

Assessment of Service Quality of Low-Cost airlines ground staff at International Airports in Thailand

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Abstract

The rapid development of sophisticated technology has changed the global dynamic of aviation and increased the demand for service quality and passenger aviation. Thailand, one of the fast-growing countries in terms of tourism airline industries and economy in the Asia-Pacific region. Country has seen a noticeable growth over the past decade. This industry is in the budding and mushrooming stages and sooner gets far better in the coming years. Industry. Under the new global dynamic, airlines have shifted and are now focusing on gaining competitive advantage by becoming a world-class company. Reputation and strategy are vital to the success of aviation business. Due to economic and socio-political, aviation is sensitive. All of the above are noteworthy for passengers to choose to travel, and the obstacles that can completely affect aviation business operations. In order to survive in this business, global airlines, including Thailand, have to evolve mechanisms and change their operations and

human resource management to make it stronger and more unusual. Study has revealed that the services at international terminals are up to the expectations of the passengers. However, Check-in staff with all necessary equipment services parameter showed an average satisfaction.

Key words: Service Quality, Ground Staff, Low-Cost, Airlines, and Thailand

Introduction:

Thailand, one of the fast-growing countries in terms of tourism airline industries and economy in the Asia-Pacific region. Country has seen a noticeable growth over the past decade. This industry is in the budding and mushrooming stages and sooner gets far better in the coming years. Industry. The Thailand's airline market has shown significant growth in 2018. The rapid development of sophisticated technology has changed the global dynamic of aviation and increased the demand for service quality and passenger aviation. In addition to providing a public utility service, air transport has been instrumental in national economic development. It will enable businesses to do more in the supply chain industries such as restaurants, tourism, hospitality and travel agents. International civil organization has indicated that air transport of world- wide passengers are increasing continuously as follows 4.8, 5.9, and 6.3 percent in 2013, 2014, and 2015 as shown (figure 1 and 2).

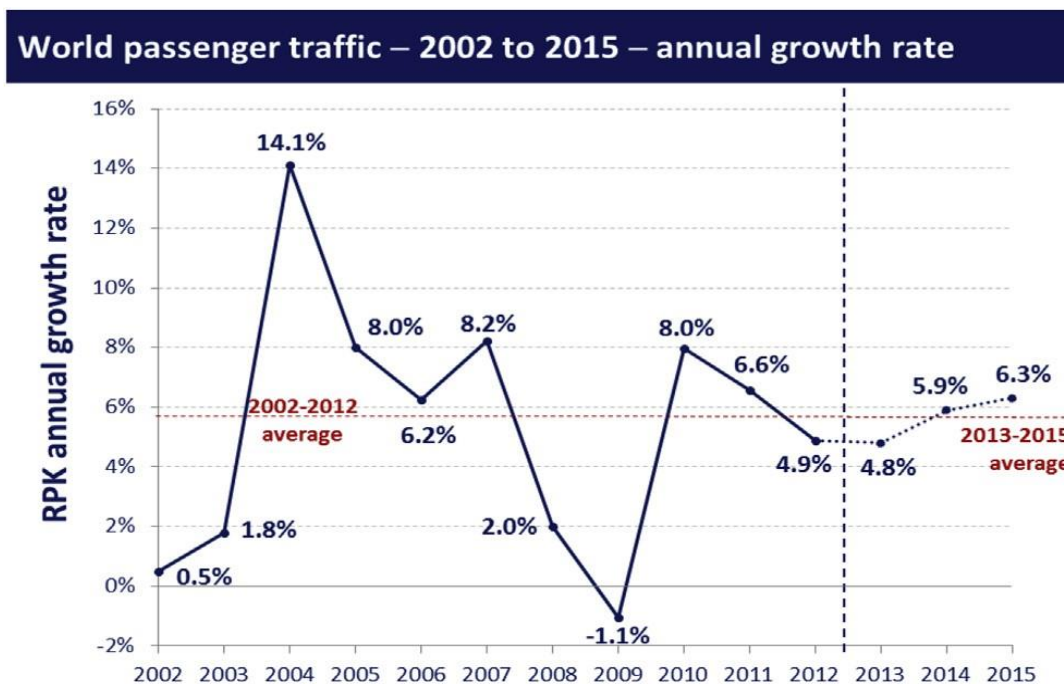
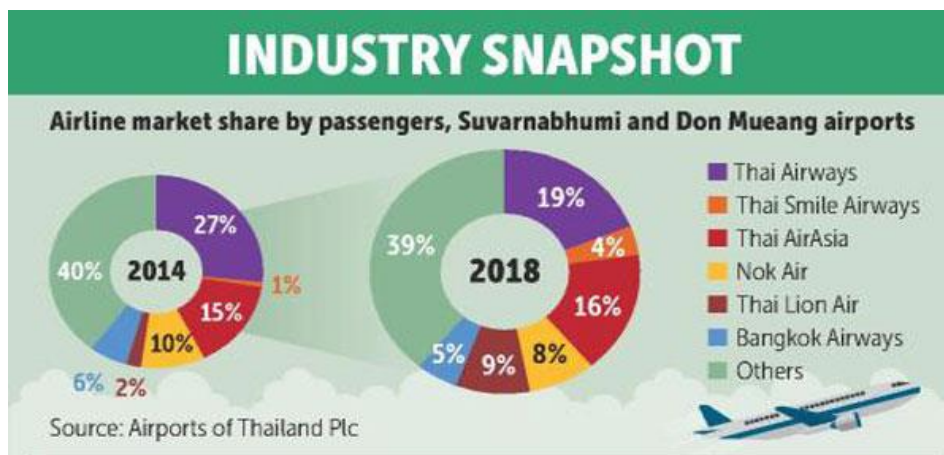


Figure 1 Forecast air transport passenger traffic between 2013 and 2015 Source: International Civil Aviation Organization (2013).

International Air Transport Association (IATA) shows that between 2013 and 2017, demand for global passenger international air cargo expanded by an average of 5.4 percent per year, these values are expressed as revenue passenger kilometers. In the Asia-Pacific region will be elevated by 5.6 percent where as 4.2 percent worldwide (UNWTO 2013). 6.3 percent growth rate was notice in the year 2012 (Thai Airways International Company LTD, 2012).

Figure:2 airline market share by passengers at two major international airports in Thailand.



Source: Airport of Thailand PLC (2019)

In Thailand, DMK is well known for the Low-Cost Airlines (LCA) hub and on the basis point to point international destinations and showing significant increase in volume of passengers and aircrafts. LCAs play an important role for full-service airlines and competitors among themselves. Pricing strategy is a key element of competition. However, service strategy is important and many studies and research have shown that price competition is negative for LCAs in the long run (Chang and Yeh, 2002). As we all well aware of the importance of service quality, passengers always expect high with low cost. Hence service quality with low cost has become an important indicator to impress the passengers. Most of the business organizations aimed to impress their passengers by providing excellent services. Reliability, organization image and loyalty play an important role choosing the airlines.

Table 1. Increased volume of flights and passengers at six airports in Thailand

Name of the Airport	Aircraft movement		Number of passengers	
	2012	2013	2012	2013
Suvarnabhumi	326,970	288,004	52,368,712	50,900,697
Don Mueang	37,141	135,988	2,717,413	15,562,753
Chiang Mai	35,571	41,295	4,334,608	5,172,742
Hat Yai	14,573	17,056	2,013,243	2,465,370
Phuket	59,406	70,198	9,161,005	10,979,537
Mae Fah Luang	6,674	6,882	926,323	1,053,863
Total	480,335	559,423	71,521,304	86,134,962

Source: Airport of Thailand PLC (2013).

Table 3. Top three passenger complaints about U.S airlines between January and December 2013.

U.S airlines	Flight problems	Customer service	Baggage
Air Wisconsin	30	10	0
Airtran Airways	47	22	18
Alaska Airlines	22	17	13
Allegiant Air	139	57	21
American Airlines	485	275	358
American Eagle Airlines	180	34	34
Chautauqua Airlines	30	3	4
Commut Air	36	0	4
Compass Airlines	11	3	3
Delta Air Lines	178	137	79
Endeavor Airlines	75	9	20
Express jet Airlines	251	22	36
Frontier Airlines	75	42	33
Go!	45	3	3
Gojet Airlines	36	7	7
Great Lakes Aviation	24	1	1
Hawaiian Airlines	15	20	11
Horizon Airlines	9	2	3
Island Airlines	7	1	0
Jetblue Airways	47	28	48
Mesa Airlines	52	9	1
Piedmont Airlines	44	6	2
PSA Airlines	24	3	2
Republic Airlines	116	11	9
Shuttle America	44	6	6
Silver Airways	17	3	14
Skywest Airlines	142	18	30
Southwest Airlines	104	76	70
Spirit Airlines	318	109	148
Sun Country Airlines	3	2	4
Trans States Airlines	19	1	5
United Airlines	521	337	287
US Airways	277	99	75
Virgin America	19	15	17
Other U.S. airlines	21	8	6
Total Jan-Dec 2013	3,473	1,396	1,372

Source U.S Department of Transportation (2014).

Under the new global dynamic, airlines have shifted and are now focusing on gaining competitive advantage by becoming a world-class company. Reputation and strategy are vital to the success of aviation business. Due to economic and socio-political aviation is sensitive

even though it is popular among passengers, aviation is sensitive to outsourcing due to economic, political and social factors. For instance, natural disasters, the fuel crisis, and epidemics have caused cost control problems, resulting in more serious competition for aviation business prices. All of the above are noteworthy for passengers to choose to travel, and the obstacles that can completely affect aviation business operations. In order to survive in this business, global airlines, including Thailand, have to evolve mechanisms and change their operations and human resource management to make it stronger and more-unusual. Providing service quality to passengers is critical to meeting passenger needs in increasing aviation business survival and success (Chen and Chang 2005). In addition, they must be willing to provide and create new innovative business practices that differentiate their value and service features from those of their competitors. Therefore, research on the quality of service of ground staff at DMK is integral to developing successful aviation companies in Thailand.

Forthwith, satisfaction and passenger loyalty are converged and leads to better aviation service quality. Airlines demonstrate their service quality more clearly and concisely so that passengers can use this basic information to help them make a decision when choosing a service (Tolpa, 2012). Hence, level of concern and civility (such as friendliness, attention, listening, understanding, and courtesy) among service providing personnel and passengers is important.

2. Research Methodology:

The study was limited to foreigners who travels on international flights and their experience at the check-in counter, boarding gate, and baggage claim area in international airports, Thailand.

Participants

1. The research population was composed of 298 International passengers traveling on international flights from two major airports of Thailand.
2. Random and accidental sampling was executed to obtain the data. The researcher pay attention to determined attributes of population to participate appropriate subjects with questionnaire. Then, the subjects were screened for accuracy by using the following criteria:

Must be a passenger traveling on international flights from two airports and. Must be foreigner/ international traveler. The size of the sample group is the number of qualified subjects. The sample size was derived from the sample decision using the Taro Yamane calculation formula with a sampling error of 95% confidence level ($p < .05$) and a sample size of 298 participants.

Quantitative research was used to evaluate the overall quality of ground staff services at international airports. The authors distributed two sets of questionnaires. Respondents had requested to reply to the first questionnaire and then go for the second one. These questionnaires were adopted, modified according to the study and applied from Fitzsimmons and Fitzsimmons 2011, focusing on the five core dimensions of service quality evaluation: reliability, responsiveness, assurance, empathy, and tangibles. The researcher then created six sub factors for each category to fit the ground staff service context. The contents of the two questionnaires are as follows.

The first questionnaire selected qualified participants for obtaining the research data on “Assessment of Service Quality of Ground Staff at International Airports in Thailand” to determine the qualified participants for data collection, according to a random sample process.

The second questionnaire researched the quality of ground staff services at airports, asking for the opinions of passengers who traveled on domestic flights. The researcher separated the questionnaire into two parts:

Part 1 was a questionnaire on demographic attribute of respondents.

Part 2 was focusses on service quality evaluation of ground staff for international flights. The questions were split into two parts consisting of a passenger's expectation before taking a service and then service perception after taking the service. Each was separated into three staff duties: check-in staff, boarding gate staff, and baggage service staff. Each had 20 questions (both expectation before taking service and service perception after taking service). There were 60 questions in total. Questions on each duty consisted of five main dimensions according to service quality measurement theory from (Fitzsimmons and Fitzsimmons 2011) as follows: 1) reliability, 2) responsiveness, 3) assurance, 4) empathy, and 5) tangibles. The reliability of the questionnaires was tested by using Cronbach's alpha coefficient.

3. Results and discussion

Table: 1. Distribution of low-cost airline passengers based on gender and age.

		Frequency	Percent (%)
Valid	Male	243	81.54
	Female	55	18.46
	Age		
	22-31	127	42.62
	32-41	131	43.96
	42-51	29	9.73
	52 and above	11	3.69
	Total	298	100.0

Source of data: Survey

Table one explores the distribution of visitors according to their gender and age. It was found that 81.54% for the respondents were males and female 18.46 %. Age of the respondents

categorized in to four groups. The table shows that the majority of the respondents are 25-31 years of age 42.62%, 3, 43.96%, 9.73% and 3.69% respectively.

Table: 2. Distribution of international travelers based on country

		Frequency	Percent
Valid	United states of America	71	23.82
	European	47	15.77
	India	82	27.52
	China	89	29.87
	Other	9	3.02
	Total	298	100.0

Source of data: Survey

Above table reveals the ethnicity of the visitors. International respondents are as follows, 29.87%, 27.52%, 23.82%, 15.77 and 3.02 % of Chinese, Indians, Americans, Europeans respectively. A noticeable depletion in Chinese passengers were observed and mentioned they are worried about boat accidents in recent past in the country but it may be for short period. Now, gradually increasing the passengers form India than other countries. Most of the Indian passengers mentioned why they are coming frequently its because of free visa, low-cost airlines with good services and entertainment. Study shows the clear intentions of e passengers towards the service quality with low cost has played significant role to choose the airlines. Most of the Indian travelers mentioned the service qualities at international terminals in Thailand are far better than the in India. According to the passenger’s perceptions, MAA was the least quality service provider (even though we did not ask about these to the passengers themselves mentioned in any others options).

Table: 3. Distribution according to number of travels by low-cost airlines.

		Frequency	Percent (%)
Valid	0-1	127	42.62
	2-3	72	24.16
	4-5	63	21.14
	6 and above	36	12.08
	Total	298	100.0

Source of data: Survey

The above table demonstrates that the distribution of respondents according to their visits. The study revealed that most of the visitors have chosen low cost airlines for the first-time (42.62%), two to three times (24.16 %), four to fifth (21.14%) and 12.0% respectively. This study has clearly indicated that 57.38% of the international visitors travelled repeated in the low-cost airlines. International travelers are showing keen interest on the low-cost airlines with good services.

Table: 4. Distribution according to service quality.

Service quality	N	Min	Max	Mean	SD	Variance	Margin of error (CI 95 %)
Boarding gate staff groomed appropriately	298	0	2	1.54	0.49	0.24	1.547 ±0.0565 (±3.65%)
Check-in staff appropriately attired	298	0	2	1.22	0.41	0.17	1.2248 ±0.0474 (±3.87%)
Baggage service staff appropriately attired	298	0	2	1.14	0.77	0.60	1.1409 ±0.0883 (±7.74%)
Boarding gate staff double checked documents with reference to flights	298	0	2	1.07	0.78	0.61	1.0738 ±0.0893 (±8.32%)
Check-in staff with all necessary equipment services	298	0	2	0.98	0.71	0.51	1.0067 ±0.0811 (±8.05%)

Source of data: Survey

The first dimension of service quality was assessed by tangibles and the inferior dimensions such as assurance, reliability, empathy, and responsiveness of the ground staff of an international airport. The service quality perceptions were ranked in five levels as shown

in table 4. According to the perceptions of passengers, boarding gate staff groomed appropriately has got first position and satisfied with ground staff service at international airport terminals and Check-in staff appropriately attired, Baggage service staff appropriately attired, Boarding gate staff double checked documents with reference to flights, Check-in staff with all necessary equipment services ranked as second, third, fourth and fifth respectively (table.4).

Our findings are in accordance with other several studies, providing superior service quality by understanding customer expectations is critical to success and survival in the most hectic and competitive environment of the airline industry (Gilbert & Wong, 2003; Chen & Chang, 2005). A high level of service quality is essential to gaining and retaining loyal customers (Chang & Yeh, 2002). However, service quality in the aviation industry is widespread Discussed and bad performance is often criticized openly. Mismanaged baggage measured rate reached 6.5 per 1000 passengers in 2006, and arrival rates have fallen significantly over time (Tiernan et al., 2008/1) in US.

In EU, A number of measures have been taken to improve service quality and industry deregulation has given greater rights to delayed or canceled flights to compensate for the airline's failure to provide better service to EU passengers. Since then, the number of complaints has increased as customers feel more power over their own flight experience (Tiernan et al., 2008/1). The deregulation of industry in Europe in the 1990s and in the US in the late 1970s has changed the perception of service quality. Previously, service quality was seen as an administrative variable, such as flight frequency, load factors and aircraft type. (Tiernan et al., 2008/1). However, in today's aviation industry has been liberalized, since then, the main focus of service quality has shifted towards customer satisfaction and loyalty, leading to improved competitive advantage. As service quality is so high, passengers can use it as a basis to ensure the overall quality of an airlines (Rhoades & Waguespack, 1999).

According to Carlzon (1987), the real assets of the airlines are their customers. Jon Carlzon, former CEO of SAS, who led the company from bankruptcy to a profitable and successful customer-driven carrier in just two years, spoke of the importance of customer orientation as a key to business growth and profitability. Carlzon's moment of truth in defining the customer experience and creating customer loyalty is the success of the industry (i.e., the customer's first contact with aviation, remote or personal, aviation customer feedback). In addition, he noted that the quality of services is highly dependent on this first encounter and highlights the power of front-line employees in creating and building customer experience and awareness. Babbar & Koufteros (2008) in agreement with Carlzon results, stated that the contact employees and provides services to the customers are the major visible services.

Our study has evidenced and revealed that overall perceptions of passengers on ground staff services at international terminals. Most of the respondents expressed their satisfaction and views on the quality of ground staff service. Study has revealed that the services at international terminals are up to the expectations of the passengers. However, Check-in staff with all necessary equipment services parameter showed average satisfaction. On the other hand, the overall services are above moderate. Still need to improve the quality services in order to attract the passengers to compete with other counties. A comparative study between specific country and Thailand would be a point worthy to discuss in wide range services to understand the passenger's perceptions towards the service quality in aviation industry. Study did not examine the socioeconomical status of the passengers, services providing to locals, and perceptions based on the different countries. Further studies need to carry out the studies based on the different aspects service quality in the industry to meet the customer satisfactions.

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