of how different service providers in aviation industry are using internet to provide upgraded services to the passengers thereby leading to enhanced customer satisfaction and improvement in overall efficiencies.

The study is organized into a total of six chapters to order the study to sequentially flow to conclusion.

The first chapter provides background and justification for the study, and highlights gap in literature on predicting customer retention as a result of service quality. It
discusses the need for the study in the context of airline industry in India; research objectives, and hypotheses framed for the study.

The second chapter presents a review of the history of aviation in India from its early beginnings down to current times to include the unique nature of the Indian aviation industry. Current aviation scenario, growth, challenges and opportunities were covered in detail. This was deemed necessary in order to inform the audience about the unique nature of the Indian aviation sector and impact of liberalization on it.

The third chapter deals with review of the literature in the area of service quality. Additionally, it thoroughly examines the distinct role of services marketing, relationship between customer satisfaction and service quality, a definition, measurement, and dimensions of service quality. Further it focuses on the literature dealing with service quality in airline industry, impact of IT on service delivery and low-cost no-frills model.

The fourth chapter was utilized to discuss the research methods, techniques, and procedures utilized to carry out the research. The chapter then turns to the need to have the ability to measure service quality for customer retention. Instrument was developed to measure perceived quality in airlines, role of information technology in service delivery and impact of low cost model. Using a group of domestic airlines and a sample of their customer base, an examination of service quality gaps utilizing a modification of the well-regarded SERVQUAL instrument follows. Hypothesized service quality model for airline industry is also discussed. It concludes with the limitations of the research.

The fifth chapter presents the research findings. It discusses the hypothesized research model and also examines consumer expectations versus perceptions. The chapter also highlights the impact of IT on service delivery and delves into issues related to acceptability of low-cost-no-frills model in India.

This sixth and final chapter brings out the study's contribution to knowledge in several areas of service quality delivery in the context of airline industry in India. It also provides details on managerial implications of the study. The study then concludes by suggesting the audience about the future course for further research.