

A STUDY ON PROMOTIONAL FARES AND SERVICE QUALITY IN AVIATION INDUSTRY WITH SPECIAL REFERENCE TO COIMBATORE CITY

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Abstract: In Aviation industry, service quality and price have an important role in influencing customer satisfaction. Customer loyalty plays a significant role and today securing that loyalty requires quality right price. It is vital role to have customer satisfaction because customers bring lots of revenue with them and only then it will be possible for the airlines to operate profitability. This study was conducted with the objective of finding out the different promotional fares implemented by airlines and which airline provides more offers to the customer and also to find out the customer satisfaction in airways in various objects like price, quality, service and source of booking and it serves to add knowledge by improving the understanding of how service quality and price affect customer satisfaction in full services airlines and to determine attribute that passengers consider important in judging quality of service quality. It shows that the promptness and accuracy of service, price significantly influence customer satisfaction. The findings of this study are based on the analysis of a sample of 200 respondents.

Keywords: Aviation, Promotional Fare, Jonckheere-Terpstra test, Kruskal Wallis test

I. INTRODUCTION

Aviation industry provides air transport services for travelling passengers and Freight. Airline companies are recognized with an air operating certificate or license issued by a government aviation body. Airlines utilize aircraft to supply these services and may form partnerships or alliances with other airlines for code share agreements. Airlines vary in size, from small domestic airlines to full service international airlines. Airline services can be categorized as being intercontinental, domestic, regional, or international, and may be operated as scheduled services or charters.

II. STATEMENT OF THE PROBLEM:

Passenger satisfaction towards service arises when company can provide passengers with benefits that exceed passenger's expectation and this is considered value-added. Passenger gratification is an essential goal for each airline providing passenger services. The onboard experience is special for the customer. The customer has a wide choice to select the suitable airline product according to their requirements. Therefore, airlines are continuously working on the in-flight and out flight service product development and innovation to differentiate themselves from competitors. If the passenger is not satisfied, due to negative experience, the client will reconsider the buying decision for further flights and they will switch to another airline. Passenger satisfaction is the greatest assets for air business in the competitive environment.

III. OBJECTIVE OF THE STUDY

1. To identify the various promotional fares offered in airlines
2. To analyze the customer perception and preference about airlines
3. To identify the service quality features and pricing strategies in airlines
4. To elucidate the relationship between service qualities delivered to passengers and their satisfaction as to different class of journey.

IV. LIMITATIONS OF THE STUDY:

1. Results and findings of the study are applicable only for Coimbatore and nearby areas.
2. The study is based on the airlines operated in Coimbatore alone. Other airlines are ignored.

V. RESEARCH METHODOLOGY

Descriptive research is used in this study based on primary data. A survey method has been used to collect the primary data from the respondents by issuing questionnaires in Coimbatore. The sample size taken for the study was 200 respondents. Sampling method involved in this study is purposive sampling method, which is a non-probability sampling method.

VI. TOOLS AND TECHNIQUES

The following tools and techniques have used to analyze and interpret the data.

1. Percentage analysis
2. Chi square test
3. Jonckheere-Terpstra test
4. Kruskal Wallis test

VII. REVIEW OF LITERATURE

David Mc. A Baker (2013) examine the service quality and customer satisfaction of the top 14 U.S. airlines between 2007 to 2011 using data from the department of transportation air travel reports. The objective of this research was to compare customer satisfaction and service quality dimensions and subsequently to determine the relationships between the dimension of service quality and passengers satisfaction on airlines services.

Malyadri (2014) examines the finding of direction with respect to Indian domestic airline industry and it is also about how the customers are feeling about the company's services and its service quality. The two main constituents are the "quality expected or experienced" and "quality perceived" by the customer.

VIII. OVERVIEW OF THE AVIATION INDUSTRY

The aviation industry of India can be broadly being divided into military and civil aviation. According to the International Air Transport Association (IATA), India is the fastest growing aviation market. Bangalore is the aviation manufacturing hub in India and constitutes of about 65% of the share of manufacturing. The Government of India announced its draft National Civil Aviation Policy on 30 October 2015. A total of 127 airports in the country, which include 13 international airports, 7 custom airports, 80 domestic airports and 28 civil enclaves are managed by the Airport Authority of India (AAI).

A promotional fare is a discount that is used in times of slow business that will hopefully increase business over the period. It can be a discount on the full price or include other inducements so people will buy or use the product or service. It is often used to promote a new product or service. Different types of promotional fares are introduced to attract more and more passengers to travel in specific airlines to promote sales with the implementation of promotional fares. The motive is to increase the number of airline loyal passengers and of course revenue.

IX. ANALYSIS AND INTERPRETATION OF DATA

9.1 PERCENTAGE ANALYSIS

A percentage is a number or ratio expressed as a fraction of 100. It is represent in a % symbol. One percent (1%) means 1 per 100.

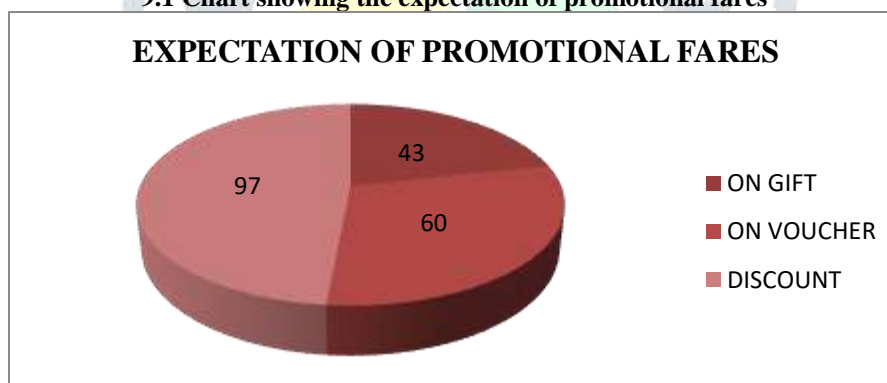
9.1 Table showing the expectation of promotional fares

Particulars	No of Respondents	Percentage
On Gift	43	21.5
On Voucher	60	30
Discount	97	48.5
Total	200	100

Source: Primary Data

The above table indicates that 21.5% of the respondents are expecting promotional fares on gift, 30% of the respondents are expecting on voucher, 48.5% of the respondents expecting discount.

9.1 Chart showing the expectation of promotional fares



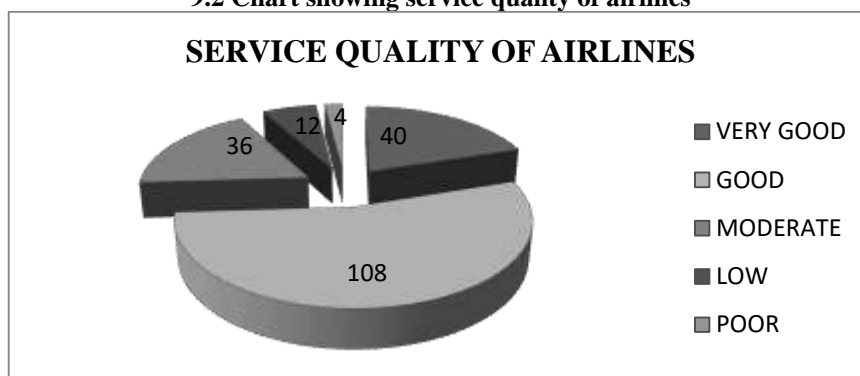
9.2 Table showing service quality of airlines

Particulars	No of Respondents	Percentage
Very Good	40	20
Good	108	54
Moderate	36	18
Low	12	6
Poor	4	2
Total	200	100

Source: Primary Data

The above study portrays that 20% of the respondents have chosen the very good for the service quality of airlines, 54% good, 18% moderate, 6% low, 2% of the respondents have chosen poor for the service quality of airlines.

9.2 Chart showing service quality of airlines



9.2 CHI-SQUARE

A chi-square test also written as χ^2 test is any statistical hypothesis test where the sampling distribution of the test statistics is a chi-square distribution when the null hypothesis is true.

9.2.1 Relationship between educational qualification and airlines preference of the respondents.

Null hypothesis H0: There is no significant relationship between educational qualification and airlines preference of the respondents

Alternative hypothesis H1: There is a significant relationship between educational qualification and airlines preference of the respondents

The researcher has analyzed the relationship between educational qualification and airlines preference to the respondents. To test the above hypothesis, the Chi- square test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

9.3 Educational qualification and airlines preference to travel

Cross tabulation

S. No	Particulars	Airlines Preference to Travel				Total
		SPICE JET	JET AIRWAY	INDIGO	AIR INDIA	
1	School level	4	9	1	6	20
2	Graduate	19	21	22	36	98
3	Post graduate	10	13	27	24	74
4	Others	0	2	3	3	8
	Total	33	45	53	69	200

9.4 CHI- SQUARE TESTS

S. No	Particulars	Value	DF	ASYMP. SIG. (2-SIDED)
1	Pearson Chi-Square	15.354	9	.082
2	Likelihood Ratio	17.182	9	.046
3	Linear-By-Linear Association	2.891	1	.089
4	No of Valid Cases	200		

The calculated value (0.082) is greater than the P-value 0.05. So, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between educational qualification and airlines preference of the respondents.

9.2.2 Relationship between age group and satisfaction of online booking offering

Null hypothesis H0: There is no significant relationship between age group and satisfaction of online booking offering.

Alternative hypothesis H1: There is a significant relationship between age group and satisfaction of online booking offering.

The researcher has analyzed the relationship between age group and satisfaction of online booking offering. To test the above hypothesis, the Chi- square test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

9.5 Age group and satisfaction of online booking offering

Cross Tabulation

S.No	Particulars	Satisfaction of Online Booking Offering					Total
		Highly Satisfied	Satisfied	Neutral	Not Satisfied	Highly Not Satisfied	
1	Below 20 years	1	9	4	1	0	15
2	20 to 30 years	15	57	23	4	0	99
3	30 to 50 years	18	43	8	9	0	78
4	50 and above years	4	2	0	2	0	8
	Total	38	111	35	16	0	200

9.6 CHI- SQUARE TESTS

S.No	PARTICULARS	VALUE	DF	ASYMP. SIG. (2-SIDED)
1	Pearson Chi-Square	20.578	9	.015
2	Likelihood Ratio	20.851	9	.013
3	Linear-By-Linear Association	1.142	1	.285
4	No of Valid Cases	200		

The calculated value (0.015) is lesser than the P-value 0.05. So, the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between age group and satisfaction of online booking offering.

9.2.3 Relationship between occupation and purpose of travel

Null hypothesis H0: There is no significant relationship between occupation and purpose of travel.

Alternative hypothesis H1: There is a significant relationship between occupation and purpose of travel.

The researcher has analyzed the relationship between occupation and purpose of travel. To test the above hypothesis, the Chi- square test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

9.7 Occupation and Purpose of Travel

Cross Tabulation

S. No	Particulars	Purpose of Travel				Total
		Business Visit	Vacation	Visiting Friends/Relatives	Education	
1	Student	3	25	7	9	44
2	Employed	6	28	26	0	60
3	Business	29	20	11	0	60
4	Professional	1	12	10	8	31
5	Others	1	3	1	0	5
	TOTAL	40	88	55	17	200

9.8 CHI- SQUARE TESTS

S. No	Particulars	Value	DF	ASYMP. SIG. (2-SIDED)
1	Pearson Chi-Square	77.803	12	.000
2	Likelihood Ratio	79.709	12	.000
3	Linear-By-Linear Association	.938	1	.333
4	No of Valid Cases	200		

The calculated value (0.000) is lesser than the P-value 0.05. So, the null hypothesis is rejected. Hence it is concluded that there is a significant relationship between occupation and purpose of travel.

9.3 JONCKHEERE-TERPSTRA TEST

The JONCKHEERE-TERPSTRA test is a nonparametric test that can be used to determine if there is a statistically significant trend between an ordinal independent variable and a continuous or ordinal dependent variable.

9.3.1 Relationship between class of travel and food services in airline.

Null hypothesis H0: There is no significant relationship between class of travel and food services in airline.

Alternative hypothesis H1: There is a significant relationship between class of travel and food services in airline.

The researcher has analyzed the relationship between class of travel and food services in airline. To test the above hypothesis, the Jonckheere-terpstra test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

9.9 JONCKHEERE-TERPSTRA TEST

S. No	Particulars	Mean For Variety Of Food Services
1	Number of Levels in Classes of Travel	2
2	No of Respondents'	200
3	Observed J-T Statistic	5461.500
4	Mean J-T Statistic	4635.500
5	Std. Deviation of J-T Statistic	373.666
6	Std. J-T Statistic	2.211
7	Asymp. Sig. (2-Tailed)	.027

The calculated value (0.027) is less than the P-value 0.05. So, the null hypothesis is rejected. Hence it is concluded that there is significant relationship between class of travel and food services in airline.

9.4 KRUSKAL-WALLIS TEST

The kruskal-wallis test by ranks kruskal-wallis H test is a non parametric method for testing whether samples originate from the same distribution. The parametric equivalent of the kruskal- wallis test is the one way analysis of variance (ANOVA)

9.4.1 Relationship between monthly income and schemes announced by airlines.

Null hypothesis H0: There is no significant relationship between monthly income and schemes announced by airlines.

Alternative hypothesis H1: There is a significant relationship between monthly income and schemes announced by airlines.

The researcher has analyzed the relationship between Monthly Income and Schemes announced by airlines. To test the above hypothesis, the Kruskal-Wallis test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

9.10 KRUSKAL-WALLIS TEST

S. No	Monthly Income	No of Respondents	Mean Rank
1	BELOW 25000	38	95.95
2	25001 TO 35000	56	98.52
3	35001 TO 45000	71	100.35
4	ABOVE 45000	35	108.91
	TOTAL	200	

9.11 TEST STATISTICS

Mean for Schemes Announced by Airlines	
CHI-SQUARE	1.198
DF	3
ASYMP. SIG.	.753

The calculated value (0.753) is greater than the P-value 0.05. So, the null hypothesis is accepted. Hence it is concluded that there is no significant relationship between monthly income and schemes announced by airlines.

X. Findings of the Study

10.1 PERCENTAGE ANALYSIS

1. It is found that 97 respondents are expecting promotional fares on discount with a percentage of 48.5
2. It is found that out of 200 respondents 108 have chosen good for the service quality of airlines with a percentage of 54.

10.2 CHI-SQUARE TEST

1. The calculated value (0.082) is greater than the P-value 0.05. So, the null hypothesis is accepted. Hence it is conclude there is no significant relationship between educational qualification and airlines preference of the respondents.
2. The calculated value (0.015) is lesser than the P-value 0.05. So, the null hypothesis is rejected. Hence it is conclude there is a significant relationship between age group and satisfaction of online booking offering.
3. The calculated value (0.000) is lesser than the P-value 0.05. So, the null hypothesis is rejected. Hence it is conclude there is a significant relationship between occupation and purpose of travel.

10.3 JONCKHEERE-TERPSTRA TEST

The calculated value (0.027) is less than the P-value 0.05. So, the null hypothesis is rejected. Hence it is conclude there is significant relationship between class of travel and food services in airline.

10.4 KRUSKAL-WALLIS TEST

The calculated value (0.753) is greater than the P-value 0.05. So, the null hypothesis is accepted. Hence it is conclude there is no significant relationship between monthly income and schemes announced by airlines.

XI. SUGGESTONS:

1. All promotional schemes and service can be advertised to bring the awareness about to the consumers
2. The respondents are expecting more number of airline offers during peak season
3. The respondents felt that concessional fares are limited, so it can be increased
4. Minimal check in time is suggested by the passengers

XII. CONCLUSION

Service quality is one of the best models for evaluating customer's expectation and perceptions. Price and offers plays a major role in customer satisfaction in aviation sector. Passenger with lower income are more price sensitive, and they usually purchase tickets based on the lower price available, and also they have different level of expectations, and also passengers expecting promotional fares on the discount. Most of the passengers from different qualification and gender are preferring two way journey and they are satisfied with the offers provided by the airlines. The respondents are expecting more number of airline offers during peak season. From this study it is understood that customer belongs to Coimbatore City are satisfied with the service, promotional schemes, period of promotional fares by the Airline industry.

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