

# Critical Role in Determining Effective Strategies in the Airline Industry

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**Abstract** - When it comes to a country's economic development, the aviation industry is both the fastest-growing and most important sector. The movement of people and goods, both locally and across long distances, relies heavily on this factor. The main aim of the study is Critical role in determining effective strategies in the airline industry. Data was collected using questionnaires, interviews, and observations, and the research methodologies often include the processes by which the information was analyzed and interpreted. The purpose of this research was to determine what elements of an airline's service quality and service marketing mix contributed to customer happiness and loyalty on Indian domestic carriers.

**Keywords** - Economic, Effective, Aviation, Domestic

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## INTRODUCTION

When it comes to a country's economic development, the aviation industry is both the fastest-growing and most important sector. The movement of people and goods, both locally and across long distances, relies heavily on this factor. The airline business is a key contributor to the economies of both developed and developing countries. The airline business makes it possible to fly people and goods to their destinations quickly and easily. Intercontinental, continental, regional, and domestic services make up the four broad divisions within the airline industry, whereas foreign routes account for the remaining 36 percent of all flights. The airline business has several positive effects on the economy, including boosting worldwide commerce, tourism, and investment. Yet the significance of this sector is not just linked to the extensive connection; it also contributes to the growth of many industries that rely on airlines, like tourism, lodges, hotels, car hirers, and so on.

"Global connectedness that eventually enhances productivity and economic development in general" describes aviation. In addition, the airline business helps a country's economy by creating jobs, which increases prosperity and reduces issues like poverty and hunger. "Farmers taking control as food-on-board providers or items transported in the cargo to those working in the tourist business -aviation is the biggest employment generator" describes the wide range of professions that are directly or indirectly supported by the aviation industry. In 2011, the aviation industry accounted for 51% of international travel, according to the Global Travel and Tourism Council. There will be an estimated 82 million new employment and \$6.9

trillion in global GDP thanks to the aviation sector by the year 2030.

## LITERATURE REVIEW

**Agrawal, Anshu (2021)** The aviation industry has been severely impacted by the current coronavirus epidemic, which poses a serious danger to the long-term viability of airlines. Massive losses due to halted operations are just part of the reason the business community anticipates a bleak economic downturn. Passenger demand is predicted to decrease by 30–60% as a result of restricted travel, poor tourism, reduced income, compressed business activity, and fear psychosis, threatening the financial sustainability of airlines' operations. Indian airlines need substantial structural adjustments to their operational strategy, business model, revenue, and pricing strategies to survive the long-term effects of Covid-19, which are too great for them to bear on their own. This paper makes an effort to examine the effects of the shutdown and covid issue on India's aviation industry, as well as the difficulties that lie ahead. The study also provides a potential solution for minimizing the inevitable losses.

**Xuan, Xiao & Khan, Khalid & Su (2021)** Consumer confidence plummets and the economy collapses as a result of the widespread fear caused by the epidemic. So, the purpose of this research is to use the vector autoregression (VAR) approach to examine the influence of the corona (COVID-19) on the airline industry's revenues (ALR) and revenue prediction. Two of the most significant predictors of ALR were found to be GDP and air freight. The results of the projections investigate whether or not ALR will decrease and return to pre-COVID-19 levels

by the year 2023. The V-shaped and U-shaped patterns are similar to our findings, suggesting a gradual recovery with increased lockup and delayed border revelation. The government may reestablish trust by enticing airlines to resume service with economic stimulus packages. In addition, taxes and overflight levies may be lowered, and the criteria for passengers requesting a refund on an unused ticket can be loosened. As important for successful implementation are the globally accepted standards, and any government action taken temporarily should have an obvious way to roll it back. The study's main drawback is the dearth of applicable prior research and data.

**Singh, Anubhav (2016)** There has been a paradigm shift in the aviation sector in India since since the airlines were deregulated in 1994. Because of this, individuals in India now travel differently than they used to. The necessity for aviation maintenance has grown in recent years due to the proliferation of private airlines and aircraft. The Low Cost Carrier business model in commercial aviation has also created opportunities for independent MRO businesses (MRO). The business model of low-cost carriers calls for only line maintenance to be performed in-house, while Independent MROs handle all other maintenance tasks. There will be more chances for entrepreneurs to get into the aviation repair industry as older planes need more frequent attention. As a result of increased competition, airlines and charter services are looking for ways to reduce expenses. Given the importance of maintenance to the overall cost of operating an aircraft, it makes sense to have MROs in close proximity to the aircraft's home base or key hub. Air Charter in India benefited from the liberalization of the airspace, which allowed small business planes to travel freely around the nation. Business travel has switched from using commercial aircraft to using private jets due to the rise of the wealthy business class in the previous two decades, driving up demand for air charter. Charter or private plane travel is not only convenient, but also offers the added bonus of privacy and comfort. Because of the legal and operational hurdles associated with owning an own jet, many young, wealthy businesspeople would rather rent a charter instead. Depending on their demands and the airports they want to use, clients may choose from a variety of charter flights.

**Jain, Ravi & Natarajan, Ramachandran (2015)** The purpose of this research is to examine the technological and scale efficiencies of all Indian airlines operating between 2006 and 2010, regardless of service type, size, or ownership structure. Data Envelopment Analysis (DEA) employs the two-input, two-output variable returns to scale (VRS) model. The DEA Input Efficiency Profiling (IEP) model is also utilized for further understanding. The main findings are as follows: most low-cost airlines are efficient; public airlines, both large and small, are efficient; public airlines are operating at their most productive scale size, despite incurring financial losses; of the two inputs, there is greater inefficiency with respect to

operating cost input. These results are in accord with those of previous research on the efficiency of airlines, which has shown that company size, service type, and ownership all matter.

**Pathak, Atul (2015)** The bankruptcy of Kingfisher Airlines is the subject of this essay, which examines the lessons to be drawn from the company's demise (KFA). The report delves into the major causes of KFA's demise. It chronicles the strategic moves made by KFA during the course of its existence. It focuses on the major flaws that it had and how they led to its downfall. It gives advice on how other businesses should avoid KFA's mistakes. KFA committed several tactical errors. It altered its business model regularly and without good reason. This company wasted resources on useless products and services. The owner's flamboyance served as a strategic blinder. Moreover, it took too long to see the signs. KFA did not act with sufficient haste to remedy the challenges it faced, even though obvious warnings were apparent of the looming disaster it faced. Businesses should zero down on one core competency rather than trying to satisfy everyone's needs. Businesses that learn what their consumers care about and tailor their operations to meet those needs have a better chance of staying in business. It recognizes the fact that airlines must strike a balance between the needs of many constituencies. The company's stakeholders consist of its leadership, staff, customers, regulators, and vendors. KFA failed to accomplish this reliably, and as a result, it was unable to compete in India's fast-paced aviation sector. The article considers the background of India's rapidly evolving aviation sector. It's a highly competitive market with frequent legislative changes and dismal industry profitability. Companies like KFA that do not have a clear and consistent strategy have a hard time succeeding in such an environment. The report explains the difficulties the businesses are having and suggests solutions to help them survive in the long run.

## METHODOLOGY

Research techniques, which generally include the process used to collect, analyze, and interpret the data acquired, are an integral part of the study design. Nine domestic airlines (Air Asia, Air Costa, Air India, Go Air, Indigo, Jet Airways, Jet Lite, Spice Jet, and Vistara) were analyzed using a survey questionnaire tool to determine the most important factors influencing customer happiness and loyalty. Quantitative survey data from 1060 participants was analyzed using statistical software, yielding useful insights. So, primary data results might be used to develop a theoretical model to evaluate the factors influencing the connection between the variables. Characteristics of a population or phenomena are described in descriptive studies. Descriptive questions were more structured and relied on giving an accurate portrayal or account of characteristics like attitude, behavior, opinions, beliefs, and knowledge of a particular individual, company,

service, or group, and required the respondent to describe a problem, context, or situation.

**Pilot study**

After making sure the survey questionnaire was free of any factual errors, the following stage in the validation procedure was to determine how reliable the instrument was. Empirical information was necessary for the reliability analysis to be carried out. Hence, we tested a set of factors related to the marketing mix, quality, customer happiness, and loyalty of airline services with 30 participants in pilot research.

**RESULTS**

Primary data was gathered by survey questionnaire and analyzed. We utilized inferential statistics to examine the dependent variable using Multiple Regression, and descriptive statistics to illustrate the demographic traits using frequency and percentage estimates.

**Demographic Details Of Airline Passengers**

The unique characteristics of the variables under examination have guided the categorization of the primary data. The 1060 respondents' demographic information (airline passengers' basic data) was shown as a frequency distribution and a percentage.

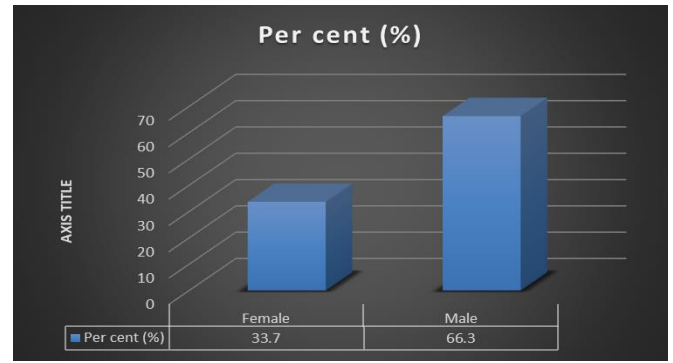
- Gender of the respondents**

One of the key characteristics of the travelers was their gender. Gender was added as a profile element since it may influence passengers' expectations and perceptions of the services they get from airlines. It was determined how many passengers there were of each gender (Table 1).

**Table 1: Gender of the respondents**

Gender	Frequency (No.)	Per cent (%)
Female	357	33.70
Male	703	66.30
<b>Total</b>	<b>1060</b>	<b>100.00</b>

There were a total of 703 male respondents in the study's gender analysis of passenger information, whereas there were only 357 female respondents. Males accounted for 66.3% of the 1060 respondents, indicating that male travelers were overrepresented in the sample (Table 1 and figure 1).



**Figure 1: Gender of the respondents**

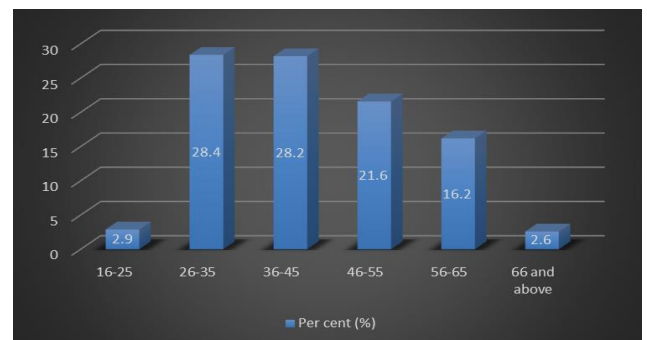
- Age group of the respondents**

Another critical component of the demographic profile of the travelers was their age bracket. Since passengers' perspectives, experiences, and expectations may change with age, age is one of the primary profile factors. Passengers were analyzed for their gender breakdown (Table 2).

**Table 2: Age group of the respondents**

Age Group	Frequency (No.)	Per cent (%)
16-25	31	2.90
26-35	301	28.40
36-45	299	28.20
46-55	229	21.60
56-65	172	16.20
66 and above	28	2.60
<b>Total</b>	<b>1060</b>	<b>100.00</b>

Six age ranges were established, from 16 to 25, 26 to 35, 36 to 45, 46 to 55, 56 to 65, and 66 and above. There were 301 people (28.4% of the total) in the age range of 26–35, 299 people (28.2% of the total) in the age range of 36–45, 229 people (21.6%) in the age range of 46–55, 172 people (16.2% of the total) in the age range of 56–65, 31 people (2.9%) in the age range of 16–25, and 28 people (2.6%) in the age range of 66 and up. Figure 3 shows that the majority of air travelers in this survey were less than 35 years old.



**Figure 2: Age group of the respondents**

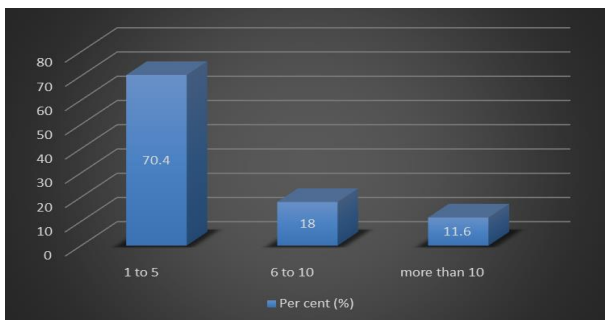
- **Number of time flown in the past one year by the respondents**

Information on passengers who flew on domestic airlines throughout the last year was gathered for this study, which spans February 2015 to March 2016. The information gleaned from the survey participants in this respect (Table 3).

**Table 3: number of time air travel of the respondents**

Number of times flown	Frequency (No.)	Per cent (%)
1 to 5	746	70.40
6 to 10	191	18.00
more than 10	123	11.60
<b>Total</b>	<b>1060</b>	<b>100.00</b>

Responses were categorized as "1-5 times a year," "6-10 times a year," or "more than 10 times a year" for those who fly at least once a year. Seventy-four (70.4%) of the 1060 respondents traveled once a year or less, 191 (18%) traveled between six and ten times a year, and 123 (11.6%) traveled more than ten times a year (Figure 3).



**Figure 3: number of time air travel of the respondents**

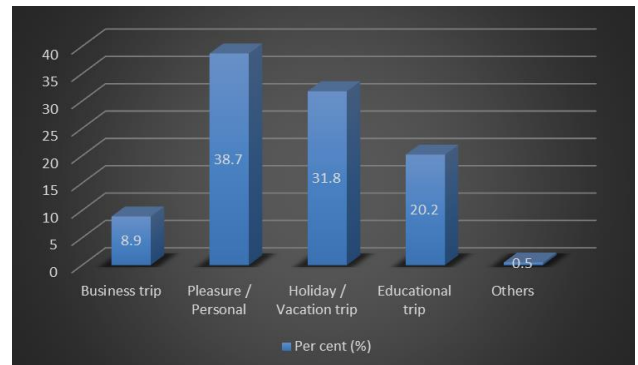
- **Purpose of visit of the respondents**

The travelers' educational background and occupational status were strongly correlated with their stated purpose of travel. Although some of them may be on business trips, the vast majority will likely be on holidays. So, the demographic profile that follows places a premium on the reason for the visit (Table 4).

**Table 4: Purpose of visit of the respondents**

Purpose of Visit	Frequency (No.)	Per cent (%)
Business trip	94	8.90
Pleasure / Personal	410	38.70
Holiday / Vacation trip	337	31.80
Educational trip	214	20.20
Others	5	0.50
<b>Total</b>	<b>1060</b>	<b>100.00</b>

Five distinct categories of respondents were created based on their stated reasons for visiting. Of the total responses, 337 (31.8%) were more interested in taking a vacation or holiday, 94 (8.9%) were there for business, and the other 5 (0.5%) were there for some other reason (Figure 4).



**Figure 4: Purpose of visit of the respondents**

**Chi-Square Test**

To examine the association between two category (nominal or ordinal) variables while potentially controlling for other layered factors, cross tabulation was used. Nominal and ordinal data could be tested for independence, and measures of association and agreement could be taken advantage of using the cross-tabulation method. In addition, it calculated the relative risks associated with an event's occurrence in the presence or absence of a given attribute. The chi-square test determined the degree of discordance between the actual cell counts and those predicted by randomization of the rows and columns. Independent variables were the frequency with which each element was mentioned by respondents as having an impact on marketing choices and market circumstances. To further understand the relevance of passenger basic information and different domestic airline attributes, a chi-square test was used (Table 5).

**Table 5: Information on airline passengers, summarized in crosstabs, including demographic details and preferred carrier**

Case Processing Summary	Cases					
	Valid		Missing		Total	
	N	Percent (%)	N	Percent (%)	N	Percent (%)
Gender * Choice of Airline	1060	100.0	0	0.0	1060	100.0
Age Group * Choice of Airline	1060	100.0	0	0.0	1060	100.0
Nationality * Choice of Airline	1060	100.0	0	0.0	1060	100.0
Educational Qualification * Choice of Airline	1060	100.0	0	0.0	1060	100.0



Profession * Choice of Airline	1060	100.0	0	0.0	1060	100.0
Monthly Income * Choice of Airline	1060	100.0	0	0.0	1060	100.0
No. of time flown * Choice of Airline	1060	100.0	0	0.0	1060	100.0
Purpose of visit * Choice of Airline	1060	100.0	0	0.0	1060	100.0

**Table 6 Analysis of the Role of Gender in Airline Preferences**

		Airlines Wise									Total
		AirAsia	Aircosta	AirIndia	Goair	Indigo	Jetairways	Jetlite	Spicejet	Vistara	
Gender	Female	22	7	41	60	137	42	13	28	7	357
	Male	33	16	71	82	273	105	37	78	8	703
Total		55	23	112	142	410	147	50	106	15	1060

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.883 <sup>a</sup>	8	0.116
N of Valid Cases	1060		

Table 6 shows that both men and women have strong preferences for certain domestic airlines. The table's Chi-Square test yielded a p-value that was statistically significant higher than 0.05, at 0.116. Male respondents favored Indigo, JetBlue, JetAirways, GoJet, AirIndia, SpiceJet, AirAsia, Jetlite, AirCosta, and Vistara in descending order, as shown by the findings. So, according to the Chi-square test, the study of the airlines shows no correlation between the sexes.

**CONCLUSION**

The purpose of this research was to determine what elements of an airline's service quality and service marketing mix contributed to customer happiness and loyalty on Indian domestic carriers. The findings of this research have substantial implications for the design of airline service quality and service marketing mix strategies, allowing airline management to better manage their airline services in a competitive environment.

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