



## CUSTOMER SERVICE PERFORMANCE AT AIRPORT: A STUDY OF AIRLINE PASSENGERS OF INDIA

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### ABSTRACT

It is obvious that customers are important stakeholders in organization's growth and their internal satisfaction is a priority to top management. Customer satisfaction has been a subject of great interest to organizations and researchers alike. In recent years, organizations are obliged to render more services in addition to their offers. The quality of service performance has become an aspect of customer

satisfaction. It has been proven by some researchers that service quality is related to customer satisfaction. Others used service quality dimensions to evaluate service quality. What about the relationship between customer experience and service performance dimensions; the relationship between service performance and its dimensions: *Sense*: The S-P-C (stimuli, processes and consequences) for achieving sense impact through sight, sound, scent, taste and touch. And to provide aesthetic pleasure, excitement, beauty and satisfaction through sensory stimulation. *Feel*: To understand what stimuli can trigger certain emotions to engage in. As we will see, most affect occurs during consumption. *Think*: To request the understanding with the objective of creating, problem solving experience that engross customers creatively as well as plea customers' thinking through surprise, intrigue. *Act*: To deepen customers' lives by improving their physical experiences, showing them substitute ways of doing things, substitute lifecycle and interactions. *Relate*: To request the individual's desire for self-improvement, to request the need to be perceived positively by others, and relate the person to a wider social system, thus creating strong brand relations and brand communities.

## 1. INTRODUCTION

### 1.1 The Emergence of Services Marketing

The service sector is an important component of any country's economy. It makes a direct and significant contribution to GDP and job creation, and provides crucial inputs for the rest of the economy, thus having a significant effect on the overall investment climate, which is an essential determinant of growth and development. Some service sectors such as the health, education, water and sanitation sectors are also directly relevant to achieving social development objectives.

Many services are key inputs to all or most other business e.g. infrastructure services such as energy, telecommunications and transportation; financial services which facilitate transactions and provide access to finance for investment; health and education services which contribute to a healthy, well-trained workforce; and legal and accountancy services which are part of the institutional framework required to underpin a healthy market economy. These service sectors are thus a key part of the investment climate, and can have a much wider impact on overall business performance and the level of investment, and hence growth and productivity in the economy.(OECD Global Forum on International Investment, 2008).

In addition, imports of services can significantly improve performance by bringing greater competition, international best practice, better skills and technologies, and investment capital. The entry of Foreign Service providers may therefore yield better services for domestic consumers, and improve the performance and competitiveness of domestic firms. Given that much trade in services is brought about through foreign direct investment, it can also serve to bring much needed capital into the country. Thus it can help to stimulate investment infrastructure development for example, where government or domestic private sector funding may have otherwise been difficult to secure (given public sector budget constraints, and the fact that many developing countries have limited access to international capital markets).

In world GDP of US\$70.2 trillion in 2011, the share of services was 67.5 per cent, more or less the same as in 2001. Interestingly the top 15 countries in terms of services GDP are also the same in overall GDP in 2011. This list includes the major developed countries and Brazil, Russia, India, and China. Among the top 15 countries with highest overall GDP in 2011, INDIA ranked 9th in overall GDP and 10th in services GDP. The services sector is the

dominant sector in best developed economies of the world and in some of the developing economics such as India. (Services sector, 2012-2013).

### **1.2 Research questions**

- 1) What items constitute the Service Environment Quality for an airline passenger?
- 2) What items constitute the Outcome Quality for an airline passenger?

### **1.3 Objective of study**

- 1) To study the effect of Service Environment Quality and Outcome Quality.
- 2) To study the effect of Outcome Quality on Customer Experience.

## **2: LITERATURE REVIEW**

### **2.1 Evolution of Customer Experience**

Verhoeff et al, (2009) Investigated that developing customer experience seems to be one of the central objectives in today's business environments, business around the globe have contained the concepts of customer experience management with many integration the notion into their mission statement.

#### **Service Environment Quality**

Bitner, 1992 states that customers respond to the dimensions of their service environment (ambient conditions, space, signs and symbols) cognitively, emotionally and physiologically. Perceptions of the servicescape lead to certain emotions, beliefs and physiological sensations which in turn influence behaviors.

#### **Outcome Quality**

Carman et al., (2000) explained the technical quality of service encounter significantly affects customer perceptions of service quality (Gronroos 1990, Rust and Oliver 1994). Gronroos (1984) defined this as "What customer is left with when the production process is finished". The technical outcome is the "actual service" and a element in assessing the quality of a service provider.

## **3. MATERIALS AND METHODS**

### **3.1 Sampling**

A purposive convenience sampling used for this study and also called non-probabilistic sampling since the probability of selection cannot be accurately determined. It is a technique in which the selection is on the basis of a certain non-random criteria, such as convenience.

### 3.2 Instruments/ Measure

A survey method was used to collect data for both at the pilot and the final stage. All measures used a 7 points Likert scale where 1 stands for strongly Disagree and 7 stands for strongly agree with exception of demographic items.

**Table 1: Reliability Indices of Variables.**

Name of the variable	Cronbach $\alpha$	No. of items
Customer Experience	0.896	24
Service Environment Quality	0.912	11
Outcome Quality	0.926	11

### 3.4. Customer Experience

**Customer Experience** was measured by Feel, sense, think, act and relate. The items were adopted from the scale developed by Lin (2006). The construct reliability was 0.95.

**Sense** of the airline customer was measured by a 13 item scale. The sample items include “the food in the aircraft was fresh and delicious”. And “the check in process was swift”. The items were adopted from the scale developed by Lin (2006). Its construct reliability was 0.85.

**Feel** of the airline customer was measured by 7 item scale. The sample was included “The flight atmosphere made me relax and enjoy the flight” and “In-flight entertainment was appropriately chosen”. The items were adopted from the scale developed by Lin (2006). Its construct reliability was 0.89.

**Think** of an airline customer was measure by 3 item scale. The sample item included “The air travel helps me focus and think about my life and work better”. The items were adopted from the scale developed by Lin (2006). Its construct reliability was 0.56.

**Act** of the airline customer was measured by a 3 item scale. The sample items included “The service provided by the airline attracted me to join the frequent flyer club” and “I would like to further explore the other activities of the airline”. The items were adopted from the scale developed by Lin (2006). Its construct reliability was 0.84.

**Relate** of the airline customer was measure by only one item. The item included “I would not hesitate to select the provider again”. The items were adopted from the scale developed by Lin (2006). Its construct reliability was 0.58.

### 3.5. Service Environment Quality

**Service environment quality** of the airline customer was measured by a 11 item scale. The items were adapted from the scale developed by Brady and Cronin (2001). The sample items included “The airline ambience is what really counts” and “The airlines layout never fails to impress me”. The Cronbach's  $\alpha$  for this scale was 0.90.

### 3.6. Outcome Quality

Outcome quality of the airline customer was measured by a 11 item scale of the airline customer was measured by a 11–item scale. The items were adapted from the scale developed by Brady and Cronin (2001). The sample items included “The airline knows the kind of treatment the customers are looking for” and “The airline tries to keep my waiting time to the minimum”. The Cronbach's  $\alpha$  for this scale was 0.85.

## 4. RESULTS AND DISCUSSIONS

**Table 2: Exploratory factor analysis (n-606).**

	<b>Eigen value</b>	<b>Cumulative (%)</b>	<b>Factor Loadings</b>
<b>Customer Experience</b>			
<b>Factor 1: Sense</b>			
<b>Swift</b>	2.548	53.32	
The baggage handling was done swiftly			0.50
Waiting time at Check – in counter was bearable			0.70
Check- in process was swift			0.85
Overall check-in process was smooth			0.81
<b>Entertainment</b>	2.02	51.8	
The interior décor of the airplane was very attractive			0.63
The music in the aircraft was entertaining and had a wide Selection			0.81
The food in the aircraft was fresh and delicious			0.71
<b>Factor 2: Feel</b>			
<b>Comfort</b>	1.79	44.17	
Overall airport experience was great			0.46
The whole atmosphere in the aircraft made me comfortable			0.89
The flight atmosphere made me relax and enjoy the flight			0.57
<b>Joyful</b>	2.176	59.01	
The flight atmosphere made me joyful			0.76
The comfort of the seats and the leg space made me Comfortable			0.72
Over in-flight experience was great			0.82
<b>Factor 3: Act</b>	1.872	44.17	

I will be willing to share the experiences with relatives and Friends			0.60
The service provided by the airline attracted me to join the frequent flyer club			0.75
I would like to further explore the other activities of the Airline			0.64
<b>Service Environment Quality</b>			
<b>Factor 1 : Ambience</b>	2.05	53.79	
You can rely on there being a good atmosphere on ground and in-flight			0.66
The airline ambience is what really counts			0.69
The airline understands that its atmosphere is important to Me			0.84
<b>Factor 2: Design</b>	2.29	65.27	
The airlines layout never fails to impress me			0.75
The layout serves my purpose			0.90
The airline understands that the design of its facility is important to me			0.77
<b>Factor 3: Social Factors</b>	1.7	41.61	
The airline other customers consistently leave me with a good impression of its service			0.44
The airline other customers do not affect its ability to provide me with good service			0.75
The airline understand that other patrons affect my perception of its service			0.70
<b>Outcome Quality</b>			
<b>Factor 1 : Waiting Time</b>	2.25	63.66	
Waiting time at the airline is predictable			0.68
The airline tries to keep my waiting time to the minimum			0.86
The airline understands that the waiting time is important to me			0.84
<b>Factor 2: Tangibles</b>	1.48	28.96	
I am consistently pleased with the airline			0.84
I like the airline because it provides me with what I want			0.76
The airline knows the kind of treatment the customers are looking for			0.40

#### 4.1 Customer Experience

The Customer Experience variable had 24 items along with following dimensions like Sense 13 items, Feel 7 items, Act 3 Items and related 1 item. Table 7 Shows that factor sense had two sub factors i.e. swift and entertainment. The factor computing swift explicated 53.32% of the variance; it had four item which measured the baggage handling and check in facilities. The sample item being “The baggage handling was done swiftly”. The factor computing entertainment explicated 51.8% of the variance; it had three items which measured the in-

flight entertainment and meals. The sample item being “The music in the aircraft was entertaining and had a wide selection”.

The factor 2, feel had two sub factors i.e. comfort and joyful. The factor computing comfort explicated 44.17% of the variance; it had three items which measured the relaxation and the comfort during the flight. The sample item being “The flight atmosphere made me relax and enjoy the flight” .The factor computing Joyful explicated 59.01% of the variance; it had three items which measured the joy derived taking the flight. The sample item being “The overall in-flight experience was great”.

The factor measuring Act explained 44.17 percent of the variance; it had three items which measure the interest of the customer for enrolling for other activities with the airline. The sample item being “I will be willing to share the experiences with relatives and friends”. And for relate, factor analysis was not done as only one item was used to measure it.

The factor labels (sense, feel, act and relate) proposed by Lin (2006) appropriated the extracted factors were retained. Internal consistency of each of these scales was examined using Internal consistency of each of these scales was examined using Cronbach’s Alpha in the previous chapter. The alphas were on the higher side.

Overall, this analysis indicated that four distinct factors were underlying Customer Experience and these factors were highly internally consistent. The factor analysis was run twice in this case. Eight of the twenty four items were eliminated; however the original factor system proposed by Lin (2006) was retained.

#### **4.2 Service Environment Quality**

The service environment quality variable had 11 items. Table 7 shows that service environment quality had three factors, ambience, design and social factors. The factor measuring ambience explained 53.79 percent of the variance; it had three items which measured the atmosphere on the airline. The sample item being “The airline ambience is what really counts”. The factor measuring design explained 65.27 percent of the variance; it had three items which measured the layout and design of the facility. The sample item being “The layout serves my purpose”. The factor measuring social factors explained 41.61 percent of the variance; it had three items which measured the interaction with other customers. The

sample item being “The airline other customers consistently leave me with a good impression of its service”.

The factor labels proposed by Brady and Cronin (2001) suitable the extracted factors and were retained. Internal consistency of each of these scales was examined using Cronbach’s alpha in the previous chapter. The alphas were on the higher side. No considerable increases in alpha for any of the scale could have been realized by eradicating more items.

Overall, this analysis indicated that three distinct factors were underlying Service Environment Quality and these factors were highly internally consistent. Two out of eleven items were eliminated.

#### **4.3 Outcome Quality**

The outcome quality variable had 11 items. Table 7 shows that outcome quality had three factors, waiting time, tangibles and valence. The factor measuring waiting time explained 63.66 percent of the variance; it had three items which measured the waiting time of the airlines. The sample item being “Waiting time at the airline is predictable”. The factor measuring tangibles explained 28.96 percent of the variance; it had three items which measured the treatment the customers were looking for. The sample item being “The airline provides me with what I want”. The factor measuring valence explained 70.04 percent of the variance; it had three items which measured the purpose of experience its customers want. The sample item was “After the flight, I usually feel that I had a good experience”. Though the percentage variance for tangibles is on the lesser side it was retained and evaluated later during CFA also since tangibles will influence the outcome quality of the passengers.

The factor labels proposed by Brady and Cronin (2001) appropriate the extracted factors and were retained. In previous chapter it was examined the internal consistency of each of these scales using Cronbach’s Alpha. The alpha were on the higher side. No considerable increases in alpha for any of the scale could have been achieved by eradicating more items.

Overall, this analysis indicated that three distinct factors were underlying Outcome Quality and these factors were highly internally consistent. Two out of eleven items were eliminated.

#### **4.4. Factor Interpretation**

Factor loadings are numerical values that indicate the strength and direction of a factor on a measured variable. Factor loadings indicate how strongly the factor influences the measured

variable. The labeling of the factors in the model was done after examining the factor pattern to see which items loaded highly on which factors and then determine what those items have in common. Whatever the items had in common indicated the meaning of the factor.

## 5. SUMMARY, CONCLUSION

### 5.1 Conclusion

Formative the antecedents of customer experience of airline passengers were the dominant focus of this research. A new measures for customer experience was developed with the framework of sense, feel, and act and related.

Service environment quality mediates the relationship between interaction quality and outcome quality.

### 5.2 Summary

The main focus of the research was to understand the multi-dimensionality of customer experience. The researcher proposes that the customer experience of an airline passenger is sensory, affective, actionable and relational in nature. The service environment quality influence the relationship between outcome quality and service environment quality.

The study highlights the antecedents of customer experience of an airline passenger and successfully identifies what constitutes the Customer Experience through empirical research. As growing number of airline carriers and other service providers focus on attaining a sustainable competitive advantage, the researcher hopes that this study will help them provide their customers with a truly memorable customer experience.

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