Services of low cost Carriers in India: 
The Customer’s Perspective

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Abstract

Objectives: To examine the customer’s expectation and customer’s perception about services of low cost carriers
Methods/Statistical Analysis: The present study is an empirical research which examines customers’ expectations and customers’ perceptions of low cost carriers of India. This paper addresses the problem through Gap analysis which was used to determine perception and expectation of customer on services provided by low cost carriers. The research involved Analysis of Variance (ANOVA) test to analyze the difference between customer profiles. T test was done to check the gap between the perceived and expected services of low cost carriers. Findings: Based on the research, the Results indicated gap existence between perception and expectation of customers. T test was done which showed significant gap between the perceived and expected services of low cost carriers. Based on ANOVA test it can be concluded that there is significant difference between socio-economic characteristics of customers and their expectations about services of low cost carriers and there is significant difference between socio-economic characteristics of customers and their perceptions about services of low cost carriers. Application/Improvements: However it can be concluded that the low cost carriers should focus on improving their services to meet the expectations of the customer which would lead to customer satisfaction.

Keywords: Expectation, Gap Analysis, Perception, Services Parameters

1. Introduction

The contribution of aviation sector has become more in the nation’s economic development. In both domestic and international, it plays an important role in moving human or commodity from one location to another location, which specially involves long distance. Rapid growth is witnessed in the Indian aviation industry and is termed as the fastest growing sectors in the world. In India, the Indian Airlines a public airline enjoyed monopoly position in operations and business activity till 1991. Gaining position this airline dictated terms and conditions to customers who were left with no choice but to accept with whatever was available heedless of the quality of service, pricing, hospitality and comfort.

Globalization has changed the scenario which paved way to the air space in opening up competitions. Introduction of low cost carriers changed the perception that air travel is reserved only for the elites. Subsequently, the sector which was absolutely controlled by Full-Service Carriers (FSCs) till a decade ago is now controlled by Low Cost Carriers (LCCs). In a way, low cost carriers address...
the rising aspirations of the Indian middle class people with their high price sensitivity. Low cost carriers have made air travel accessible to many and also boosted with air cargo.

The most outstanding characteristics of low cost carriers with concern to the commercial and customer-oriented aspects are the 'low price' price brand strategy, provision of only one class cabin facility, the strategy of no-frills and the customer service given low priority. These distinctive features are known to the passengers during the purchase of a ticket for a low cost airline which justify the ultimate focus on price as the prime evaluation parameter. In order to show the LCC characteristics into perspective; the Table 1 depicts the differences between LCCs and FSCs.

In India, the challenges in the low cost carrier markets are becoming intense as the customer's needs and wants are developing with variation. Where, business and service industries treat Service Quality as an influential subject in both public and private sectors. The contemporary Service Industry faces issues and challenges in providing accomplished service quality and high customer satisfaction. Providing exquisite service retains the confidence of a customer and is indeed essential for a competitive advantage. To understand the customers' needs and have a sense of responsibility to improve continuously is vital to provide a quality service. The critical dimension for competitiveness is service quality. At this point, it is necessary for low cost carriers to stay attentive about the latest change and trend in order to react promptly. Thus, decisive and appropriate information on a broad spectrum of customer requirements and expectations become alarmingly important nowadays.

To measure the service quality of the service provider the customers compare the expected services with the services perceived. Determining customers' expectations is a crucial requirement as customers have become highly sensitive to quality. Thus the aim of the present study was to assess the customer's service expectations, service perception and the gap between the two, with demographic profile is considered.

There are many researches available on customer expectation. Some of which are discussed as to understand, to build, and to maintain the quality are the vital issues of today's business. To provide good quality is not only a concern for the manufacturing companies. Many

| Table 1. Differences between low cost carriers and legacy carriers |
|---------------------------------------------------------------|
| **Characteristics**                                           | **Low cost carriers**          | **Legacy carriers**          |
| Branding                                                      | One low price brand            | Different brands with varied prices and service |
| Pricing structure                                            | Plain/Simple                   | Complicated                   |
| Means to distribute ticket                                   | Booking through Internet, direct | Internet, direct, travel agent |
| Process of Check-in                                          | Kiosk, e-tickets               | Kiosk, Paper tickets, e-tickets |
| Connectivity                                                | Point-to-point                 | Hub-and-spoke                 |
| Classes                                                      | Single                         | Numerous                      |
| In-flight                                                    | Frills not provided            | Provides free food & beverages |
| Usage of Aircraft usage (load factor)                        | Intensified                    | Intense moderately            |
| Type of Aircraft                                             | Single                         | Varied                       |
| Turnaround time                                              | 30 minutes or less             | Slow: congestion/complexity   |
| Service to customer                                          | Performance level is less      | High performance given and reliable |
| Type of Airport                                              | Secondary                      | Primary                       |
| Operational activities                                       | Flying as core focus           | Focus is both on cargo and flying. |
| Group targeted                                               | Travelers who are sensitive to price, time and leisure | Both leisure and business travelers |
| Other facilities                                             | No special program or lounge    | Frequent flyer program and passenger lounge |

Source: Adapted from Holloway and O'Connell & Williams.
firms related to service also need to consider delivering of quality service as an important factor\(^2\). The expectation about service, perception of service, value of service, satisfaction of customer and image of the airline normally form the key variables during the modeling of passengers’ decision-making processes. It is indicated that in Malaysia, Empathy, Tangibles and Assurance were the factors of customers’ perception of service quality which were highly significant. To add on, it was indicated by the respondents that the airlines surveyed performed better than expected on the responsiveness dimension of service quality\(^2\). The service setting in many situations states that the customers expected level of service may not be received when compared with the actual service experience\(^4\). The service performance rating tends to occur under customers’ expectations or above expectation. High quality is defined when perceived service exceeds the expectations which is a surprise. On the contrary where expectations remain unmet then the quality of service is deemed unacceptable. The quality is in satisfactory level when the expectations are confirmed by the service perceived.

However, customer satisfaction is highly impacted by quality, which falls short of expectations, than the quality which exceeds satisfaction\(^2\). In general, the literature studies related to service quality identifies expectations as a catalyst influencing the evaluation of the consumer\(^10,11\). The services perceived in LCCs have a significantly positive effect on the image of the destination, and the image of the destination has a significantly positive effect on behavioral intentions\(^12\). The airline which was able to create and maintain quality of service would gain some benefits, among others: established a close relationship between the airline passengers, provided a good basis for repurchase, encouraged the loyalty of passengers, created word-of-mouth, created a good reputation in the minds of passengers, and in the end encouraging increase airline profits. Good quality of service was a competitive strategy for the airlines, in addition to improving satisfaction would also increase the airline's image in the minds of customers; the quality of customer service was also pushing for a commitment to the airline, which led to a rise in the market share\(^13\). The strategy of building relationship and delivering the promise of the company remained the cornerstone attaching great importance to service quality in airline industry. To be successful, it is necessary for an airline to gain complete information about their current and probable customers. If airlines were in a position to keep up their promise by promptly delivering their services like staying punctual, maintaining cleanliness, assuring safety and handling of baggage's efficiently to accomplish the target and attain support from customers\(^14\). The study investigated the service quality of four major airlines in China’s domestic market and explained the links between their service quality and customer satisfaction and it suggested that different marketing strategies may be used to target different market segments to improve customer loyalty\(^15\).

In today’s world of globalization, to survive among the competitors and gain a competitive advantage, it is important to understand and meet the expectations of the customers. Customer needs and expectations are used for measuring and monitoring the quality of service and satisfaction in service companies\(^16\). The choice of airline by air travelers were influenced by few variables like the demographic profile of the customer, comfort, services on-board, frequency, behavior of the crew, fare and monopoly power. Few recommendations were suggested which stated that the target marketing should be used by the airlines to attract patronage from varied age groups, providing better comfort and services on-board, major routes to be considered for increasing frequency, fares to be charged competitively and to apply the monopoly power by delivering services to the routes which are undeveloped or make a distinctive product and the airlines should create more opportunities for their air travelers to avail the choice of purchasing tickets before reaching airport\(^17\). In perceived quality the main dimension was the “responsiveness” of the company which involved (baggage and delays). According to the author every passenger is unique and has to be considered different. The valuations of passengers are affected by their level of education\(^15\).

Research on expectation of passengers have highlighted the need for segmentation in the market; dimensions like assurance and tangible were considered as vital factors for passengers who travelled less frequently than the once whose frequency of travel was high. These values of perception would help in analyzing the success of the business on recovering service, maintenance of relationship, analysis of consumer behavior and the tolerance factor zone of various customers can also be known. Based on these parameters, a clear service blue print can be developed by the managers to enhance growth in the long term with successful business and sound profit margin\(^19\). A six-factor model namely checking
in, security, convenience, ambience, basic facilities and mobility forms a typical measures which provides sensible multi-item instrument to measure the perception of the passenger regarding Airport Service Quality within the airport industry. The passenger perception of the quality of airline services was one of the main drivers of satisfaction and perceived value. Failure to provide a quality service to the customers also could destroy the image of the carrier and cause a negative effect on customer loyalty. Customer satisfaction is influenced by various quality factors in different ways, and evaluating the relative perceived service quality on customer satisfaction a company’s output is achieved.

Since service quality shows an increased level of commitment and reflects the actual satisfaction of a customer. This study focuses on the following objectives.

1.1 Objective of the Research

- To examine the customers expectation and customers perception about services of low cost carriers
- To analyze the Gap between customers expectation and customers perception
- To find out the difference between customer profile and customers expectation and customers perception about services of low cost carriers.

2. Research Methodology

The study involves survey method for data collection. The period of study was from June 2014 to February 2016. The unit of inquiry was individual and low cost carrier’s customers were respondents at Indira Gandhi International Airport (Terminal 1), New Delhi who were waiting for departure and arrival. The selection was done on the basis of convenience sampling. The sample size was 1300 respondents, where the questionnaires were randomly distributed to the respondents in the airport. Completely answered 1200 questionnaires were chosen for analysis. Mall intercept method was adopted for collecting data; the questionnaire was distributed to the passengers at the arrival and departure hall of the airport. The questionnaire was administered on various parameters of services of low cost carriers in India which was constructed on the basis of extensive literature. Customer expectations and perceptions are taken after service experience of the customer. The opinion of the customers pertaining to their expectations about services of low cost carriers and their perception were measured on 5 Point Likert Scale ranging from strongly agree (5) to strongly disagree (1). The study is limited to low cost carriers in India.

The study uses different statistical techniques to analyze the data. The customers expectations and perceptions on the determinants are analyzed through mean and standard deviation. The GAP is analyzed from the difference between Customer perceptions and expectations. In order to examine the difference between socio-economic characteristics of customers and their expectation and the perception about services of low cost carriers the Analysis of Variance (ANOVA) test has been applied. Descriptive statistics are used for analyzing and summarizing the collected data. It is specifically used to make general observation of the collected data. The number of respondents analyzed was 1200 whose profile is presented in Table 2.

3. Analysis Of Data

This section discusses the results of the data analysis. From the Table 2 it can be concluded that majority of the respondents were male (58.17 percent). The customers Less than 20 years were only 4.67 percent. More than 30 percent of the customers were of the age group 31-40 years. The educational qualification reflected that greater number of respondents were graduates (34.67 percent) followed by post-graduates (26.83 percent). The respondents with business background were 18.83 percent. Very less percent of the respondents were students namely 3.84 percent and large part (30.25 percent) belonged to the private sector in occupation. The annual income of the customers reflect that 28.83 percent were from the annual income group of Rs.3,00,001– Rs.4,50,000 followed by 24.83 percent from the group with Rs.1,50,001 – Rs.3,00,000.

Table 2. Demographic profile of customers of low cost carriers

| Demographic Profile | Number of Customers | Percentage |
|---------------------|---------------------|------------|
| Gender              |                     |            |
| Male                | 698                 | 58.17      |
| Female              | 502                 | 41.83      |
| Age Group           |                     |            |
| Less than 20 years  | 56                  | 4.67       |
3.1 Customer’s Expectation about Services of low cost Carriers

The customer’s expectation and customer’s perception about services of low cost carriers was analyzed with 25 different services identified based on the literature. The customer’s expectations about services of low cost carriers were analyzed and the results are presented in Table 3.

The results of Table 3 show that the customers of low cost carriers had high expectations for certain parameters like providing prompt information in case of delay (waiting time, receiving of food packets, hotel stay, rebook a flight), well-organized information of flight schedule and pre-flight services of low cost carrier (early baggage check-in, e-mail and SMS reminder). The customers had least expectations for parameters like onboard shopping with wide selection of products in low cost carrier, in-flight child care / bassinets in low cost carrier, seat preference of low cost carrier, reliability of low cost carrier’s flight schedule, new planes of low cost carriers.

3.2 Customer’s Perception about Services of low cost Carriers

The customer’s perception about services of low cost carriers was analyzed and the results are presented in Table 4.

The results of Table 4 indicate that the customers of low cost carriers perception presently were on the higher side which included parameters like easy, accurate and speedy reservation and ticketing facilities of low cost carrier, employees of low cost carriers and capability to respond to emergency situations, meal preferences of low cost carrier, check-in process efficiency of low cost carrier which was reflected with higher mean value ranging between 4.7 and 4.64. The customer’s perception about services of low cost carriers remained low for parameters like compensations of low cost carriers if encountered a long delay, new planes of low cost carriers and cancellation of flight by low cost carriers with least mean values of 3.24, 3.19 and 3.13 respectively.

3.3 Gap between Customer’s Perception and Customer’s Expectation about Services of low cost Carriers

For a success of a business it is mandatory to provide remarkable service quality, which otherwise would not ensure the endurance of the business. Along this line, a model was developed in which it was stated that a comparison was done by the customers between the expected service and the perceived service to estimate the quality of service. “The SERVQUAL model suggests that the differences between customers’ expectations about the performance of a general class of service providers and their assessment of the actual performance of a specific firm in that class results in perceptions of quality. So that the prime objective of customer satisfaction is to identify the level of service provided to the customer through service quality assessment”[23].

The SERVQUAL model related to the quality of service determines five different types of gaps that which causes a failure in the delivery. The paradox incurred in the process of quality management results among the five different gaps[25].
Table 3. Customer’s expectation about services of low cost carriers

| Sl. No. | Services Parameters                                                                 | Mean  | Standard Deviation |
|--------|-------------------------------------------------------------------------------------|-------|--------------------|
| 1      | New planes of low cost carrier                                                      | 4.31  | 0.48               |
| 2      | Comfort of air conditioners in the low cost carrier                                | 4.72  | 0.21               |
| 3      | Highly comfortable seats in the low cost carrier                                   | 4.65  | 0.26               |
| 4      | Clean and comfortable interiors of low cost carrier                                | 4.68  | 0.24               |
| 5      | High quality in-flight environment of low cost carrier                              | 4.7   | 0.16               |
| 6      | Variety and choices of in-flight entertainment facilities of low cost carrier      | 4.76  | 0.11               |
| 7      | Seat preference of low cost carrier                                                 | 4.43  | 0.14               |
| 8      | In-flight child care / bassinets in low cost carrier                                | 4.45  | 0.09               |
| 9      | Convenient flight schedules and enough frequencies of low cost carrier              | 4.48  | 0.21               |
| 10     | Check in process efficiency of low cost carrier                                    | 4.73  | 0.1                |
| 11     | Non-stop service to various destinations of low cost carrier                         | 4.67  | 0.17               |
| 12     | Low cost carrier Departures from the airport at schedule time                       | 4.78  | 0.11               |
| 13     | Low cost carrier arrivals to the destination at schedule time                       | 4.66  | 0.1                |
| 14     | Cancellation of flight by low cost carrier                                          | 4.64  | 0.12               |
| 15     | Remedial procedures for deployed or missing baggage of low cost carrier              | 4.65  | 0.22               |
| 16     | Well-organized Information of flight schedule                                       | 4.84  | 0.12               |
| 17     | Reliability of low cost carrier’s flight schedule                                   | 4.37  | 0.18               |
| 18     | Compensations of low cost carrier if encountered a long delay                       | 4.77  | 0.09               |
| 19     | Onboard shopping with wide selection of products in low cost carrier                | 4.48  | 0.15               |
| 20     | Employees of low cost carriers and capability to respond to emergency situations    | 4.75  | 0.11               |
| 21     | Pre-flight services of low cost carrier (early baggage check-in, e-mail and SMS reminder) | 4.83  | 0.07               |
| 22     | In case of delay, immediate announcement and information providing facilities of low cost carriers (waiting time, receiving of food packets, hotel stay, rebook a flight) | 4.86  | 0.05               |
| 23     | Easy, accurate and speedy reservation and ticketing facilities of low cost carrier  | 4.73  | 0.11               |
| 24     | Meal preferences of low cost carrier                                                | 4.78  | 0.05               |
| 25     | Quality of food in low cost carrier                                                 | 4.71  | 0.07               |

Source: Primary data

**Gap 1:** The management perception gap.

**Gap 2:** The gap in specification of quality. Misinterpretation in the specification of service, leading to discrepancies in specification of quality service even after knowing the need of the customer.

**Gap 3:** The gap in delivery service. This indicates the gap incurred in the performance of service and depicts the lack of specified quality at performance during the process of delivery and service production.

**Gap 4:** The gap in market communication. The gap results when there are inconsistent promises done by market communication activities which fail in delivering the required service.

**Gap 5:** The perceived service quality gap. When there is a shortage with the perceived service and the expected service of the customer, this gap is expected to occur. Comparison of the actual service delivered to the perceived is considered to be the most important gap. Managing of gaps between expectations and perceptions is important to obtain good service quality; gaps have to be managed from all aspects like customers, employers, and management.
“Service quality scores (Q) can be measured by subtracting the customer’s perception score (P) from the customer’s expectations score (E). This can be denoted by the equation: \[ Q = P - E \]. Table 5 represents the gap between customer’s perception and customer’s expectation about services of low cost carriers.

The significance wise gap analysis is shown in Table 5 above. The Gap between customer’s perception and customer’s expectation has been bifurcated into three categories namely significant, less significant and least significant. The service parameter with a mean difference between expectation and perception of -1 and above has been categorized as significant. The service parameter with a mean difference between -0.5 to -0.99 has been categorized as less significant and the parameters with mean difference of -0.49 and below have been categorized as least significant. Table 5 shows that the parameters which represent significant gap requires utmost attention by the low cost carriers which include services like providing compensations in case of long delay, reducing cancellation of flight by low cost carrier, providing variety and choices of in-flight entertainment facilities of low cost carrier. Few service parameters like seat preference, reliability of flight schedule, quality of in-flight environment are less

| Sl. No. | Services Parameters                                                                 | Mean   | Standard Deviation |
|--------|-------------------------------------------------------------------------------------|--------|--------------------|
| 1      | New planes of low cost carrier                                                      | 3.19   | 0.62               |
| 2      | Comfort of air conditioners in the low cost carrier                                 | 4.2    | 0.14               |
| 3      | Highly comfortable seats in the low cost carrier                                    | 4.31   | 0.32               |
| 4      | Clean and comfortable interiors of low cost carrier                                 | 4.36   | 0.12               |
| 5      | High quality in-flight environment of low cost carrier                              | 4.14   | 0.16               |
| 6      | variety and choices of in-flight entertainment facilities of low cost carrier      | 3.38   | 1.01               |
| 7      | Seat preference of low cost carrier                                                 | 3.44   | 0.19               |
| 8      | In-flight child care / bassinets in low cost carrier                                | 3.45   | 0.09               |
| 9      | convenient flight schedules and enough frequencies of low cost carrier              | 4.07   | 0.57               |
| 10     | Check in process efficiency of low cost carrier                                    | 4.64   | 0.23               |
| 11     | Non-stop service to various destinations of low cost carrier                        | 4.63   | 0.16               |
| 12     | Low cost carrier Departures from the airport at schedule time                       | 4.22   | 0.4                |
| 13     | Low cost carrier arrivals to the destination at schedule time                       | 4.3    | 0.18               |
| 14     | Cancellation of flight by low cost carrier                                         | 3.13   | 0.81               |
| 15     | Remedial procedures for deployed or missing baggage of low cost carrier             | 4.14   | 0.36               |
| 16     | well-organized Information of flight schedule                                      | 4.6    | 0.14               |
| 17     | Reliability of low cost carrier’s flight schedule                                   | 3.41   | 0.66               |
| 18     | Compensations of low cost carrier if encountered a long delay                       | 3.24   | 0.9                |
| 19     | Onboard shopping with wide selection of products in low cost carrier                | 3.38   | 0.82               |
| 20     | Employees of low cost carriers and capability to respond to emergency situations    | 4.69   | 0.15               |
| 21     | Pre-flight services of low cost carrier (early baggage check-in, e-mail and SMS reminder) | 4.34   | 0.39               |
| 22     | In case of delay, immediate announcement and information providing facilities of low cost carriers (waiting time, receiving of food packets, hotel stay, rebook a flight) | 4.32   | 0.57               |
| 23     | Easy, accurate and speedy reservation and ticketing facilities of low cost carrier | 4.7    | 0.1                |
| 24     | Meal preferences of low cost carrier                                                | 4.69   | 0.17               |
| 25     | Quality of food in low cost carrier                                                 | 4.38   | 0.16               |

Source: Primary Data
Table 5. Gap between customer’s perception and customer’s expectation about services of low cost carriers

| S.No | Services Parameters                                                                 | EXPECTATION | PERCEPTION | (PERCEPTION-EXPECTATION) |
|------|-------------------------------------------------------------------------------------|-------------|------------|--------------------------|
| 1    | Compensations of low cost carrier if encountered a long delay                        | 4.77        | 3.24       | -1.53                    |
| 2    | Cancellation of flight by low cost carrier                                         | 4.64        | 3.13       | -1.51                    |
| 3    | Variety and choices of in-flight entertainment facilities of low cost carrier       | 4.76        | 3.38       | -1.38                    |
| 4    | New planes of low cost carrier                                                      | 4.31        | 3.19       | -1.12                    |
| 5    | Onboard shopping with wide selection of products in low cost carrier                | 4.48        | 3.38       | -1.10                    |
| 6    | In-flight child care / bassinets in low cost carrier                                | 4.45        | 3.45       | -1.00                    |
| 7    | Seat preference of low cost carrier                                                 | 4.43        | 3.44       | -0.99                    |
| 8    | Reliability of low cost carrier's flight schedule                                   | 4.37        | 3.41       | -0.96                    |
| 9    | High quality in-flight environment of low cost carrier                              | 4.7         | 4.14       | -0.56                    |
| 10   | Low cost carrier Departures from the airport at schedule time                       | 4.78        | 4.22       | -0.56                    |
| 11   | In case of delay, immediate announcement and information providing facilities of low cost carrier (waiting time, receiving of food packets, hotel stay, rebook a flight) | 4.86        | 4.32       | -0.54                    |
| 12   | Comfort of air conditioners in the low cost carrier                                 | 4.72        | 4.2        | -0.52                    |
| 13   | Remedial procedures for deployed or missing baggage of low cost carrier             | 4.65        | 4.14       | -0.51                    |
| 14   | Pre-flight services of low cost carrier (early baggage check-in, e-mail and SMS reminder) | 4.83        | 4.34       | -0.49                    |
| 15   | Convenient flight schedules and enough frequencies of low cost carrier             | 4.48        | 4.07       | -0.41                    |
| 16   | Low cost carrier arrivals to the destination at schedule time                       | 4.66        | 4.3        | -0.36                    |
| 17   | Highly comfortable seats in the low cost carrier                                   | 4.65        | 4.31       | -0.34                    |
| 18   | Quality of food in low cost carrier                                                 | 4.71        | 4.38       | -0.33                    |
| 19   | Clean and comfortable interiors of low cost carrier                                 | 4.68        | 4.36       | -0.32                    |
| 20   | Well-organized Information of flight schedule                                       | 4.84        | 4.6        | -0.24                    |
| 21   | Check in process efficiency of low cost carrier                                     | 4.73        | 4.64       | -0.09                    |
| 22   | Meal preferences of low cost carrier                                                | 4.78        | 4.69       | -0.09                    |
| 23   | Employees of low cost carriers and capability to respond to emergency situations    | 4.75        | 4.69       | -0.06                    |
| 24   | Non-stop service to various destinations of low cost carrier                        | 4.67        | 4.63       | -0.04                    |
| 25   | Easy, accurate and speedy reservation and ticketing facilities of low cost carrier | 4.73        | 4.7        | -0.03                    |

Source: Primary Data
significant. It can be stated that these parameters need less attention. The least significant parameters as per the study are preflight services, easy, accurate and speedy reservation and ticketing facilities of low cost carrier require less prioritization. In other words it can be stated that the highest expectations of the customer are met to an extent. But still there exists a gap between the service received and expected for few parameters.

In order to understand overall comparison between perception and expectation on all the service parameters a t-test was conducted and it indicated a significant gap (p<0.01) which is represented in the below table 6.

### 3.4 Difference between Socio-Economic Characteristics of Customers and their Expectation and Perception about Services of low cost Carriers

The result of the difference between socio-economic characteristics of customers and their expectation about services of low cost carriers through ANOVA is shown in table 7. The socio-economic characteristics namely gender (Table 7), age (Table 9), educational qualification (Table 11), occupation (Table 13) and annual income (Table 15) depicted F-value of 221.080, 22.415, 19.174, 20.432 and 5.470 respectively.

#### Table 6. Gap Analysis t test Result

|                     | Mean  | Std. Deviation | T     | Sig. (2-tailed) |
|---------------------|-------|----------------|-------|-----------------|
| PERCEPTION-EXPECTATION | -0.6032 | 0.46499        | -6.486 | .000            |

#### Table 7. Gender and expectation about services of low cost carriers - ANOVA

| Source                | SS                | Degrees of Freedom | MS        | F          | Sig. |
|-----------------------|-------------------|--------------------|-----------|------------|------|
| Between Groups        | 10208.501         | 1                  | 10208.5   | 221.08     | .000 |
| Within Groups         | 55318.446         | 1198               | 46.176    |            |      |
| Total                 | 65526.947         | 1199               |           |            |      |

Source: Primary Data

#### Table 9. Age group and expectation about services of low cost carriers - ANOVA

| Source                | SS                | Degrees of Freedom | MS        | F          | Sig. |
|-----------------------|-------------------|--------------------|-----------|------------|------|
| Between Groups        | 5622.876          | 5                  | 1124.58   | 22.415     | .000 |
| Within Groups         | 59904.071         | 1194               | 50.171    |            |      |
| Total                 | 65526.947         | 1199               |           |            |      |

Source: Primary Data

#### Table 11. Educational Qualification and expectation about services of low cost carriers – ANOVA

| Source                | SS                | Degrees of Freedom | MS        | F          | Sig. |
|-----------------------|-------------------|--------------------|-----------|------------|------|
| Between Groups        | 4870.314          | 5                  | 974.063   | 19.174     | .000 |
| Within Groups         | 60656.633         | 1194               | 50.801    |            |      |
| Total                 | 65526.947         | 1199               |           |            |      |

Source: Primary Data

#### Table 13. Occupation and Expectation about services of low cost carriers – ANOVA

| Source                | SS                | Degrees of Freedom | MS        | F            | Sig. |
|-----------------------|-------------------|--------------------|-----------|--------------|------|
| Between Groups        | 7020.188          | 7                  | 1002.88   | 20.432       | .000 |
| Within Groups         | 58506.759         | 1192               | 49.083    |              |      |
| Total                 | 65526.947         | 1199               |           |              |      |

Source: Primary Data
which were significant at one percent level. This indicates that there is a significant difference between socio-economic characteristics of customers and their expectation about services of low cost carriers. The results depict that the customers’ expectation about services of low cost carriers is influenced by their socio-economic characteristics.

The result of the difference between socio-economic characteristics of customers and their perception about services of low cost carriers through ANOVA is shown in Table 8. The F-values of the socio-economic characteristics namely gender (Table 8), age (Table 10), educational qualification (Table 12), occupation (Table 14) and annual income (Table 16) were 316.571, 49.540, 38.788, 39.503 and 7.446 which were significant at one percent level. This indicates that there is a significant difference between socio-economic characteristics of customers and their perception about services of low cost carriers. The result simply that the customers’ perception about services of low cost carriers is dependent on their socio-economic characteristics.

4. Discussion of Results

The aim of the study was to gain an insight by examining the customers’ expectation and customers’ perception about services of low cost carriers, by analyzing the Gap between customers’ expectation and customers’ perception and by finding out the difference between customer profile and customers’ expectation and customers’ perception about services of low cost carriers. The results imply that the customers’ expectation about services of low cost carriers is dependent on their socio-economic characteristics.

The customers’ perception about the services of low cost carriers is that they show focus on meal preferences, employees of low cost carriers, their capabilities to respond in emergency, efficient check in process, non-stop services to various destinations and well organized information of flight schedule. Parameters like cancellation of flights, new planes of low cost carriers, compensations provided if in case of delays, providing of wide of products during on board shopping in low cost carriers were given least importance.

In terms of gap between customers’ expectations and customers’ perception about services of low cost carriers shows highest gap for the compensation of low cost carriers if long delays are encountered this did not meet the expectations. The customers’ expectation towards cancellations of flights was also not met. The service of providing immediate announcements and information facilities, in case of delays was partially met with the expectations. The least gap was witnessed for easy, accurate and speedy reservation and ticketing facility of low cost carriers as it almost met the expectations of the customer. On the other hand, it is necessary for the low cost carriers to improve their service, so as to reduce the gap and attain the expectations of the customer. The results of t-test depict the comparison between service expectations and service perceptions of the customers of low cost carriers which indicated a significant gap.

The ANOVA test with expectations and demographic profile of customers of low cost carriers namely gender, age group, educational qualification, occupation and annual income has a significant difference. The ANOVA test with perception and demographic profile of customers of low cost carriers namely gender, age group, educational qualification, occupation and annual income also has a significant difference. Hence, stating that expectations and perceptions of services of low cost carriers do get influenced by the demographic profile of the customers of low cost carriers.
Table 8. Gender and perception about services of low cost carriers - ANOVA

| Source             | SS        | Degrees of Freedom | MS  | F       | Sig. |
|--------------------|-----------|--------------------|-----|---------|------|
| Between Groups     | 78629.413 | 1                  | 78629.4 | 316.571 | .000 |
| Within Groups      | 297556.957 | 1198               | 248.378 | -       | -    |
| Total              | 376186.37 | 1199               | -   | -       | -    |

Source: Primary Data

Table 10. Age group and perception about services of low cost carriers- ANOVA

| Source             | SS        | Degrees of Freedom | MS  | F       | Sig. |
|--------------------|-----------|--------------------|-----|---------|------|
| Between Groups     | 64632.979 | 5                  | 12926.6 | 49.54   | .000 |
| Within Groups      | 311553.391 | 1194               | 260.932 | -       | -    |
| Total              | 376186.37 | 1199               | -   | -       | -    |

Source: Primary Data

Table 12. Educational Qualification and Perception about services of low cost carriers– ANOVA

| Source             | SS        | Degrees of Freedom | MS  | F       | Sig. |
|--------------------|-----------|--------------------|-----|---------|------|
| Between Groups     | 52565.222 | 5                  | 10513 | 38.788  | .000 |
| Within Groups      | 323621.148 | 1194               | 271.039 | -       | -    |
| Total              | 376186.37 | 1199               | -   | -       | -    |

Source: Primary Data

Table 14. Occupation and Perception about services of low cost carriers– ANOVA

| Source             | SS        | Degrees of Freedom | MS  | F       | Sig. |
|--------------------|-----------|--------------------|-----|---------|------|
| Between Groups     | 70834.931 | 7                  | 10119.3 | 39.503  | .000 |
| Within Groups      | 305351.439 | 1192               | 256.167 | -       | -    |
| Total              | 376186.37 | 1199               | -   | -       | -    |

Source: Primary Data

Table 16. Annual Income and Perception about services of low cost carriers– ANOVA

| Source             | SS        | Degrees of Freedom | MS  | F       | Sig. |
|--------------------|-----------|--------------------|-----|---------|------|
| Between Groups     | 3678.412  | 4                  | 919.603 | 7.446   | .000 |
| Within Groups      | 147594.687 | 1195              | 123.51  | -       | -    |
| Total              | 151273.099 | 1199              | -   | -       | -    |

Source: Primary Data

5. Conclusion

The gain or loss of low cost carriers in India is an alluring issue, as India is the center of heavy competition. Customers’ satisfaction is important in order to be lucrative and competitively established. Therefore it is important to assess the customers’ expected quality and perceived quality when using low cost carriers. This is a powerful and practical implication for low cost carrier marketers as the particular assessment of service quality is an effective method for building market strategies and framing service policies. The study finds that there exists a significant gap between the customer’s expectation and customer’s perception across various parameters of
services provided by the low cost carriers in India. The result depicts the existence of significant difference between socio-economic characteristics of customers and their expectations and perception about services of low cost carriers.

The study establishes the need to strategize in formulating a robust and adequate compensation policy applicable in case of delay. The airlines players also need to work towards minimizing the cancellation of flights and upgrading the facilities inside the flight.

A customer’s satisfaction occurs when the service quality meets the expectations, generating more rational customers’ expectations about the assurance made by the airlines may raise their standard of perceived service quality.

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