

Full Length Research Paper

Passenger service quality expectations as perceived by long haul airline managers in South Africa

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The elements of the service quality mix are an important consideration for airlines in deciding on the level of service provision offered by their airline. This study aims to determine passenger expectations of service quality as perceived by airline managers working at long haul airlines operating in South Africa. The extent to which passenger expectations inform airline strategy is also examined. Gap 1 of the SERVQUAL model, the difference between managers' perceptions of customer expectations and customer expectations, is used to frame the research problem. Within this, the five dimensions (also considered antecedents of service quality) proposed by the SERVQUAL model are examined to determine the relative importance. Airline managers and travel industry managers perceptions are found to be similar with both groups ranking reliability as the most important dimension to passengers, echoing results seen with passengers. Trust and safety emerges as important themes within the reliability dimension. The tangibles dimension is found to be the least important to passengers, yet is rated as the area that is considered the primary area of investment by airline respondents. Overall, airline managers' perceptions of the relative importance passengers place on the dimensions of service quality match those found in the literature. Their financial investment strategies, though, do not match the elements of the service quality mix found to be important to passengers.

Key words: Service quality mix, airline industry, South Africa.

INTRODUCTION

With the airline industry under economic pressure triggered by the global financial crisis, it will become more critical for airlines to offer a service quality package that passengers prefer, particularly for Full Service Carriers (FSCs) where the expectations are typically higher. Presenting the right service offering will be a key issue in attracting and retaining passengers as competition between

airlines grows. Research has shown that the aspects of the overall service package airlines present to passengers are an important determinant in a passenger's choice of airline (Bejou and Palmer, 1998; Sultan and Simpson, 2000; Pakdil and Aydın, 2007; Park, 2007; Martín et al., 2008). This makes it important for airline managers' (AMs) to understand the value that passengers place on the various aspects of their service quality mix as these choices will directly affect an airline's strategic positioning. Deciding, for example, to move from a three class configuration (offering first class, business class and economy class) to two class configuration (offering only business class and economy class) as some airlines have done, can exclude a potentially lucrative segment of the market for an airline. Airlines are cutting costs in order to survive and this will in some cases

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Abbreviations: FSCs, Full service carriers; AMs, airline managers; CS/D, customer satisfaction / dissatisfaction; LCCs, low cost carriers; TIMs, travel industry managers; TMC, travel management company; IATA, International Air Transport Association.

cases, impact on service quality levels. Knowing whether AMs' perceptions are in tune with passenger expectations of service quality will present an important finding as if they are not in tune, it could be expected that decisions made with regard to the service quality mix may not be what passengers want which could negatively impact on revenues.

Research has shown that the increased competition in the industry has resulted in two fundamental changes (Mason, 2001; Evangelho et al., 2005; Fourie and Lubbe, 2006; Balcombe et al., 2009): Firstly, it has seen prices cut as airlines compete to win market share. Secondly, it has seen a further segmentation in the market as airlines seek to target more specific customer segments, creating what has become known as the low cost carrier (LCC) or "no frills" airlines that have targeted more price-sensitive passengers. As increasing competition causes airlines to segment the market further, airlines will have to become clearer on the service quality expectations of their target markets.

Concil (2009) argues that, following this economic crisis, the airline industry will not be the same as it was before the financial crisis as airlines have had to make fundamental changes to the way they operate in order to survive. This study serves to guide airlines and travel industry professionals as they implement changes to their business models. It is important for airlines, as they emerge out of this crisis, that they are certain of the value that passengers ascribe to different aspects of the service quality mix they present to their passengers.

This study assesses AMs perceptions of passengers' expectations of service quality on long-haul flights originating in South Africa. The extent to which passenger expectations inform airline strategy is also examined. The study provides guidance to AMs and other travel industry professionals regarding the gaps, if any, that may exist in terms of what AMs think passengers expect. This will be particularly important in the light of the current market turmoil as airlines balance cutting costs against providing services that passengers will value.

LITERATURE REVIEW

For service businesses, service quality is considered one of the few means of differentiating the service offered, thereby attracting new customers and helping the firm gain market share over its competitors (Venetis and Ghauri, 2004). To illustrate this point, one study conducted in a banking setting, found that increasing customer retention rates by five percent increased profits by 85 percent (Reichheld and Sasser, 1990). Being able to offer a superior service quality offering will allow a firm to attract new customers and retain existing ones and in

so doing, help to improve profits. Edvardsson (1998) defines service quality as the level to which a service meets a customer's expectations and the degree to which the service satisfies the customer's needs and requirements.

The Gaps model examines five gaps / disconfirmations in measuring service quality (Figure 1). This model incorporates analysis along five dimensions, said to be antecedents of service quality: reliability, assurance, tangibles, empathy and responsiveness (Parasuraman et al., 1993).

Dimensions of service quality

In their original research, Parasuraman et al. (1988) determined ten dimensions of service quality. These ten dimensions were later revised and summarised down to five, namely reliability, tangibles, assurance, empathy and responsiveness. Of importance to managers is which of these dimensions customers rank as most important and which dimensions customers consider least important. Having this understanding will allow managers to focus effort and investment in areas most important to customers and should allow for improvement to the service quality mix provided. Parasuraman et al. (1985) found that reliability was the dimension ranked as most important for customers. The authors also found this to be the case across the four service categories investigated (retail banking, credit card services, a securities brokerage and a product repair and maintenance facility) and argued that these results could be extrapolated across all service businesses. In essence, regardless of the type of service business, customers would rate reliability as the most important dimension. This result was later confirmed by Boulding et al. (1993) who also found reliability to be the most important dimension across the service businesses assessed in their study.

The SERVQUAL model has been criticised for a lack of consideration for cross-cultural differences and industry-specific differences (Johnson and Mathews, 1997; Espinoza, 1999; Ladhari, 2008). Cross-cultural sensitivity is particularly important in the long haul airline setting where airlines serve markets with different languages, cultures and customs. Managing service quality in this setting requires a degree of sensitivity to these differences to ensure that passenger expectations (which may incorporate very different needs) are met. It has been argued that managers should be aware of the aspects of the service delivery process that are open to differences across cultures and that managers should also be aware of the aspects that are stable across cultures (Espinoza, 1999). An obvious example in an airline setting would be the meal service on a long haul flight. Meal preferences often reflect one aspect of the differences that can be seen across cultures and for airlines

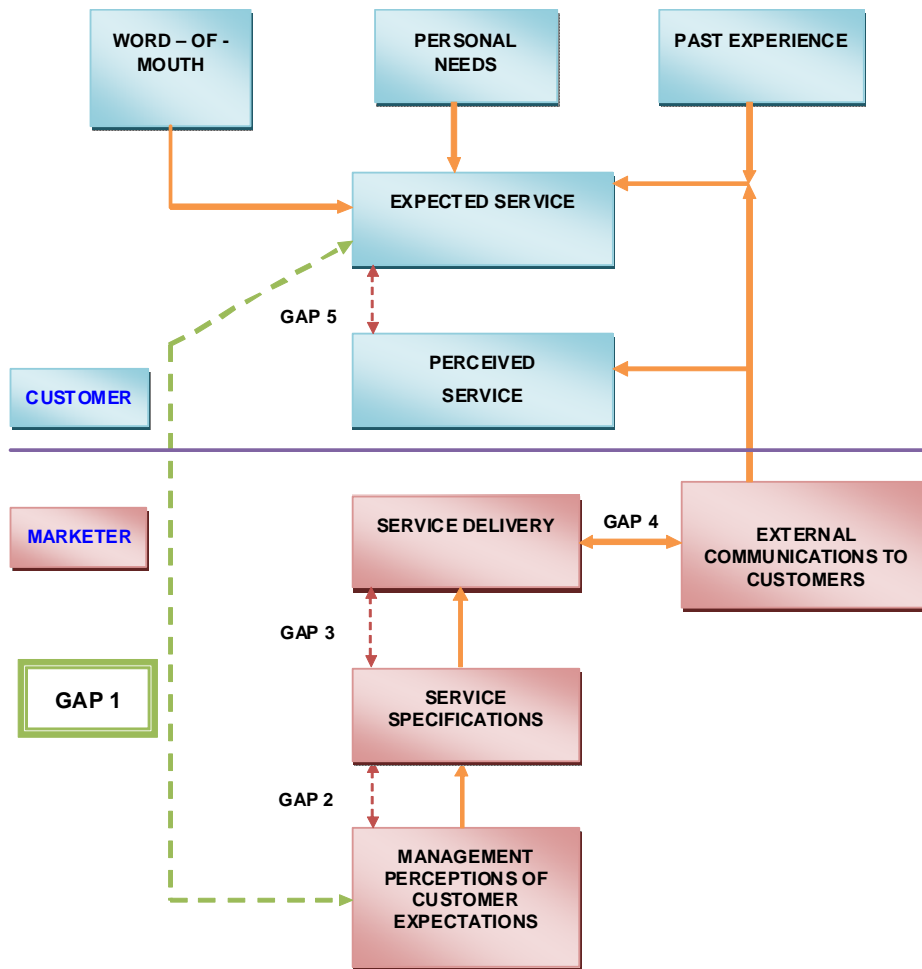


Figure 1. The SERVQUAL model of service quality. Source: Parasuraman et al. (1985).

airlines the challenge lies in meeting the needs of passengers that could reflect a broad variety of nationalities on any one flight.

The SERVQUAL model has also received criticism for not considering industry-specific differences in customer expectations and therefore, variations of the SERVQUAL model have been developed to deal with these differences seen (Cronin and Taylor, 1992; Bahia and Nantel, 2000; Gounaris, 2005).

Customer expectations of service quality

This study is bounded in Gap 1 of the SERVQUAL model and therefore, examines the gap between managers' perceptions of customer expectations and customers' expectations of service quality. AMs develop service specifications based on what they believe will satisfy

passengers' service quality needs. If AMs do not accurately understand what passengers expect, they could potentially design services that passengers do not value.

One of the distinguishing characteristics of services that have been mentioned is heterogeneity, the variation in service from one service encounter to the next. This variation is what managers attempt to control with aspects such as training programmes and performance evaluations. All of this is aimed at meeting (or indeed exceeding) customers' expectations of the service provided. Customers evaluate service quality through a process of first forming an expectation (or prediction) of the service. During the service process itself the level of service influences the customer's perception of the level of service quality received thus influencing the customer's perception of the service quality of the organisation (Parasuraman et al., 1985; 1988; Bolton and Drew, 1991;

McKnight, 2009). This gap is what has become known as the expectations-performance gap and explains the disconfirmation theory of service quality evaluation where service quality is measured by the difference between what a customer would score for their expectation of the service concerned and what they would score for their perception of the service. Gap 5 of the SERVQUAL model shown in Figure 1, illustrates this gap from the customer's point of view. Parasuraman et al. (1993) also postulated that Gap 5 could be seen as a sum of the scores of the previous four Gaps. In this way a service expectation is changed into a perception by the level and type of service provided.

Expectations can be viewed as the standards against which customers will compare subsequent service encounters (Parasuraman et al., 1993) where these comparisons would form the evaluation of service quality. Expectations are beliefs a customer has about a service (or product) before they have consumed the service (or product). These beliefs could be formed through prior exposure to the service, word of mouth, advertising and other types of communication the company has published (Boulding et al., 1993). These beliefs, or predictions, become the standard against which the customer assesses the company's performance.

Parasuraman et al. (1993) propose three types of customer expectations of service: desired service, adequate service and perceived service. This model of expectations is borne out of the research into customer satisfaction / dissatisfaction (CS/D) where researchers have attempted to identify the antecedents of CS/D (Boulding et al., 1993; Parasuraman et al., 1993). Within the concept of expected service, the authors have proposed two levels of expectation: desired and adequate service.

Desired service is defined as what the customer hopes to receive and 'is a blend of what the customer believes "can be" and "should be" ' (Parasuraman et al., 1993). What the authors argue though is that customers are realists and so anticipate that a potentially lower level of service could be possible. Thus they hold a second level of expected service, adequate service, which they propose is the minimum (or threshold) level of performance. The third level of customer expectation the authors propose is predicted service. This is the level of service customers anticipate they will receive and sits outside the 'expected service' box.

Between the desired service and adequate service levels lies an area the authors refer to as the zone of tolerance which is the area within which customers are willing to accept the heterogeneity. This is the area managers are attempting to influence with their staff through aspects such as training and performance management. Interestingly, Parasuraman et al. (1993) found that the zone of tolerance varied from customer to

customer and also varied for different service aspects such as price.

Customers were also shown to have a narrower zone of tolerance for certain service dimensions so, for example, some customers may have narrower zones of tolerance for unreliable service.

This model expands the degree to which managers have influence over the customer's expectation-perception gap. Originally, it was postulated that managers could influence customer satisfaction through either managing customers' expectations or perceptions (Parasuraman et al., 1985; Boulding et al., 1993). That is, managers could firstly influence the promises made to customers in advertising or promotional material in order to reduce any incongruence between the customer's expectations of what would happen and what the company actually planned to provide. Secondly, managers could influence the customer's perception through managing the quality of service provided.

Boulding et al. (1993) found that customers are more likely to recommend a service if they have higher perceptions of the service quality. Their most important insight for managers though, is their finding that increasing a customer's expectations of service quality before the encounter actually leads to higher perceptions of service quality, after the service encounter. This contradicts the original research quoted earlier which showed that managers could intervene on the expectations side of Gap 5 to lower customers' expectations of service in order to prevent disappointment after the service encounter. The authors found, therefore, that managers should manage customers' expectations up rather than down if they want to improve perceptions of service.

This appears quite risky as organisations, by increasing customers' expectations of service, could potentially set themselves up to fail if they are not able to deliver on the 'promise' made when the customer consumes the service.

Passenger expectations in the airline industry

It has been shown that customers rate reliability as the most important service quality dimension across service industries. In the study of European and American (US) passengers, the results of Parasuraman et al. (1985) were confirmed for the airline industry (Sultan and Simpson, 2000) in that reliability was ranked by respondents as the dimension most important to passengers. The authors found that tangibles were ranked as the least important service quality dimension. Another finding of this study was a significant difference in expectation scores between US and European passengers across 18 of the 22 SERVQUAL questions, leading the authors to

conclude that service quality differs by nationality. This finding has important implications for AMs, particularly those operating long haul services. Understanding that expectations are different between different nationalities would help AMs develop specific service specifications for each international route / region. Within this result was the finding that US passenger expectations were significantly higher than European expectations in 17 of the questions. This indicates that European passengers could be more critical in their evaluation of airline service quality. The result could also raise the question of cultural differences in completing survey questionnaires. This is particularly important in the South African (and indeed the African) context where significant differences could present in the interpretation and completion of survey questionnaires.

Tsaur et al. (2002) found tangibles as the most important dimension of service expectation. Reliability was rated as the second most important dimension but the study does not indicate whether there was a significant difference between the two. This study surveyed tour guides in Taiwan who had travelled on three airlines operating in Taiwan. A significantly more elaborate means of assessing the relative importance of each of the dimensions was used which may explain the differing results. A case study conducted with the management, staff and passengers of a national carrier in the Asia-Pacific region (Kiatcharoenpol and Laosirihongthong, 2006) found that assurance was the service quality dimension passengers rated as most important. This study did not, however, rate the relative importance passengers placed on each of the five dimensions but rather showed the disconfirmation (difference) scores passengers gave to Gap 5 (as a rating of the airline concerned).

The extent to which passenger expectations of service quality informs the strategic positioning of long-haul airlines

The extent to which passenger expectations inform airline strategic positioning could be viewed using Porter's five forces as a lens. From a market forces point of view, deregulation in the airline industry has lowered the barriers to entry for new entrants into the market (Heracleous et al., 2006) and in the South African context, this has increased competition in both domestic and international routes. This increased competition has increased the bargaining power of buyers who now have a greater choice of airlines to choose from and are now more able to shop around for the best price. For example, the South African domestic air travel market has seen the entry of low cost carriers (LCCs) such as Kulula.com, 1Time and Mango. LCCs have traditionally targeted the

new, more price sensitive leisure traveller segment (Mason, 2001) not previously targeted by network carriers such as South African Airways and British Airways. Traditionally, FSCs such as the state-owned incumbent, South African Airways, focused on the relatively price-insensitive business traveller. To this extent, one could argue that passengers' expectations of more favourable pricing had informed the strategies of domestic airlines.

One of the distinguishing features of FSCs over LCCs is the fact that they offer a business class service. Interestingly Mason (2001) found that 79% of passengers surveyed in their UK study did not feel that business class service offered value for money for short-haul (domestic) travel which is surprising considering that all or most FSCs (or network carriers) like South African Airways and British Airways offer a business class service. With such a large margin of passengers indicating they do not see the value of a business class service on short-haul routes, one would have to ask the question why it is that FSCs still offer this service, indicating a gap between passenger expectations and how these expectations inform airline strategy.

RESEARCH METHODOLOGY

The scarcity of research in the area of AMs' perceptions of passenger expectations has prompted this study. An exploratory approach was thus required and as such the qualitative method was selected. The qualitative approach used permits a smaller sample size which allows for a greater depth of information to be drawn from respondents during the interview process. A field-based approach was used, where face-to-face interviews allowed the researcher to gain respondents' responses first-hand.

The target population for this study was middle to senior-level managers in the airline and travel management industry. The sample frame was limited to managers working in sales and marketing positions at airlines operating long haul routes and who were responsible for developing strategies at a local level. Long haul routes were defined as flights of eight hours in duration or longer. The sample drew respondents from a convenience sample of 18 respondents. Ten AMs and eight travel industry managers (TIMs) were interviewed. In order to improve the validity of the study, the sample of AMs was triangulated by adding a secondary sample of managers in a related industry. The reasoning was that, as travel managers, these respondents typically acted as intermediaries between airlines and customers and would therefore, have a good understanding of passenger expectations of service quality. It was also felt that TIMs could present an independent and unbiased view being able to see the situation from the airlines' point of view as well as from passengers' point of view.

The purpose of the study was to examine passenger expectations of service quality from the point of view of AMs. The review of literature revealed a scarcity of research in this area, particularly with regard to the application of the five dimensions of service quality reported in the SERVQUAL model. Whilst the literature revealed rankings of these five dimensions by passengers, none were found for AMs.

Thus at the outset it was decided that a ranking of the five

Table 1. Summary results for the ranking exercise.

Dimension	Airline managers			Travel industry managers		
	Count	Mean	Standard deviation	Count	Mean	Standard deviation
Tangibles	10	4.2	1.23	8	3.1	1.81
Reliability	10	1.6	0.97	8	1.8	1.16
Responsiveness	10	2.5	1.27	8	3.1	1.25
Assurance	10	3.5	0.85	8	3.3	0.71
Empathy	10	3.2	1.40	8	3.8	1.49

service quality dimensions should be included and this item was labelled the 'ranking exercise'. To further explore AMs' views of the relative importance passengers would place on the five dimensions, a 'rating exercise' was also included. This exercise required managers to rate each factor related to the five dimensions using a Likert scale.

In this study, only the descriptions were listed in the research instrument. By having hidden the names of each of the five dimensions in both the ranking and the ratings exercises, at all times the respondents did not know what the factors they were reviewing were related to. All they knew was that they were rating aspects of service quality from an airline passenger's perspective. This was done to remove bias and thus improve the reliability and validity of the study. These two exercises were specifically placed at the end of the research questionnaire to allow for respondents' opinions and perceptions to be drawn out before the specific detail of the two exercises was explored. This was done also to limit bias and to prevent priming respondents' answers to the open-ended questions.

The information gained from interviews and the literature review was analysed using content analysis where the purpose of the analysis was to identify specific content and the characteristics of the messages gained during the interviews. Although the qualitative approach formed the primary paradigm within which this study has been structured, some elements of the mixed method approach were incorporated.

Limited statistical analysis was used to draw further information from the data gathered. Specifically, the Thurstone Case V method was used to convert the responses from the ranking exercise into interval scale scores (R scores) to allow for reliable comparison of the relative rankings achieved in each dimension. A lack of data in the literature illustrating how AMs felt passengers would rank the five SERVQUAL dimensions made the ranking exercise an important tool for inclusion in the interview questionnaire.

PRESENTATION AND DISCUSSION OF RESULTS

Results of the ranking exercise

The ranking exercise was included in the research tool due to the lack of available data on AMs' views on passengers' ranking of the five dimensions of service quality. The results of the ranking exercise, as shown in Table 1, reveal two important findings. Firstly, AMs' and TIMs' ranking of the five dimensions proved to be remarkably similar indicating agreement between both

groups in their view of how passengers rank the five dimensions. Secondly, the results of the ranking exercise reveal that AMs' ranking of the most and least important of the SERVQUAL dimensions were the same as those found by (Sultan and Simpson, 2000). This indicates that the AMs interviewed do indeed have a good idea of how passengers would rank the most and least important SERVQUAL dimensions.

To allow for statistically reliable comparison of the rankings within each group of respondents, the rankings were converted into an interval scale, using the Thurstone Case V procedure (Figure 2). Thurstone scaling converts comparative judgements into an interval scale which allows for statistically reliable comparison between responses.

Reliability scored as most important dimension for both AMs and TIMs. Differences appeared with the dimension rated as least important, with AMs rating tangibles as the least important dimension and TIMs rating empathy as least important. These are presented and explained further in the discussion.

Reliability

The description for the reliability dimension was drawn from Sultan and Simpson (2000): "The airline's ability to perform the promised service dependably and accurately". The low mean ranking scores for reliability indicate that both groups of managers believe that reliability is the most important of the five dimensions.

Looking at the R scores highlights the closeness of the mean rankings for reliability, with AMs scoring 0.99 and TIMs scoring 1.16. Whilst TIMs placed a greater degree of importance on reliability, every single one of the AMs interviewed ranked reliability over tangibles. That is to say that 100% of all AMs interviewed felt that passengers ranked reliability as more important than tangibles. 75% of TIMs felt that reliability was more important than tangibles.

It was established earlier that reliability is the dimension most important to customers across service industries

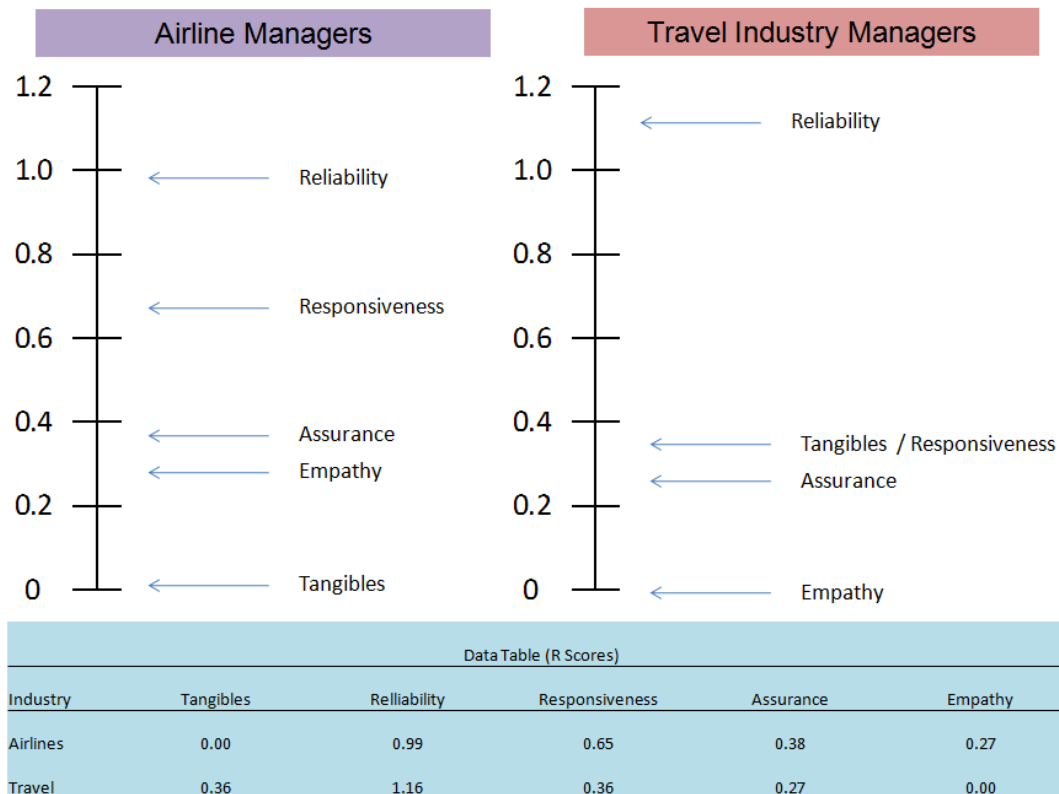


Figure 2. Summary of rankings converted into interval scale scores (R scores).

and to customers in the airline industry also. This finding was confirmed with this study from the point of view of AMs and TIMs. The importance lies in the fact that that both groups of managers know what it is that is most important to passengers. Understanding that reliability is the most important service quality dimension suggests that AMs are more likely to be making the correct choices for passengers in managing their airline’s service quality mix.

Timeliness is one of the factors of reliability measured. To illustrate the importance of timeliness and managers’ understanding of its importance, one of the respondents interviewed made reference to an on-time departure statistic shown in bold on the opening screen of their airline’s intranet portal. This on-time statistic is updated throughout the day and gives the whole airline visibility of their on-time departure performance. The respondent mentioned that on-time departures are so important to their customers that their airline has focused the whole company on ensuring they achieve the highest possible percentage of on-time departures. The day of the interview the on-time departure rate was 97% but the day before it was much lower at 51% due to weather

conditions in other parts of Europe. Knock-on effects elsewhere in their network had affected their on-time performance at their main hub airport which had then caused a ripple effect through the rest of their network serving other regions, thereby reducing their overall performance.

How important reliability, in this case safety, is to passengers was also highlighted by having interviewed a senior manager at an airline a few days after airlines had grounded their fleets of Airbus A380s fitted with Rolls Royce engines. An engine fault in one of the Rolls Royce engines on an Airbus A380 had forced an emergency landing in Singapore and subsequently created a serious public relations issue for the airlines involved. The respondent and her team in Johannesburg had been working around the clock, not only to resolve passenger queries but also to manage the knock-on effect of the loss of capacity from their network as they had to ground their Airbus A380s. At the time of the interview two flights to Johannesburg from the airline’s hub airport had already been cancelled to re-allocate the Boeing 747s (used on this route) to the routes serviced by the Airbus A380. This example highlights the importance of another

theme that emerged in the discussions around reliability, trust.

Trust emerged as a key factor in the discussions of reliability and its importance to passengers, with respondents mentioning trust as a reason they felt passengers would rank reliability as most important, in 80% of the cases. A situation such as with the fault found with Rolls Royce engines on Airbus A380 aircraft can seriously affect an airline's reputation and hence the trust passengers place in the airline. 30% of AMs felt that trust formed a large part of the reason that passengers chose to re-book with an airline, suggesting that trust could potentially play an important part in securing repeat business.

To assess whether passengers' expectations had influenced their airline's investment strategy, AMs were asked to mention the top three areas their airlines were investing in. Interestingly, only 20% of the AMs interviewed mentioned an aspect related to reliability as their airline's primary investment area. In these cases, the investments were made in the area of safety. If reliability is seen by managers as the most important service quality dimension to passengers, it is interesting to note that only a small fraction of the respondents interviewed mentioned this as an area of investment focus for their airlines. 90% of the airline respondents mentioned fleet or product (seats, on-board entertainment, meals etc.) as one of the top three investment focus areas, reflecting the tangibles dimension as the area of focus for investment.

Tangibles

Sultan and Simpson (2000) defined the tangibles dimension as "The appearance of the airline's ground facilities, aircraft, personnel and communications channels". The ranking of the least important service quality dimension revealed an important difference between AMs' views of passenger expectations and those of managers in the travel industry. AMs ranked tangibles as the service quality dimension that passengers rate as the least important, with a mean score of 4.2 whereas TIMs ranked empathy as the least important, with a mean score of 3.8. As mentioned, 90% of airline respondents indicated that fleet or product was one of the top three areas of investment for their airline which is ironic as AMs themselves ranked tangibles as the least important of the five service quality dimensions. This may be explained by the fact the airline industry is heavily capital intensive with high aircraft acquisition costs and where the cost of engines and interior fitting almost equals the cost of the aircraft itself.

When asked to expand further, airline respondents mentioned two main reasons for the investment in

product. The first reason quoted was that the newer aircraft burned significantly less fuel than older aircraft. An example given by two AMs was that the Airbus A380 carried significantly more passengers than a Boeing 747 but burnt less fuel and generated significantly less noise. Fuel typically represents the second highest cost for most airlines (after staff costs) and also represents a fixed cost as the fuel is allocated once the flight takes off, even when fuel is dumped along route (Heracleous et al., 2006). The second reason airline respondents mentioned was the investment in new seats. Seat design has evolved in the last 20 years with business class cabins offering significantly more than was offered in first class cabins 20 years ago. Newer and more innovative seats provide airlines with two benefits, namely cost saving and a means to attract new customers. On the cost saving side, one respondent mentioned that new innovative seat designs reduced the weight of seats thus allowing for more efficient fuel consumption. This respondent referred to a "thin cut, high-base seat", referring to the thinness of the seatback and the height of the seat above the floor. The respondent mentioned that newer seats have thinner seat-backs which reduce the space taken up by each row of seats, thus allowing for more rows of seats to be fitted in the aircraft. "High-base" made reference to the amount of space available to the passenger in the foot well the seat in front of them. The more space available, the more a passenger is able to stretch their legs out during flight, whilst seated. Advances in technology and design have thus also helped to improve the service quality package an airline can offer to its passengers. For example, in business class most airlines now offer lie-flat seats and many even offer fully-flat beds, with seats that recline to a completely horizontal position. Most airlines now offer audio and video on demand in all cabins on their long haul routes. These are features airlines have used to attract passengers and are an area that sees a great deal of competition between airlines with different airlines trying to outdo each other with the benefits they offer their passengers. This competition has taken place in the area of the tangibles dimension and may also go some way to explain why it is that airlines have focused on tangibles as an investment area despite the fact that some of the research, and indeed the airline respondents, have shown it to be the area of least importance to passengers.

Another very important factor listed by one airline respondent was the fact that newer aircraft allowed for improved efficiency. The Airbus A380 for example allowed Air France to cut 20% off their operational costs on the Johannesburg – Paris route. In addition to this, aircraft with such large capacity allow airlines to transport greater numbers of passengers into airports where bilateral agreements have restricted landing rights. Put differently, the main deck of an Airbus A380 carries the

same number of seats as a Boeing 777-200 and the upper deck carries as many seats as an Airbus A340-300. For example, where an airline has only been allocated one landing slot per day at a particular airport, they may be able to fly in double the number of passengers on aircraft with larger capacities. This helps improve efficiency greatly by generating larger revenues per flight with lower costs.

Empathy

Empathy was described in the research tool as “The caring, individualised attention the airline provides its customers” (Sultan and Simpson, 2000). 50% of the travel industry respondents ranked empathy as the least important dimension. A common theme that emerged from both groups of managers is the fact that if the airline is doing what it should with the other four factors, “caring individualised attention” becomes less important.

Empathy ranked as the second least important dimension for AMs with 20% of the respondents ranking empathy as the least important. One respondent specifically mentioned that an airline’s “ability to perform is determined by the factors further up”. To put it differently, at least 50% of the travel industry respondents explained their ranking of the fifth dimension (whatever they had ranked it to be) as not being the least important but rather that they felt that the other four dimensions were more important.

Responsiveness

Interestingly both groups of respondents ranked responsiveness as the second most important dimension, however in the travel group, responsiveness tied with tangibles for second place (both with a mean score of 3.1 and an R score of 0.36). AMs’ mean rank score of responsiveness was 2.5, with an R score of 0.65. Of interest is the fact that, comparatively, AMs felt passengers place greater importance on responsiveness than was the case with TIMs. This result suggests that AMs could be overestimating the importance passengers place on the staff-related aspects of the service quality mix.

With both groups having scored responsiveness as the second most important dimension, the description used in the research tool reveals more: “The airline’s willingness to help customers and provide prompt service” (Sultan and Simpson, 2000). This indicates that respondents did not feel responsiveness was most important, they felt that “willingness to help” and “providing prompt service” to passengers was the next most important aspect. The very nature of airline travel would explain why reliability would rank as most important and, with responsiveness, the importance of the staff side of the services mix is

illustrated.

Responsiveness ranked as most important by only one respondent, an AM and he felt that passengers do not want to wait for anything. His airline aimed for a check-in queuing time of “less than four minutes in business class and less than 12 min in economy class”. This was the same respondent who had an on-time departure statistic clearly displayed on the intranet portal of his desk top. The passenger group in their home market, according to the respondent, were very time oriented and did not like delays. This may indicate why he felt responsiveness was the most important dimension. On the other side of the scale not one respondent, from both groups, ranked responsiveness as the least important dimension which clearly indicates that both groups felt that it lies somewhere in the middle.

Assurance was described in the research tool as “The knowledge and courtesy of airlines’ employees and their ability to convey trust and confidence” (Sultan and Simpson, 2000). Assurance ranked in the middle of the five dimensions as the third least / most important dimension for both groups. The mean rank score for AMs was 3.5 and the R score, 0.38. TIMs’ mean rank score for assurance was 3.3 and their R score was 0.27. 25% of travel respondents ranked assurance as the least important dimension and none of the airline respondents ranked it as least important.

The results of the ranking exercise indicate a close relationship between AMs and TIMs views of the relative importance of the service quality dimensions. AMs’ rankings though, more closely mirror the results found by Sultan and Simpson (2000) where reliability was found to be the most important and tangibility to be the least important of the SERVQUAL dimensions.

Results of the rating exercise

Respondents were asked to rate the factors related to each of the dimensions of service quality as proposed by Tsaour et al. (2002). The rating scores have been summarised for each group of respondents and are presented in Table 2. A correlation was run on each of the factors and the relationship with each of the other factors to determine the internal consistency of the responses in the ratings exercise. Cronbach’s alpha scores approaching one indicate higher levels of internal consistency and scores closer to zero indicate lower levels of internal consistency. A Cronbach’s alpha score of 0.82 was achieved, indicating a high degree of internal consistency within the responses to the ratings exercise.

Tangibles

The overall scores for both groups of respondents are

Table 2. Summary of the rating scores for the tangibles dimension.

Tangible	Airline manager				Travel industry manager			
	Count	Mean	Standard deviation	Range	Count	Mean	Standard deviation	Range
Comfort and cleanliness of seat	10	4.80	0.42	1	8	4.75	0.46	1
Food	10	4.30	0.82	2	8	4.25	0.71	2
On-board entertainment	10	4.30	0.95	3	8	4.50	0.79	2
Convenient ticketing process	10	4.20	0.79	2	8	4.13	0.99	2
Mean rating		4.40				4.41		

very close and could actually be considered the same, indicating agreement between both groups. Indeed, by looking at the results more closely it can be seen that AMs and travel managers rated 'comfort and cleanliness of seat' with the highest mean rating (4.80 and 4.75 respectively) and both groups rated 'convenient ticketing process' with the lowest mean rating (4.20 and 4.13) (Table 2).

Convenient ticketing process scored the lowest rating of the factors listed in the tangibles dimension. The reason could be that 25 % of TIMS mentioned that approximately 80% of air ticket bookings are processed through travel management companies or travel agencies. At least two travel respondents mentioned that the South African air travel booking market are still conservative in that the majority of passengers do not book with the airline directly. This is in contrast to other markets where in the United Kingdom, for example, approximately 30% of business travellers using network carriers book through a travel agency or through an in-house travel department (Mason, 2001).

10% of AMs and 25% of TIMs mentioned that aspects of seat quality have become a means that airlines have used to differentiate themselves from their competitors, since passengers spend the majority of their time in their seats during flight. Making this experience more comfortable and enjoyable have been the means through which airlines have innovated in order differentiate themselves and hence also to attract new customers.

A great deal of competition has taken place, particularly in the premium cabins, where lie-flat seats have almost become a given and where airlines are now differentiating further by offering fully-horizontal beds in business class. Emirates and Etihad Airways offer first class 'suites' with doors that close to provide complete privacy and Emirates now also offer shower spas in first class in their Airbus A380s. Despite the fight to attract premium travellers, a fair amount of development has also taken place in the economy cabins. As lie-flat seats are now considered to be a 'hygiene' factor in business class, so too has on-demand entertainment become

expected in economy class cabins on long haul flights.

Added to this is, as one respondent put it, is the fact that "as the length of the flight increases, the needs of passengers become more disparate". By this he meant that for a short, one hour flight, passengers would expect very little from an airline. Whereas the longer the flight, the varied passengers' needs increase that is, drinks, food, snacks, entertainment and so forth. He also mentioned that passengers are also beginning to demand these various services at different times and to cater for this many airlines have begun offering entertainment on demand so passengers can now watch / listen to any of the entertainment available when they want to. In business class, passengers can dine "on demand" and so are not forced to eat when "the trolley comes around". One airline respondent mentioned that their airline offers snacks such as ice creams and popcorn to passengers, in all three of their cabins to enjoy after their meals whilst watching a movie, for example. This particular airline also offered an on-board food and beverage manager who is responsible for the catering needs of passengers in all three cabins, with an emphasis on the premium cabins, again aiming to cater to as many needs of passengers as possible.

The danger for AMs is to lose focus of what is important to passengers, particularly considering the greater disparity with longer flights. Hence, the importance of AMs being aware of passenger expectations allows for the correct decisions to be made. For example, one of the AMs criticised Emirates for the offer of shower spas in first class cabins on Airbus A380 aircraft. He mentioned that to accommodate this the airline would need to do the following: carry sufficient quantities of water; provide for the fuel required to transport this additional water all the way to the destination (as international law does not allow for the waste water to be dumped as is the case with fuel); sufficient space would need to be allocated for the shower and this space would sacrifice further seating. So, whilst seating has been established to be important to managers, the degree of this importance is a key issue for AMs in terms of how far they go to attract new

Table 3. Summary of the rating scores for the reliability dimension.

Reliability	Airline manager				Travel industry manager			
	Count	Mean	Standard deviation	Range	Count	Mean	Standard deviation	Range
Professional skill of crew	10	4.50	0.85	2	8	4.88	0.35	1
Timeliness	10	4.60	0.52	1	8	4.50	0.76	2
Safety	10	4.70	0.48	1	8	5.00	0.00	0
Mean rating		4.60				4.8		

passengers. Furthermore, how do AMs balance the cost of providing these services with an expected return on investment?

Reliability

Safety scored the highest mean rating in this dimension for both airline and travel respondents, with mean scores of 4.70 and 5.00 respectively (Table 3). Every travel respondent interviewed regarded safety with the highest rating (5) and surprisingly 30% of airline respondents gave safety a four rating.

One airline respondent mentioned "I believe that safety is a hygiene factor" in saying that it should be a given that safety is of the highest priority. He went on to say that the core focus in the area of safety is around airport and aircraft security, with the global terror threat. He felt that airlines should add additional focus in the area of airport security, and work more closely with airport authorities to reduce the risk of attacks by terrorists.

In 2009, the global accident rate was one western-built hull loss for every 1.4 million flights (IATA, 2011). This dropped to one accident in 1.6 million flights in 2010, the lowest in history. In real terms this translates to a total of 17 hull losses (down from 19 in 2009) across 36.8 million flights carrying 2.4 billion people. Looking at these statistics, it is clear that airlines and airport companies have focused a great deal of time and effort in safety. From a South African point of view, of concern is the fact whilst African carriers carried only 2% of global air traffic in 2010; they carried 23% of the western-built jet hull losses. Whilst African International Air Transport Association (IATA) member airlines showed lower accident rates, this statistic should be of concern to African carriers if they are aiming to encourage visitors to travel to the continent. It was shown earlier that reliability ranks as the most important dimension for passengers and industry managers and if African carriers are aiming to win market share from other network carriers they will have to improve how reliable their airlines are perceived to be. Such high accident statistics will do damage to African carriers, reducing them will help to improve the

perception of reliability.

To illustrate this, one of the respondents interviewed is an American citizen and in discussing the options passengers have when booking an air ticket he mentioned that Americans are more likely to book internal flights, within the US, over the internet. For flights to Africa or other developing regions they are much more likely to book with a travel agent due to the greater uncertainty around travelling to these areas. If passengers even vaguely doubt how reliable an airline is they would be less likely to book with that airline.

Responsiveness

The greatest variation in mean ratings was seen with the responsiveness dimension, with mean ratings of 4.45 and 4.13 for AMs and TIMs, respectively (Table 4). Also of interest are the tighter ratings for travel respondents, indicating a narrow spread of scores than with the airline respondents where greater variation can be seen.

The service quality literature reviewed in the hotel industry revealed a tendency for hotel managers to overestimate the importance guest place on the staff-related aspects of service quality. The higher mean ratings for AMs could be suggesting a similar tendency. If anything, it reveals that travel respondents were more critical in their rating of the factors related to responsiveness. The narrower spread of ratings suggests a greater level of agreement between travel respondents than is the case with the airline respondents where the greater spread of results suggest less agreement in how each respondent rated these factors.

Assurance

Assurance saw similar mean rating scores between both groups of respondents. AMs' mean rating score for assurance was 4.20 and that for TIMs was 4.10. Differences in which factor was rated most important emerged, with airline respondents rating "actively providing service" as most important (4.50) and travel

Table 4. Summary of the rating scores for the responsiveness dimension.

Responsiveness	Airline manager				Travel industry manager			
	Count	Mean	Standard deviation	Range	Count	Mean	Standard deviation	Range
Courtesy of crew	10	4.50	0.71	2	8	4.25	0.46	1
Responsiveness of crew	10	4.40	0.84	2	8	4.00	0.53	2
Mean rating		4.45				4.13		

Table 5. Summary of the rating scores for the assurance dimension.

Assurance	Airline manager				Travel industry manager			
	Count	Mean	Standard deviation	Range	Count	Mean	Standard deviation	Range
Actively providing service	10	4.50	0.85	2	8	4.25	0.71	2
Convenient departure and arrival time	10	4.50	0.70	2	8	4.50	0.53	1
Language skill of crew	10	3.70	0.95	2	8	3.50	0.93	3
Mean rating		4.20				4.08		

respondents rating “convenient departure and arrival time” as most important (4.50) (Table 5).

Both groups agreed with the factor considered to be least important to passengers, “Language skill of crew” scoring the lowest rating of all 15 factors measured. This was a surprising result, considering the brief of the discussion was long haul airlines. One could argue that language skill would not be important on a short-haul flight but long haul flights, by their nature, take passengers to and from very different markets / countries. Interestingly though, Emirates specifically recruits staff from the markets to which it flies. Emirates do this in order to ensure that on flights to the market concerned, the local language is spoken and at least some of the staff will understand the local customs. Another airline respondent proudly mentioned the fact that her airline employed people from over 100 different countries. She further stated the largest part of this was in the cabin crew to ensure that passengers saw a “familiar face” on board.

With regard to customs and culture, another airline respondent mentioned that Spanish passengers do not like butter. He mentioned that Spanish passengers preferred Olive Oil to butter and yet they found that South African passengers preferred butter or margarine so on their flights to Johannesburg they had to ensure that they carried both Olive Oil and butter or margarine. He mentioned that it may appear trivial, but for a Spanish passenger flying into Spain this could be quite important, particularly in the premium cabins where passengers tend to be more demanding.

Placing such close attention and effort into recruiting cabin staff would indicate a high level of importance being placed on language skill and understanding of local customs yet the mean scores for both groups of managers indicate that this is not so.

Empathy

Empathy is the dimension that saw the second most disagreement between both groups of managers interviewed, with airline respondents’ mean rating for empathy 4.17 and travel industry respondents 3.96 (Table 6). Again, travel industry respondents appear to be more critical in their rating than AMs. Indeed, on closer examination, 40% of the airline respondents rated two, or fewer, factors less than five; meaning that they rated five for at least 13 of the 15 factors measured. Not one travel industry respondent rated less than five of the 15 factors with a rating of less than five, indicating their more critical approach to the questionnaire. This gives the impression that the some of the AMs interviewed felt all or most of the factors were important, suggesting a lack of a critical understanding of exactly what it is that passengers feel is important.

“Extended travel service” was defined for the purpose of this study as those peripheral services offered by the airline through their website or call centre, such as booking car rental or accommodation. The fact that approximately 80% of air ticket bookings in South Africa are processed through a travel agency or travel

Table 6. Summary of the rating scores for the empathy dimension.

Empathy	Airline manager				Travel industry manager			
	Count	Mean	Standard deviation	Range	Count	Mean	Standard deviation	Range
Convenient ticketing process	10	4.50	0.71	2	8	4.00	1.07	2
Customers complaints handling	10	4.60	0.70	2	8	4.25	0.71	2
Extended travel service	10	4.40	1.07	3	8	3.63	0.74	2
Mean rating			4.17			3.95		

management company (TMC) would suggest why this received such a low rating of importance to passengers.

Another difference of interest is seen with the "customer complaints" factor. AMs rated this factor 4.60 and travel industry respondents rated this lower at 4.25. The questions were focused at airlines and these results suggest that TIMs feel this is not as important to airlines as they handle the bulk of air ticket bookings. At least 50% of TIMs mentioned, unprompted, that passengers often confuse the responsibility between the airline and the travel management company. This means that if, for example, a passenger's baggage went missing, the passenger would complain to the travel agency rather than the airline.

How perceptions of passenger expectations inform airline strategy

Perhaps unsurprisingly, 100% of AMs responded in the affirmative when asked whether their strategy is informed by passenger expectations. Every airline manager felt that their airline listened to passengers and attempted to incorporate their needs into their strategy. The result was different for TIMs. 38% of TIMs felt that airlines do not consider passengers' expectations in formulating their strategies. 50% felt that airlines do incorporate passenger preferences in their strategy and one TIM answered that they do so only partly.

It may therefore be concluded that whilst passenger expectations do inform airline strategic positioning, there are factors which indicate otherwise and that the result is only partly true. For example, the AMs interviewed indicated overwhelmingly that their airlines invest in the tangibles dimension as their primary area of investment which they themselves ranked as the least important to passengers.

Conclusion

The first important finding of the study was the similarity between AMs and TIMs rankings of the five SERVQUAL

dimensions. While there was some variation between the overall rankings between both groups of respondents, the overall results are remarkably similar. Both groups ranked reliability as the most important dimension for passengers producing a similar result to that seen by Sultan and Simpson (2000). This result is also consistent with similar research conducted in other industries where reliability was also found to be the most important dimension to customers (Parasuraman et al., 1985, 1993).

Within the discussion of reliability, trust emerged as a major theme for both groups of respondents. Eighty per cent of respondents interviewed felt that trust formed a large part of why they had ranked reliability as most important. Trust also emerged as an important driver of repeat business. The very nature of air travel explains the importance of this finding. Of the aspects related to reliability, safety emerged as the most important factor for passengers, as rated by both AMs and TIMs. This finding is particularly important in the South African context as it was shown that, in 2010, African carriers carried 2% of the global air traffic and yet carried 23% of the Western-built jet hull losses.

Only 20% of the AMs interviewed listed an aspect of reliability as their airline's primary investment area which is surprising considering the AMs themselves had rated reliability as most important to passengers. AMs ranked tangibles as the least important dimension for passengers yet 90% of the AMs interviewed indicated that fleet / product represented their airline's primary area of investment, meaning that tangibles represents their primary area of investment. Whilst it could be argued that new aircraft would improve reliability, the primary reasons given for this focus on investment do not indicate that. AMs mentioned cost saving and cabin upgrades as the primary reasons for their airline's investment in fleet / product. It could be argued that the reason for airlines' focus on investment outside of reliability could be due to the fact that, in Western markets, the accident rate has fallen to the lowest level in aviation history (IATA, 2011). As mentioned, this is not the case for African carriers though and would present an area of opportunity for carriers on the African continent wanting to improve their

reliability as well as the level of trust passengers place in their airline. An improvement to seating was listed as a second reason airlines were investing in fleet / product and, indeed, AMs and TIMS both rated "comfort and cleanliness of the seat" as the most important factor of the tangibles dimension. Three respondents mentioned that this was due to the fact airlines were using seat improvements as a means to attract new passengers.

The study was not designed to assess the importance of the relationship between AMs and TIMS yet the importance of this relationship emerged as an important theme. It was found that TIMs did not feel that all airlines focus sufficient effort on their relationship with TMCs. The majority of TIMs mentioned that they encouraged the sale of air tickets with the airlines with which they had the best relationship. This is particularly important in the South African context, as established; the majority of TIMs mentioned or confirmed the fact that 80% of air ticket bookings are processed through TMCs. Airlines not placing sufficient emphasis on managing these relationships could be losing business to those airlines encouraging a closer relationship with TMCs. This is particularly important considering the fact that, as one respondent put it, "there is a price war going on at the moment". A price war would suggest that airline seats have become commoditised where the differentiation is based on price rather than other aspects such as service quality. For an airline this means that strong relationships would be more important to ensure that its price breaks or special fares reach customers quickly and that TMCs promote these fares above other airlines' fares.

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