CUSTOMER DELIGHT: KEY WORD IN AIRLINE INDUSTRY

Prof. Kasturi Naik	**Prof. Renuka Savant**
Assistant Professor	Assistant Professor
Mumbai University's DES NMITD;	Mumbai University's DES NMITD;
SCSVMV University	Pacific University

ABSTRACT

Purpose: A need has arrived for the airline industry to go beyond offering price discounts, tour packages and air miles to enhance customer experience. The research paper attempts to gain insight in how different customer delight strategies can be implemented by the airline industry to survive in the highly competitive global market'. Currently airline industry's customization is starting and ending at the booking platform (mobile/app/website/travel agent) and food preferences. As a result of advent in information, technology and communication customers are hoarded with public relations and marketing messages', social media advertisements and continuous repetitive mails. Time has come to go beyond the customer expectations and delight the tech savvy customers with the unexpected service excellence to gain and retain customer loyalty.

Methodology: For this purpose a survey was carried out among customers who are frequent flyers of airlines in Mumbai catering to domestic and international domain. Primary data was collected by means of semi-structured interviews and a questionnaire. Secondary data was collected by means of various published paper and electronic sources. The sampling method used was convenience sampling. Research methodology used is explanatory research. The data was collected and analysed in order to understand if gap exists between customer expectations and perception (Parasuraman, 1988; Chenet et al., 2000, Rizzo et al., 1970) of services delivered by the frontline personnel of the airline industry and to further find out on the strategies that can be implemented for customer delight.

Results: The findings revealed that gap exists between customer expectation and customer perception of service delivered by the frontline personnel in the airline industry. The implications of the study also reveal that for customer delight, employee delight (Heskett et al., 2003) is essential as employees are the one's who control the emotional responses of the customers. (Kahn, 1964; Suprenant and Solomon, 1987)

Keywords: Airline Industry, Frontline Employee, Customer Delight, Emotional Responses, Customer Perception.

1. INTRODUCTION

Experts point out that continued high growth in an industry can be an issue because it strains systems and governance processes that needs time to mature and to be institutionalized. The airline industry constitutes the fastest growing industry in India and is facing the above mentioned problem (Bailey et al. 1985)

Airline Industry is likely to be the next big thing for services in this decade. The industry is very diverse, with several sub-segments, each displaying its own unique characteristics. The airline industry players need to be excellent in every facet of operations as the market is highly competitive at every level and re-defining itself every day. It is mainly service oriented industry

so employees especially frontline personnel who do have influence on customers flying decision are the key people to its success.

The scenario however, is not as rosy as it looks, for this sector with enormous potential. Like any other industry during its growth phase, this industry is also going through its share of turbulence.

Now–a-days the main USP of any industry especially service industry goes beyond customer satisfaction to customer delight. When it comes to services how a customer perceives the service effectiveness i.e. gap between expected & perceived service quality will affect satisfaction & retention level of customers. Customer delight does not include only delivering the desired product or service it also includes how the product or service is delivered along with the after sales service provided.

The research paper attempts to gain insight in how different customer delight strategies can be implemented by the airline industry to survive in the highly competitive global market' with the focus on how frontline personnel can contribute towards the provision of customer delight parameter.

2. BRIEF SURVEY OF LITERATURE

2.1 Service Quality
Service quality is explained in general as the level to which a particular service matches with the customer expectations or desires (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994a; Asubonteng et al., 1996; Wisniewski and Donnelly, 1996). Service quality is thus quantified by measuring the gap between customer expectations of service and customer perceptions of service. (Parasuraman et al. 1985).

2.1.1. Model of Service Quality Gaps
The service quality gap model contributed by Parasuraman et al., 1985; Curry, 1999; Luk and Layton, 2002 identifies 7 gaps with respect to service quality. The gap model is one of the best models in the services literature (Brown and Bond, 1995). The seven gaps identified in the service quality concept, are briefed in Figure 2.

Gap1: Customers' expectations versus management perceptions: gap existing as a result of lack of proper upward communication, structure and marketing research orientation.
Gap2: Management perceptions versus service specifications: gap existing as a result of improper quality control with respect to services
Gap3: Service specifications versus service delivery: gap existing as a result of presence of job role stressors lack of teamwork, employee job fit and technology job -fit, along with improper supervisory control mechanisms.
Gap4: Service delivery versus external communication: gap existing as a result of improper communication among the same levels in the organization and under-delivering.
Gap5: The discrepancy between customer expectations and their perceptions of the service delivered: gap existing as a result of the difference between what customers feel service providers should provide i.e. customers expectation and what customers perceive service providers actually provide i.e. customer perception.

Gap6: The discrepancy between customer expectations and employees' perceptions: gap arising when the frontline service providers are not able to understand what customer's expectations are.

Gap7: The discrepancy between employee's perceptions and management perceptions: gap arising when the managers and the service providers are not able to understand what customer's expectations are.
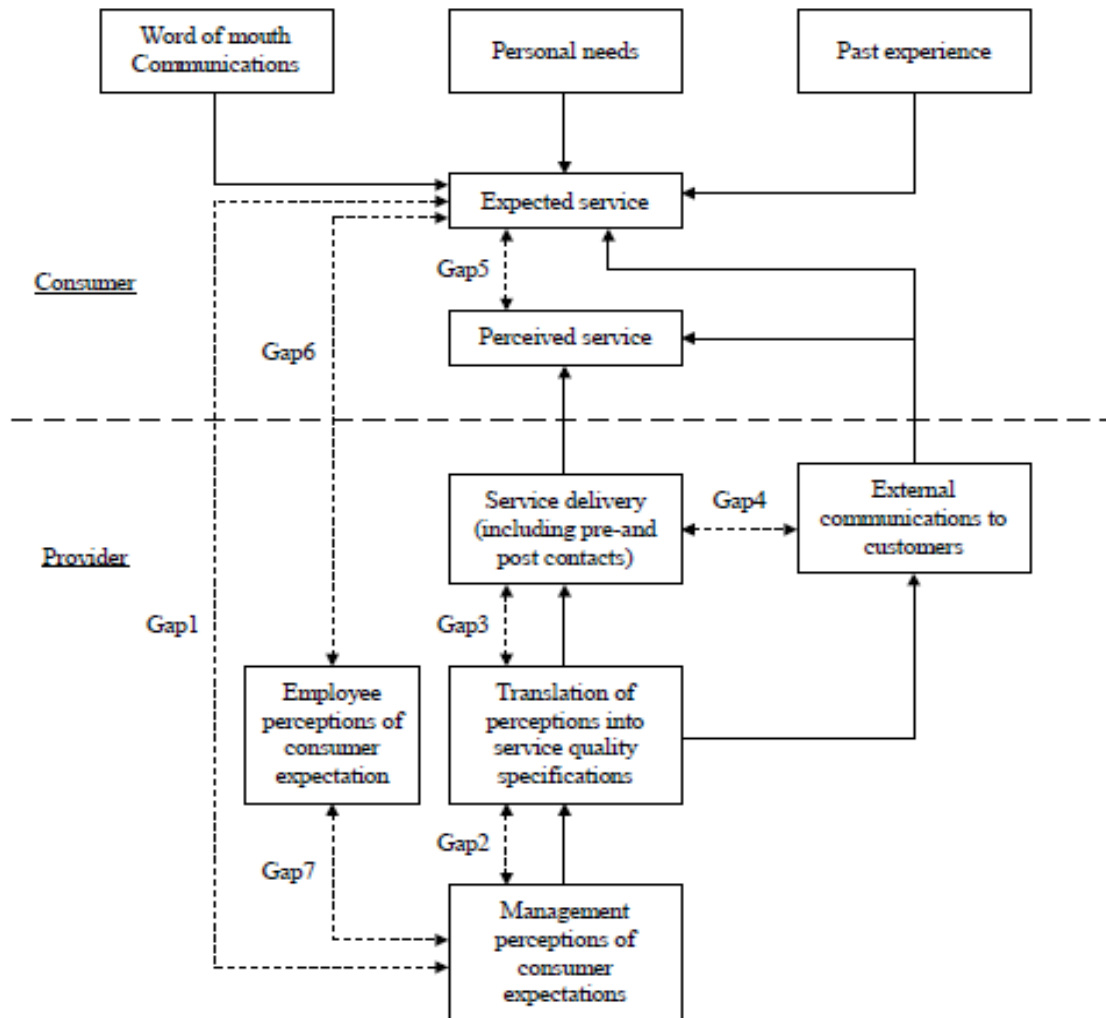

Figure 2.1: Model of Service quality gaps (Parasuraman et. al., 1985; Curry, 1999; Luk & Layton, 2002)

The first six gaps (Gap 1, Gap 2, Gap 3, Gap 4, Gap 6 and Gap 7) are viewed as functions of the way in which service is delivered, whereas Gap 5 relates to the customer and as such is considered to be the actual measure of service quality. The SERVQUAL model used in research paper applies to Gap 5.

2.1.2. SERVQUAL Model

One service quality measurement model that has been applied widely is the SERVQUAL model developed by Parasuraman *et al* . (1985, 1986); Zeithaml *et al.* (1990). It measures the service quality i.e. service effectiveness by measuring the customers' expectations i.e. what customer wants from a particular service provider before a service encounter and customers perceptions

(what customer perceives he/she received) of the actual service delivered and then finding if there is any significant gap between the two (Gronroos, 1982; Lewis and Booms, 1983; Parasuraman *et al.* 1985).

The difference between customer expectations and customer perceptions is known as the gap which is the measure of customers' perception of service quality as shown on figure 2.2 below:
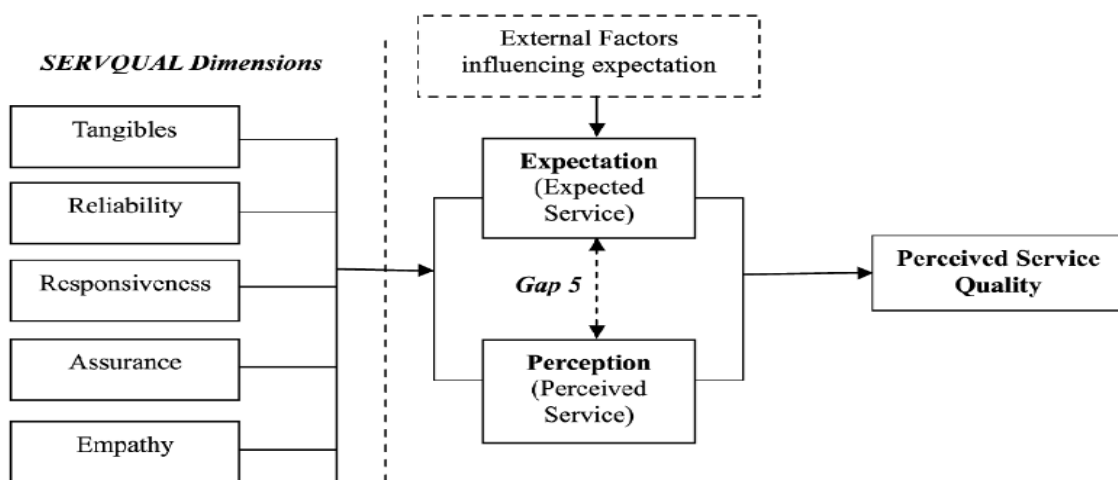

Figure 2.2: Measuring Service effectiveness using SERVQUAL Model (Kumar et. al., 2009)

The customers' expectations are under the control of the service provider as depicted in figure 2.2. The gap 5 in the figure represents the difference between customers 'expectations and customers' perceptions which is referred to as the perceived service quality (Kumar et al., 2009, p.214). This research under study focuses on the measurement of this gap, the difference between airline industry customers' expectations and perceptions of service.

The SERVQUAL model has five generic dimensions as stated below (Van Iwaarden *et al.*, 2003):
(1) Tangibles: Physical facilities, equipment and appearance of personnel.
(2) Reliability: Ability to perform the promised service dependably and accurately.
(3) Responsiveness: Willingness to help customers and provide prompt service.
(4) Assurance (including competence, courtesy, credibility and security): Knowledge and courtesy of employees and their ability to inspire trust and confidence.
(5) Empathy (including access, communication, understanding the customer): Caring and individualized attention that the firm provides to its customers.

In the SERVQUAL instrument, 22 statements/attributes measure the performance across these five dimensions, using a seven point likert scale taking into account both customer expectations and perceptions (Gabbie and O'neill, 1996) . Customers' rate statements on service attribute in terms of their expectations and the perceptions (Zeithaml & Bitner 2009). The level of service quality is derived at by subtracting the average score obtained from the expectations section to that obtained from the perceptions section (Weitz and Wessley, 2002). For the purpose of the research under study modified version of SERVQUAL model with 15 attributes is used after taken into consideration the suggestions for HR professionals and line managers in airline industry.

Parasuraman et al., (1988, p.17) states that expectation is perceived in different manner in both satisfaction literature and service quality literature. In satisfaction literature, expectations are considered as predictions by customers about the future i.e. what they think is likely to happen during a particular transaction. On the other hand in service quality literature, customer expectations means what customer wants or what customer feels the service provider should offer. For this research service quality definition is taken into consideration.

Customer perception is framed on the encounter of the customers with organization. Even the quality of service encounter in other firms can have impact on customer perception (Mersha, 1992). According to Zeithaml *et al.*, 1990 customer's perception of service quality is formed on the basis of the comparison of their expectations i.e. what customers feel service provider should offer with the customer perception i.e. what the customer feels they actually experience.

2.3. Customer Delight

Customer delight is amazing a customer by exceeding his or her expectations and thus creating a positive touching service experience. Customer delight generally leads to spread of positive word of mouth. Customer delight have direct impact on sales and profitability of the organization as it helps to provide a competitive advantage (Gross and Scott, 2004).In the past customer satisfaction has been seen as a key performance indicator. Customer satisfaction measures the extent to which the expectations of a customer are met as against their perception. However, it has been revealed that mere customer satisfaction does not create brand loyalty nor does it encourage positive word of mouth.

One of the important element which helps in creation of customer delight especially in service industry like airline industry is the service encounter interaction between customers and the frontline personnel. The interaction is the greatest source of opportunities to create delight as it can be personalized and tailored to the specific needs and wishes of the customer (Seth et al. 2005). The front line personnel can astonish the customers by showing a sincere personal interest in the customer, offer small attentions that might please or find a solution specific to particular needs. Thus front-line personnel are able to develop a relationship between the customer and the brand.

3. DATA & RESEARCH METHODOLOGY

For this purpose a survey was carried out among customers who are frequent flyers of airlines in Mumbai catering to domestic and international domain. Primary data was collected by means of semi-structured interviews and a questionnaire. Secondary data was collected by means of various published paper and electronic sources. The sampling method used was convenience sampling. Research methodology used is explanatory research. The data was collected and analysed in order to understand if gap exists between customer expectations and perception (Parasuraman, 1988; Chenet *et al.*, 2000, Rizzo *et al.*, 1970) of services delivered by the frontline personnel of the airline industry and to further find out on the strategies that can be implemented for customer delight.

3.1 Research Design

The research design used is explanatory

Sr. No.	Research Questions	Research Objective	Hypotheses	Questionnaire	Tools Used
1.	Do gap exist between customer expectations and customer perception of service effectiveness delivered by frontline employees?	To examine if gap exist between customer expectations and customer perception of service effectiveness delivered by frontline personnel	Hypothesis 1 There is no gap between customer expectation and customer perception of service effectiveness	A fifteen-item, seven–point scale that measures customer expectations & customer perception of service quality	Mean Value analysis

Table 3.1: Research Methodology Flow

3.2. Sampling design

The basic purpose of sampling is extrapolation from the part to the whole—from "the sample" to "the population." (The population is also referred to as "the universe.") There is an immediate corollary: the sample must be chosen to fairly represent the population. Methods for choosing samples are called "designs." There are 2 studies involved in this research

Study 1: Gap between customer expectation & customer perception of service effectiveness

For Study 1 following sampling design strategy is used:

A total of 1000 survey were received from the respondents who are the frequent flyers of the airlines in Mumbai catering to domestic and international domain with a response rate of 50%.

The following equation is used to calculate the sample size (S):

The following equation is used to calculate the sample size (S):

$S = [z^2 p (1-p) /e^2]$ (Yamane, 1967)

{s = the sample size

z = the number relating to the degree of confidence = 1.96

p = an estimate of the proportion of people falling into the group with respect to the population = 0.5 (maximum variability)

e = the proportion of error to be accepted = 0.05}

 = [(1.96) (1.96) (0.5)(0.5)/(0.05)(0.05)]

 = 385

Now it can also be seen from the pilot survey conducted that the response rate of the sample selected is 50%, thus the final sample size will be calculated as follows:

Sample Size= 385*2

             = 770

Thus for study 1 and study 2 the number of respondents should be at least 770. In this study the number of respondents is 1000.

4. DATA ANALYSIS AND INTERPRETATION

H_1 : There is no gap between customer expectation and customer perception of service effectiveness

4.1 Data Analysis and Interpretation
The findings of the analysis are presented next. Table 4.1 shows the results for the respondents' expectations and perceptions of service effectiveness factors delivered by frontline sales personnel and also the service quality gap.

Attributes	Expectations Mean	Perception Mean	Gap
AMBIENCE	4.60	3.65	-0.95
EMPLOYEE APPEARANCE	4.79	3.78	-1.03
TIMELINESS	4.45	3.65	-0.80
PROBLEM SOLVING ATTITUDE	4.41	3.80	-0.61
EXTRA-ASSISTANCE	4.76	3.76	-1.00
PROMPT SERVICE	4.80	3.41	-1.39
INSTILLS TO CONFIDENCE & SAFETY	4.88	3.79	-1.09
ACCURACY OF SERVICE	4.55	3.68	-0.87
KNOWLEDGE OF PRODUCTS	4.60	3.88	-0.72
POLITENESS	4.59	4.23	-0.36
WILLINGNESS TO HELP CUSTOMERS	4.45	3.80	-0.65
MULTITASKING ATTITUDE	4.77	3.67	-1.10
EASE OF SERVICE	4.48	3.80	-0.68
CONSISTENT SERVICE	4.65	3.70	-0.95
AVAILABILITY OF STAFF	4.78	3.69	-1.09
Overall mean for 15 attributes	4.64	3.50	-1.14

Table 4.1: Gap Analysis between Customer expectations and perception using Mean Value analysis

Mean Value Analysis
A comparison of customers' perceptions of service effectiveness with their expectations is done using the mean value analysis.

Customers' expectations and perceptions are measured on a 15 item, seven point Likert-type scale, where the higher the score, the greater the expectation (perception) of service effectiveness delivered by the frontline employees. The mean scores of customers' expectations ranged from 4.41 to 4.88. The highest expectations were regarding the behavior of the employees which instills confidence and safety, followed by prompt service. Thus it can be seen that customers expect the frontline personnel behavior to instill confidence and safety, which requires total clarity about the product and services on the part of the employees. The next expectation parameter is prompt service delivered by frontline personnel.

The mean scores of customers' perceptions ranged from 3.41 to 4.23. The lowest perception item is "prompt service" with a mean of 3.41, on the other hand the customer expectation of this item

have mean of 4.23. On the other hand, customers' highest perception item is politeness with a mean of 4.23. The overall mean score for service effectiveness perceptions items is 3.50.

According to the results in Table 4.1, customers' expectations are higher than their perceptions of delivered service effectiveness. Thus, the SERVEFF gap is negative for all service effectiveness attributes. The widest gap is for the item "prompt service", and the customer expectation of this item is the highest. Finally, the overall SERVEFF gap is -1.14. These results imply that service effectiveness delivered by the frontline personnel in the airline industry should be improved, because all service effectiveness attributes were assessed below customers' expectations and now customers are not only focusing on their satisfaction but also focusing on new key word "Customer delight".

5. DISCUSSION & SUMMARY

The airline industry should manage customer expectations. The findings of the study have revealed that there is gap between customers' expectation and perception of service effectiveness delivered by frontline personnel in airline industry. Thus there is need bridge the gap for improved customer satisfaction which will lead to customer retention and customer loyalty.

6. LIMITATION OF EMPIRICAL STUDY

This dissertation provides insight into both theoretical and managerial implications. However, as is true with any study, the findings of this dissertation should be viewed with caution due to the following limitations. The current study is limited by the length of the survey instrument and confidentiality with respect to names of the customers from which data is obtained as per their request.

7. DIRECTION FOR FUTURE RESEARCH

The findings of the study provide an insight into the customer expectations and customers perception of service effectiveness delivered by the frontline personnel along with the gap that exist between the two. This would provide a future scope of research with respect to the reasons for existence of the gap and the means that can be implemented by the management to bridge the gap depending on the reasons for the existence of the gap. A need has arrived for the airline industry to go beyond offering price discounts, tour packages and air miles to enhance customer experience. The research paper attempts to gain insight in how different customer delight strategies can be implemented by the airline industry to survive in the highly competitive global market'. Currently airline industry's customization is starting and ending at the booking platform (mobile/app/website/travel agent) and food preferences. As a result of advent in information, technology and communication customers are hoarded with public relations and marketing messages', social media advertisements and continuous repetitive mails. Time has come to go beyond the customer expectations and delight the tech savvy customers with the unexpected service excellence to gain and retain customer loyalty.

REFERENCES
[1]   Bailey, Elizabeth R., Graham, D.R. and Kaplan, D. (1985), Deregulating the Airlines, MIT Press Series on Regulation of Economic Activity, Cambridge, MA: MIT Press
[2]   Blem, N (1995) Service Please South Africa, South Africa: Creda Press (PTY) LTD.

[3]   Brown, S.W. and Bond, E.U. III (1995).The internal/external framework and service quality: Toward theory in services marketing. *Journal of Marketing Management,* February, pp. 25-39.

[4]   Curry, A. (1999).Innovation in public service management. *Managing Service Quality*, Vol.9, No.3, pp. 180-190.

[5]   Dotchin, J.A. and Oakland, J.S. (1994a).Total quality management in services: Part 2 Service quality. *International Journal of Quality & Reliability Management,* Vol. 11, No. 3, pp. 27-42.

[6]   Douglas, L. & Connor, R. (2003). Attitudes to service quality- the expectation gap, *Nutrition & Food Science*, Vol. 33 Number 4, pp.165-172.

[7]   Edvardsen, B., Tomasson, B. and Ovretveit, J. (1994).*Quality of Service: Making it Really Work*. McGraw-Hill, New York, NY.

[8]   Gabbie, O. and O'Neill, M.A. (1996).SERVQUAL and the northern Ireland hotel sector: A comparative analysis – Part 1, *Managing Service Quality*, Vol.6, No.6, pp. 25-32.

[9]   Gagliano, K.B. &Hathcote, J (1994). Customer Expectations and Perceptions of Service Quality in Retail Apparel Speciality Stores. Journal of Services Marketing, Volume.8, Issue No 1, p. 60-69**.** .

[10]   Gronroos, C. (1982). A service quality model and its marketing implications, *European Journal of Marketing,* Vol.18, Number 4, p.36-44.

[11]   Gross, Scott (2004). Positively Outrageous Service. How to delight and astound your customers and win them for life. USA: Dear Born Trade Publishing. p. 8. ISBN 978-0-7931-8823-9

[12]   Kumar, M., Kee, F. T. & Manshor, A. T. (2009). Determining the relative importance of critical factors in delivering service quality of banks; An application of dominance analysis in SERVQUAL model, Managing Service Quality, Vol. 19, Number 2, p. 211-228

[13]   Leventhal, R. C. 2006. Customer Loyalty, Retention, and Customer Relationship Management.Bradford, GBR: Emerald Group Publishing Ltd.

[14]   Lewis, B.R. and Mitchell, V.W. (1990). Defining and measuring the quality of customer service. *Marketing Intelligence & Planning,* Vol. 8, No. 6, pp. 11-17.

[15]   Lewis, R.C. and Booms, B.H. (1983). The marketing aspects of service quality", in Berry, L., Shostack, G. and Upah, G. (Eds), *Emerging Perspectives on Services Marketing* , American Marketing Association, Chicago, IL, pp. 99-107.

[16]   Luk, Sh.T.K. and Layton, R. (2002). Perception Gaps in customer expectations: Managers versus service providers and customers. *The Service Industries Journal,* Vol.22, No.2, April, pp. 109-128.

[17]   Mersha T, Adlakha V, (1992). Attributes of SQ: The Consumers' Perspective. International Journal of Service Industry Management, Vol.3 (3), pp. 55-70.

[18]   Naylor, G.. & Frank, K. E. (2000). The impact of retail sales force responsiveness on consumers' perception of Value. *Journal of Service Marketing*. Vol 14. No. 4. pp. 310-322. http://dx.doi.org/10.1108/08876040010334529

[19]   Negi, R. (2009). Determining customer satisfaction through perceived service quality: A study of Ethiopian mobile users, *International Journal of Mobile Marketing;* Vol.4, Number 1; p.31-38.

[20]   Oliver.R.L. & Winer, R. S. (1987). A framework for the formation and structure of consumer expectations: review and propositions. *Journal of economic psychology,* Vol. 8, No. 4, pp.469-499.

[21]   Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality, *Journal of Retailing*, Vol. 64, Number 1, p.17.

[22]   Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985). A conceptual model of service quality   and its implication. *Journal of Marketing,* Vol. 49, Fall, pp. 41-50.

[23]   Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1986). SERVQUAL: a multiple-item scale for measuring customer perceptions of service quality. *Report No. 86-108*, Marketing Science Institute,Cambridge, MA.

[24] Santos, J. and J. Boote (2003). A theoretical exploration and model of consumer expectations, post purchase affective states and affective behaviour. Journal of Consumer Behaviour, Volume 3, Number 2, p.142-156.

[25] Seth, Rakesh Seth, Kirti (2005). Creating customer delight : the how and why of CRM. New Delhi: Response Books. p. 19. ISBN 9780761932963.

[26]   Shahin, A. (2005). SERVQUAL and Model of Service Quailty Gaps: A framework for determining and prioritizing critical factors in delivering quality services, *Department of Management, University of Isfahan, Iran*, p.1-10. Available On http://www.proserv.nu/Docs/Servqual.

[27]   Shaw, D., & Haynes, B. (2004). An Evaluation of consumer Perception of FM service delivery. *Journal of Facilities*. Vol.22. No. 7/8. pp.170-177. http://dx.doi.org/10.1108/02632770410547534.

[28] Sheinin, D. A., & Wagner, J. (2003). Pricing store brands across categories and retailers. *Journal of product and brand management*. Vol. 12. No. 4. pp. 210-219. http://dx.doi.org/10.1108/10610420310485023.

[29]   Van Iwaarden, J., van der Wiele, T., Ball, L., and Millen, R. (2003). Applying SERVQUAL to websites: An exploratory study. *International Journal of Quality & Reliability Management,* Vol.20, No.8.

[30]   Weitz, B &Wensley, R (2002). Handbook of Marketing, London: Sage Publications

[31]   Wisniewski, M. (2001). Using SERVQUAL to assess customer satisfaction with public sector services. *Managing Service Quality*, Vol.11, No.6, pp. 380-388.

[32]   Wisniewski, M. and Donnelly, M. (1996). Measuring service quality in the public sector: the potential for SERVQUAL. *Total Quality Management,* Vol. 7, No. 4, pp. 357-365.

[33]   Zeithaml, V, A. & Bitner, M, J. (2003) Service Marketing: Integrating Customer Focus Across the Firm, New York: McGraw-Hill Higher Education.

[34]   Zeithaml, V, A. & Bitner, M, J. (2009) Service Marketing: Integrating Customer Focus Across the Firm, New York: McGraw-Hill Higher Education

[35]   Zeithaml, V. (1988). Consumer perceptions of price, quality and value: A means-end model and synthesis of evidence. *Journal of Marketing*, Vol. 52 No. 3, pp. 2 – 22.

[36]   Zeithaml, V.A., Parasuraman, A. and Berry, L.L. (1990), *Delivering quality service; Balancing customer perceptions and expectations,* The Free Press, New York, NY.