AN EMPIRICAL STUDY ON PASSENGERS RETENTION WITH RESPECT TO INDIGO AIRLINES

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ABSTRACT

Several studies have been conducted to identify the relationship between customers, customer satisfaction and business performance in the airline industry. Whereas there has been less focus on the Passenger retention perspective. Snowball sampling method was used to determine how the airline can deliver quality service to the passengers as this field requires passenger satisfaction for the airlines to survive and strengthen their competitiveness with the other airlines. The sample was collected from frequent Indigo airline commuting customers. The sample size is 100. Statistical Analysis was done using SPSS Software. The Research design used here is Descriptive research. The major objective of this study is to determine the best possible customer satisfaction methodologies for better and longer passenger retention in the Indigo airlines.

KEYWORDS

Passenger, Passenger retention, Satisfaction, Business performance, Indigo airlines, frequent flyers.

INTRODUCTION

In order to make suitable passenger focused strategies for airlines, there is a need to predict the future behavior intentions of air passengers. Many studies have been conducted in the area of Indigo Airlines, customer satisfaction and behavioral intentions in a variety of industries and cultures. These includes research work on low-cost airline carriers in Thailand (Saha and Theingi, 2009), study on airline industry for Australian international passengers (Park et al., 2006), study on airline industry in Korea (Park et al., 2004), study on airline industry in Taiwan (Chen, 2008), study on fast food restaurant industry in China (Qin et al., 2010), study on fast food restaurant industry in USA (Qin and Prybutok, 2009) and study on restaurant industry in USA (Ryu et al., 2012). From previous researches, it is evident that Indigo Airlines have either a direct influence on behavioral intentions or mediated via customer satisfaction (Saha and Theingi, 2009, Cronin et al., 2000, Zeithaml et al., 1996). Bloemeret al., 1998; Oh, 1999; Ryu et al., 2012). However, many such variables have either been ignored by previous studies or did not focus on individual dimensions of Indigo Airlines and their effects on perceived value, perceived image, consumer satisfaction and behavioral intentions simultaneously for customer retention. Although previous research has examined the relationship between Indigo Airlines, consumer satisfaction and behavioral intentions, there has been only limited investigation into the impact of the individual dimensions of Indigo Airlines on the relationship between perceive value, perceived image, consumer satisfaction and behavioral intentions simultaneously for customer retention.

CONCEPTUAL FRAMEWORK OF THE STUDY
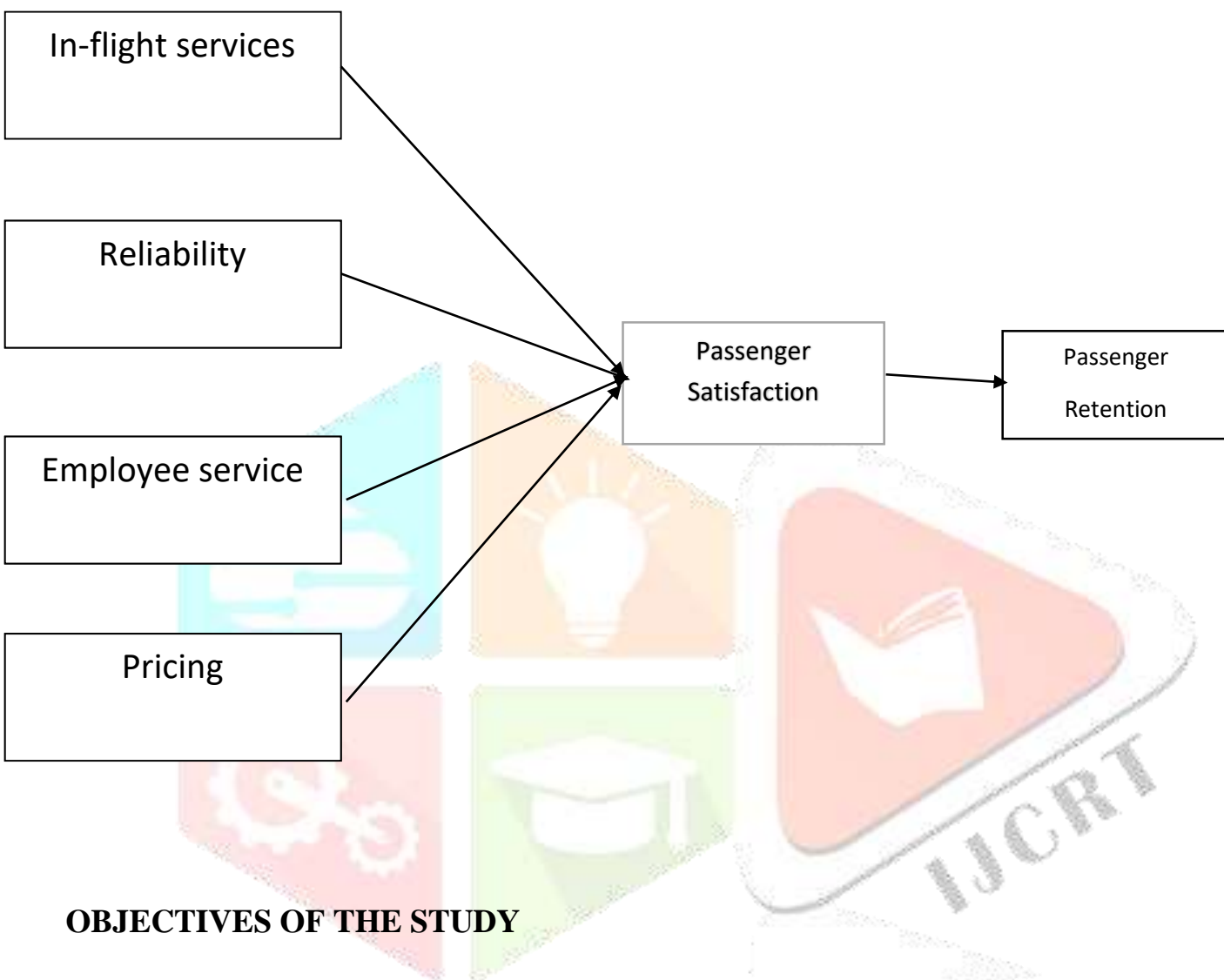
OBJECTIVES OF THE STUDY

- To study about factors that will influence customer retention in Indigo Airlines. The various corresponding methods and ideologies that will improve customer satisfaction which would in return influence customer retention.

- To provide suggestions on strategies to enhance the current status of the company related to the phenomenon under study and to analyses the change in performance of a firm with the customer retention factor.

HYPOTHYSIS

In-Flight Service:

- H0- There is no significant relationship between customer retention and in-flight service.
- H1 – There is a significant relationship between customer retention and in-flight service.

Employee Service:

- H0– There is no significant relationship between customer satisfaction and employee service.
- H1– There is a significant relationship between customer satisfaction and employee service.

REVIEW OF LITERATURE

Shukla, L. (2013), applied service quality related theories and methods in the airline industry (Shukla, L. (2013). Most previous airline service studies have used the SERVQUAL method to evaluate service quality. However, the 22-item scale of SEVQUAL representing five dimensions is not appropriate for measuring all aspects of airline service quality.

R. Archana; Dr.M.V. Subha3. (2012) A Study on Service Quality and Passenger Satisfaction on Indian Airlines, say that a statistical package for social sciences (SPSS, 17 versions) was used for analyzing the data. Items to measure factors were adopted from previous studies (Archana & Subha, 2012). Factors to determine the customer satisfaction rate where set.

RESEARCH METHODOLGY

Snowball sampling is where research participants recruit other participants for a test or study. It is used where potential participants are hard to find. It's called snowball sampling because (in theory) once you have the ball rolling, it picks up more "snow" along the way and becomes larger and larger. Snowball technique was used for research study.

Findings of statistical analysis

Hypothesis 1

CORRELATION

H0- There is no significant relationship between customer retention and in-flight service.

H1 – There is a significant relationship between customer retention and in-flight service.

x	2	12	40	36	10
y	2	8	22	46	22

x	y	X - x̄	Y - ȳ	XY	X²	Y²
2	2	-18	-18	324	324	324
12	8	-8	-12	96	64	144
40	22	20	2	40	400	4
36	46	16	26	416	256	676
10	22	-10	2	-20	100	4
100	**100**			**856**	**1144**	**1152**

$$r = \frac{\sum xy}{\sqrt{\sum x^2 \times \sum y^2}}$$

$$= \frac{856}{\sqrt{1144 \times 1152}}$$

$$= \frac{856}{1147.9930}$$

$$= \underline{\mathbf{0.746}}$$

RESULT

There is perfect correlation between pricing objective and passenger's characteristics, hence accept H1 Hypothesis and reject H0 Hypothesis.

Hypothesis 2

CHI-SQUARE

H0– There is no significant relationship between customer satisfaction and employee service.

H1– There is a significant relationship between customer satisfaction and employee service.

x	36	44	16	4	0	100
y	2	0	22	46	30	100
	38	44	38	50	30	200

O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
36	19	17	289	15.21
44	22	22	484	22
16	19	-3	9	6.473
4	25	-21	441	17.64
0	15	-15	225	15
2	19	-17	289	15.21
0	22	-22	484	22
22	19	3	9	0.473
46	25	21	441	17.64
30	15	15	225	15
			Calculated value	**140.646**

O = Observed frequency E = Expected frequency

$$X^2 = \frac{\sum(0 - E)^2}{E}$$

Calculated value = 140.6

Calculation in 5% significant level

Tabulated Value

Degree of Freedom

(R-1) (C-1)

(2-1) (5-1)

(1) (4)

D.O.F 4 is in significant of 5%

Tabulated value: 9.488

Tabulated value $\leq$ Calculated value

$$9.488 \leq 140.6$$

Hence the Tabulated Value is less than the calculated value we are rejecting H0.

It is evident that there is a significant relationship between customer satisfaction and employee service.

Findings of the Study

First, airlines should analyses the important of individual's service dimensions to improve airline service quality and quality of the airline differs among domestic carriers. From this report, indigo airline made an easy observation of passenger's different opinions based on indigo airlines services on the basis of his/ her experiences.

Second, this study has important implications regarding customer satisfaction for indigo airlines. Customer satisfaction is satisfaction and will result in keeping existing passengers and enticing passengers from other airlines.

SUGGESTIONS

This study would act as a guide and a check on the reliability and generalizability of present findings. The model which was used here can also be used to examine customer retention practices and its consequences on a broader manner like expanding it to airline industry rather than limiting to one airline. Furthermore, future research can examine the impact of customer retention towards Indigo airlines on both financial and non- financial performance; hence, it will make an overall view of the company's performance.

LIMITATIONS OF THE STUDY

a) The main limitations of the study is that it is conducted only in Chennai and has included only one independent variable.
b) The sample size was only 100. Further studies can be carried out with a greater number of respondents on Chennai city as well as across the city in India.

CONCLUSION

The article has presented a model of individual dimensions of airlines service quality based on the proposed conceptual framework of the linkages between constructs, all hypothesized relationships appeared to be statistically significant, except for four casual parts. This article disclosed that there were significant relationship between in-flight service, employee service, passenger satisfaction, airline image, value, and behavioral intensions. This variable were directly or indirectly related to passengers' repurchase intentions and word-of-mouth communication. The results from the study of

indigo airlines passengers imply that airlines should recognize the relative important of individual service dimension and developed various strategies to guarantee providing quality services to passengers. Airlines should realize that improvements in important airline service dimension to enhance passengers' repurchase intension and their recommendation to other passengers to increase passenger's satisfaction. Failure to provide quality service to the passengers may cause lowered passenger satisfaction and airline image and may cause negative impact on passengers' future behavioral intentions.

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