**RESEARCH & ANALYTICS**

**Study ‘Jet Airways’ (Customer Service Centre) with a view to identify the best practices of excellence and the best customer service policies. The basic objective will be to use them as a model for the others.**

**The study also includes mapping of the competitors of other Indian Airlines, especially in the private sector, across India on various service dimensions.**

**Guidelines for doing Research (Plan of action)**

1) Analyzing service quality, customer satisfaction and loyalty of a full service airlines company such as Jet Airways

2) Testing hypothesis on the influence of ‘service quality’ and ‘customer satisfaction’ on customer loyalty of other full service airlines company in India. For instance, Unit of observation can be 160 passengers of ten profitable domestic routes of any other full service airlines company, in comparison to Jet Airways.

3) Design of research can be ex post facto (non-experimental), type of research can be descriptive and explanatory survey, sampling technique can be convenience sampling, and method of analysis is structural equation modeling (SEM).

**Display the results of descriptive research**

For example:

a) Service quality performance of a full service airlines (Jet Airways) is 88.76 % (consists of; reliability is 88.07 %, responsiveness is 86.76 %, assurance 87.39 %, empathy is 90.52 %, tangible is 91.05 %); Represent this as a graphical form of data comparison.

b) x of full service airlines (Jet Airways) is 80.15% (consists of; service quality 86.76 %, product quality is 81.37 %, price is 85.05 %, personal factor is 67.97 %, situational factor is 79.58 %);

c) Customer loyalty performance of full service airlines (Jet Airways) is 85.46 % (consists of; cognitive loyalty is 89.95 %, affective loyalty is 89.46 %, cognitive loyalty is 82.35 %, action loyalty is 80.07 %).

**The results of explanatory research can be represented as**

 a) Simultaneously, service quality and customer satisfaction influence significantly on customer loyalty, i.e. (R² = 0, 8115%) where R is customer loyalty and is expressed as a percentage of satisfaction levels. (Data can be gathered from real life customer surveys)

b) Partially, service quality influences significantly on customer loyalty (R² = 0,0729), and customer satisfaction influences significantly on customer loyalty (R² = 0,5183). According to hypothesis testing, the influence of service quality on customer loyalty is lower than customer satisfaction on customer loyalty.

Based on descriptive and explanatory research finding indicate that full service airlines company (Jet Airways) is an example of “ excellence” performance, i.e. identify factors influencing service excellence.

**Researcher may also recommend some suggestion, such as;**

a) Jet Airways (must be recondition of old aircraft (for instance, B737-300, B737-400, and B737-500) as anticipating strategy of low cost expanded domestic market share and implementation of open sky policy in India;

b) Improving sustained competitive advantage by recondition of old wide body aircraft as well as preparing for international routes expansion.

The study can also include notes on: ratio analysis, regarding the profitability, liquidity and financial stability of Jet Airways for the years 2008 – 11.

The report will comment on the prospects of the company and make recommendations that would improve Jet Airways’ current performance. These observations do have limitations which will be noted. This report can also explain how a cash flow statement and a prospectus could enhance analysis.

**Assignment Instructions**

1. The aim of the assignment is to present a real time situation to the students wherein they are required to design research and study methods in order to derive optimum results to help the decision makers improve the service quality and enhance customer satisfaction.

2. The assignment needs to be presented in the form of a report which will include the following:

 i. Lay down the objective of the assignment

 ii. Design various research methodologies to be adopted for analytical study of the industry

 iii. Display the results of the research carried out

 iv. Present the research findings duly consolidated in the form of a paper

 v. List down the recommendations

**ANSWER**

OBJECTIVE OF THE REPORT:

* Analyse the service quality, customer satisfaction and loyalty of the full airlines company i.e. Jet Airways.
* To study the competitors of Indian Airlines.
* The main objective of this case study is to compare the service quality of the airlines under study by drawing Perceptual Maps for the six major airlines in the Indian domestic market.
* **The list of existing players in airline industry is as follows**:

1. Air India

2. Indian

3. Jet airways

4. Spice Jet

5. Air Deccan

6. Kingfisher airlines

7. Air Sahara

8. GoAir

9. IndiGo

10. Paramount airways

11. Jagson Airlines

**The market share of the companies is as follows:**

Following is the market share of the airline companies in the Indian market.

* As per the graph Kingfisher have the maximum market share (28 %), followed by jet airways

 (18 %) and Indian airlines (16 %).

* MDLR has the minimum share of 0.004 %.
* Whereas Indigo occupies the market share of 14
* **Service quality dimensions:**

In order to measure the service quality there are the following parameters analysed, listed as follows:

* For Tangibility the parameters are Seat comfort, Cleanliness of cabin, Cleanliness of toilets, Newspapers/magazines, pillows/blankets, Quality of entertainment, Quality of beverages, handling of luggage, appearance and clothing of cabin crew.
* For Responsiveness the parameters are punctuality of timing, politeness/courtesy, friendliness and language skills of cabin crew
* For Reliability parameters are Staff provides service without making fumbles, responds quickly to problems, response happens at promised time.
* For Assurance parameters are Cabin crew’s safety drill, courtesy of staff, efficiency of check-in staff, and service efficiency of cabin crew.
* For Empathy parameters are individual attention to customers, flight timings convenient to customers, long term relationship with customers.

**Following are the comparisons graphically represented where the ranking is done on the scale of 0-5, 0 representing the lowest and 5 the highest:**

1. Tangibility:

* Tangibility of kingfisher airlines compared to rest of the airlines is definitely high.
* Comparing Tangibles such as seat comfort, Cleanliness of cabin, Cleanliness of toilets and many other factors such as availability of newspapers and magazines, Pillows and blankets etc. plays an most important role in shifting peoples response more towards kingfisher compared with other airlines.
* Though Indian airlines is public sector undertaking airlines but then also as far as the question of tangibility is concern it was rated as second most preferable after kingfisher. Only the difference in response of kingfisher and Indian airlines was that there was comparatively less seat comfort in Indian airlines compared to kingfisher airlines.
* jet and spice jet they both were rated at lowest level by the respondents and comparing these two airlines there was almost equal grading to both of the airlines as far as tangibility is concern
* So from above graph it is clear that kingfisher has got more preference and positive response of people on tangibility criteria.

Responsiveness:

* Kingfisher has majority of people rating it highest also in the factor of responsiveness followed by Indian airlines.
* Kingfisher is five star rated airlines it is obvious thing that staff of kingfisher will be more responsive towards the facilities to be provided on time and also problems to be solve at time. But position of Indian airlines in minds of people holds second place in responsiveness criteria is remarkable.
* and spice jet they both were rated at lowest level by the respondents and comparing these two airlines there was almost equal grading to both of the airlines as far as responsiveness is concern.

Assurance :

* Analyzing the assurance factor, of each of the airlines it is very clear from the above graph that assurance of kingfisher airlines compared to rest of the airlines is definitely high.
* Comparing assurance factors such as seat politeness/courteous, service efficiency, efficiency of check in staff and safety of cabin crew drill plays an most important role in shifting peoples response more towards kingfisher compared with other airlines.
* In case of assurance Indian airlines was rated as second most preferable after kingfisher. Only the difference in response of kingfisher and Indian airlines was that there was comparatively less service efficiency and efficiency of check in staff in Indian airlines compared to kingfisher airlines.
* Now talking about jet and spice jet they both were rated at lowest level by the respondents and comparing these two airlines there was almost equal grading to both of the airlines as far as assurance is concern.
* So from above graph it is clear that kingfisher has got more preference and positive response of people on assurance criteria.

Reliability:

* While comparing reliability of all the above mentioned airlines the result was same as it was in the case of tangibility, assurance and responsiveness. It was kingfisher which was as most reliable airlines by most of the people from the sample.
* Reliability of kingfisher compared with other three airlines is very high and comparing the other three airlines that is Spice jet, Jet airways and Indian Airlines its almost same in all the three airlines.
* Reliability factors such as Service without fumbles, Quick response towards problem and Response towards problem in promised time plays very important role in gauging reliability factor of any of the airlines and kingfisher is able to provide the above mention services to the expectation of people this the reason of highest Reliability level of kingfisher by the respondents.
* From the above graph it can be clearly interpreted that kingfisher compared with other three airlines is more reliable

Empathy:

* Empathy also seems to be in the favor of kingfisher, from the above graph it can be clearly interpreted that Empathy of kingfisher airlines compared to other airlines is defiantly very high followed by spice jet.
* Empathy factors such as Individual attention, Convenience of flight timings and Long term relations affects response of the people up to an extent. Kingfisher is having highest level of empathy level in the minds of the people.
* This time instead of Indian Airlines, Spice jet is following Kingfisher in this criteria so it can be interpreted that Empathy of spice jet is more then tangibility, reliability, assurance and responsiveness of itself.
* An Indian airline is having lowest Empathy after Jet airway which is having second lowest Empathy level

Therefore in case of service quality of jet airlines we conclude the following :

* The scores in the above chart conclude the following:
* The service quality dimension of Tangibility has the highest contribution in the overall service quality.
* Reliability and Empathy dimensions are close to each other in terms of the score.
* Hence these 2 service quality dimensions are contributing equally in the overall service quality in case of Jet Airways.
* This shows that physical evidence and other tangibles and intangibles are all contributing in an equal manner to achieve the overall service quality.
* Responsiveness of the people is not up to the mark which staff must be given more training to serve to customers efficiently.

Customer satisfaction

Following was the ranking of the airlines by the respondents:

1. Punctuality of flights:

 

* Now talking about punctuality of flight timings it can be clearly interpreted from graph that Kingfisher is highest number of rating from the respondents towards excellent side, it is Indian airlines and the Spice jet who are having minimum number of responses in their favor.
* Considering the fair side of performance is concern it is Jet airways which tops the chart from its responses being maximum on fair side.
* Considering poor and bad performance then it is very clear from the graph that punctuality of Indian Airlines and Spice Jet is not up to the mark as expected of the travelers so they both have strong point to be think up on regarding its punctuality

2. Seat comfort:

 

* As far as seat comfort is concern it can be clearly interpreted from graph that Kingfisher is highest number of rating from the respondents towards excellent side, it is Indian airlines and the Spice jet who are having minimum number of responses in their favor.
* Considering the fair side of performance is concern it is Jet airways which tops the chart from its responses being maximum on fair side.
* Considering poor and bad performance then it is very clear from the graph that seat comfort of Indian Airlines is not up to the mark as expected of the travelers so Indian Airlines have strong point to be think up on regarding its seat comfort.

Quality of beverges:

 

* Quality of beverages plays most important role in deciding satisfaction level of travelers and beverages is only important factor that indicates strong tangibility of any of air line service provider.
* It can be clearly interpreted from the above graph that kingfisher is having highest responses as excellent followed by Spice Jet.
* Indian Airline and Jet Airways is having most of the responses as poor and bad so there is strong point to be think upon for these both airlines.

4. Quality of entertainment:

 

* As far as quality of entertainment is concern it can be clearly interpreted from graph that Kingfisher is highest number of rating from the respondents towards excellent side, it is Indian airlines and the Spice jet who are having minimum number of responses in their favor.
* Considering the fair side of performance is concern it is Jet airways which tops the chart from its responses being maximum on fair side.
* Considering poor and bad performance then it is very clear from the graph that quality of entertainment of Indian Airlines and Spice Jet is not up to the mark as expected of the travelers so Indian Airlines have strong point to be think up on regarding its quality of entertainment.

Customer loyalty:

1. Number of Airlines Considered on Last Ticket Purchased by Survey Respondents:

* Only 1/4 of business travelers and 1/5 of leisure travelers limited their search to their preferred

airline.

* In fact, nearly 1/3 of business travelers and ½ of leisure travelers did not limit their consideration

set at all.

2. **Percentage of Flights on an Airline for which Consumer had a Frequent Flier Membership**

* Even though many consumers do not limit their search, they still limit their choice.
* The majority of travelers limit at least 80% of their travel to airlines for which they have a frequent flier membership.
* Why do they sometimes deviate? Most likely price and/or route availability.

3. Factors mostly considered while selecting an airline:

The above chart represents the importance of each factor rating out of 5.

* Scheduling convenience and loyalty programs as the most important factors in choosing

an airline.

* Today, leisure travelers rate price even more important than safety and loyalty programs are no longer a top priority.

Conclusion:

* Therefore on the basis of the above analysis in comparison to kingfisher, spice jet, Indian airlines and kingfisher; jet airlines is observed to be ranked second after kingfisher as far the service quality analysis is considered.
* But in case of the customer satisfaction jet is considered to be the satify the customer to the maximum as compared to the other four airlines.
* In case of the customer loyalty it specify the factors that are mostly considered by the customers while choosing the flight bothe incase of the business and the leisure class customers.